

2019 Preliminary Budget Summary

Compensation

Salaries and wages were increased 2% as a cost-of-living adjustment.

Proposed salaries of elected officials:

Town Supervisor	\$18,952
Town Councilperson	\$2,342
Town Clerk	\$33,800
Highway Superintendent	\$64,730
Justices	\$11,636

The hourly wage rate for part-time employees was adjusted to \$15.41/hr, reflecting the 2017 Tompkins County Living Wage of \$15.11/hr with a 2% cost-of-living adjustment for next year.

Capital Improvements and Long-term Fiscal Planning

Old Town Hall - following past practice, \$30,000 was budgeted for the Town Hall Capital Reserve for improvements to the Old Town Hall.

Highway Barn - Also following past practice, \$65,000 was budgeted for the Town Highway Barn Reserve Fund for improvements to the Highway Garage.

Highway Equipment - We budgeted \$268,000 for