



A Message from the Mayor

April 2023 Mayor's Newsletter: the Budget Issue

April, 5 2023

Dear Village of Millbrook Residents,

One of the most important responsibilities of the Board of Trustees is to set the annual budget for the next fiscal year (FY). As is true of all villages in NYS, the Village of Millbrook (VoM) FY runs from June 1st of each year to May 31st of the following year. To prepare and mail tax bills by June 1st, there must be a public hearing of the budget by April 15th and board approval by May 1st. The VoM Board of Trustees has been working with the clerks and department heads to prepare the budget for FY 2023-2024 by doing a line-by-line review of expected expenses and revenues for 6/1/2023 to 5/31/2024. I intend to hold a public hearing and vote on the budget at the next board meeting on Wednesday, April 12th at 6:00 pm at the Millbrook Firehouse.

Tim Collopy
Mayor, Village of Millbrook

Budget 2023-2024

Village of Millbrook Budget Goals

1. Stay under the NYS tax cap.
2. Increase the Village's General fund balance.
3. Support ongoing expenses with ongoing revenues.
4. Ensure that the budget encompasses all expected operational expenses for the fiscal year.
5. Anticipate and include budgeting for infrastructure, facility and equipment upgrades or replacements.
6. Ensure that user fees cover the cost of those activities.

7. Maintain each of the water and sewer operations as “stand-alone” budgets so that all expenses to run and administer the water service is paid by revenues from the quarterly water bills; same for sewer.
8. Monitor actual results vs. budget at least monthly so issues are addressed quickly throughout the year.

Background

At the beginning of 2021, the NYS Controller’s Office rated the VoM financial status as “Susceptible to Fiscal Stress” because of repeated occurrences in which annual expenses exceeded annual revenues, thereby depleting our fund balance to unsafe levels. We took significant steps in the FY 2021-2022 budget to reduce spending, increase taxes and grow our fund balance and we have just received our 2nd annual notification of “No Designation” rating from the Controller’s Office – we’re on the right track.

A municipality needs a healthy fund balance for at least 3 reasons that I can think of: 1) so there is always sufficient cash on hand to pay its bills, 2) to handle unforeseen/extraordinary events which have an adverse financial impact, and 3) to pay for capital improvements that will be reimbursed by external grants only after project completion. In the past 2 years we have grown the Village’s General fund balance to \$450K and, because of a combination of operational decisions and 1-time events, the outlook for the close of the current FY (2022-2023) is to again be able to increase our General fund balance, because total revenues will exceed total expenses at the end of this fiscal year.

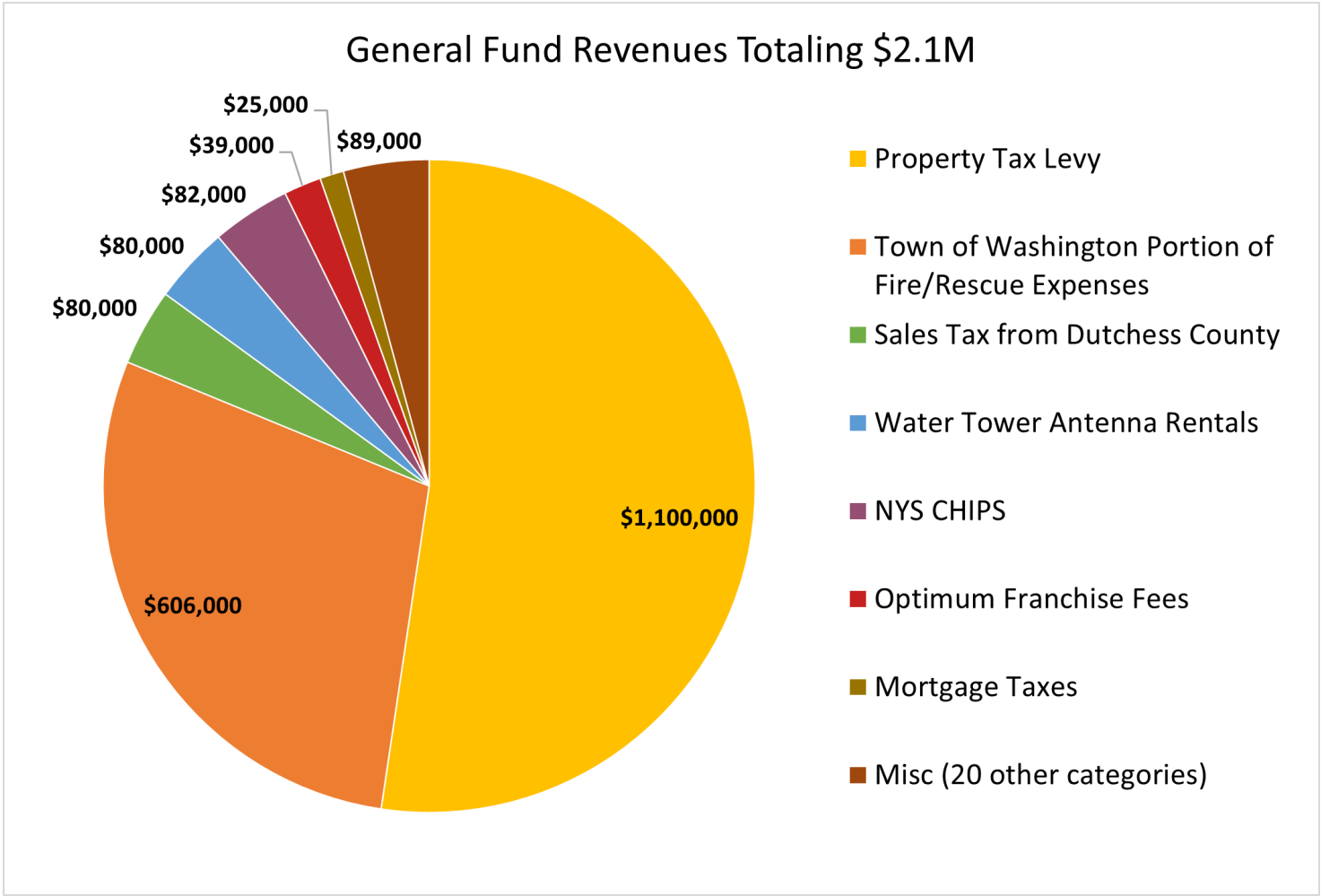
FY 2023-2024 Budget Summary

The proposed General Fund budget for the next FY has the following attributes:

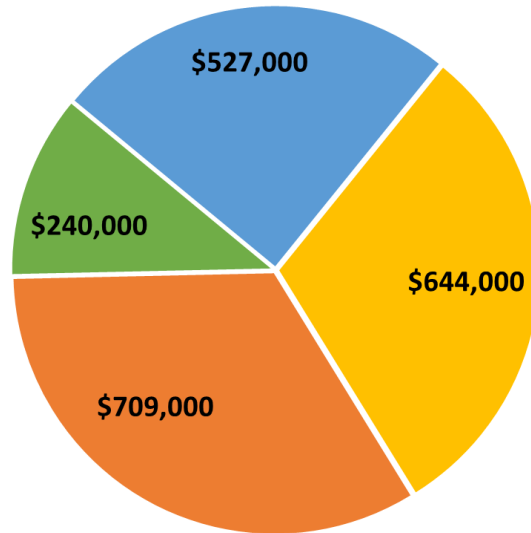
1. 2% increase in the property tax levy, thereby not exceeding the tax cap.
2. Total expenses of \$2.1M paid by a \$1.1M tax levy + \$1.0M “other revenue”.
3. 3% increase in employee salaries.
4. Re-pave Reservoir Drive using NYS CHIPS funds.
5. Increase police coverage by 4% to have dedicated admin time for the Officer-in-Charge.
6. Increase of \$15K in the annual contribution to the FD apparatus reserve.
7. Budget the replacement of the Asst Fire Chief’s pickup and the oldest dump truck.
8. Replace Firehouse assembly room windows.
9. Start a reserve fund for future tennis court repairs/maintenance.
10. Increase annual funding for tree plantings in the Village.

Although the levy increases 2%, the tax rate will increase from \$4.85 to \$5.03 per \$1000 of assessed property value (+3.7%). This is because the total assessed value of properties within the Village decreased from last year due to the conversion of the Bennett Park and Thorne Building properties to tax-exempt status as a 501(c)(3). This requires a re-allocation of the tax levy to the remaining taxable properties, which is a small price to pay for what the Millbrook Community Partnership is doing to convert the eyesore that was Bennett College into a beautiful park at the entrance to our Village. Note that individual property assessment changes (if any) can further affect the individual tax bill.

These 2 charts show the General Fund sources of our revenue and the major categories of our expenses for FY 2023-2024:



General Fund Expenses Totaling \$2.1M



■ Front Office ■ Fire/Rescue ■ Police ■ Public Works/Highway

59% of the Fire/Rescue Budget is for the 24/7 ambulance service contract w/NDP

The proposed Water Fund budget requires a 3.5% increase in water rates effective 6/1/2023 to keep it “stand alone”. Expected revenues from water bills will cover expected total water expenses (administration & operation) of \$353K for the FY 2023-2024.

For the Sewer Fund budget, we have decided to increase the Sewer Special Benefit Assessment (SBA) from \$50K to \$61K so the Sewer budget also continues to be “stand alone”. The SBA is a fund that recognizes the need to continue making capital investment in our sewer operation independent of usage, so this is a separate line on your Village property tax bills called “Sewer Assessment.” This is added to the expected revenues from sewer bills to cover the total expected sewer expenses of \$392K for FY 2023-2024.

Outstanding Debt

The following is the list of debt obligations carried by the Village within the General Fund:

Reason for expense	Type	Duration	Next annual payment (principal & interest)	Last payment
Village Hall oil spill	\$860K Bank bond	20 years	\$58K	2030
Front St retaining wall	\$150K Bank bond	10 years	\$17.5K	2032
Firehouse roof	\$85K Contract w/FD	5 years	\$14K	2026

Police cruiser	\$35K Bank bond	5 years	\$9K	2025
Dump truck	\$94K Bank bond	5 years	\$24K	2024
FD Chief's pickup	\$50K Bank bond	5 years	\$15K	2028

The following is the list of debt obligations carried by the Village within the Water Fund for the improvements to our water system that were completed in 2021:

Type	Duration	Next annual payment (principal & interest)	Last payment
\$500K Bank bond	10 years	\$56K	2026
\$550K Bond Anticipation Note (BAN)*	7 years	\$10K (Interest only)	Convert to 10-year bond in 2026
\$200K BAN	7 years	\$2K (Interest only)	Convert to 10-year bond in 2027

*A BAN is a 1-year debt issued by a bank that can be rolled over for up to 7 years at which time it must be converted into a bond. BAN payments are interest-only, so the face value does not decrease.

The following is the debt obligation carried by the Village within the Sewer Fund:

Reason for expense	Type	Duration	Next annual payment (principal & interest)	Last payment
Bennett Park sewer pump	\$250K Bank bond	10 years	\$29K	2032

Questions?

Line-by-line details of the tentative budget are currently posted on our website within the "[Meeting Docs](#)" tab. Do not hesitate to contact me at villageofmillbrookmayor@gmail.com, call the office or attend the public hearing on April 12th if you have any questions or comments.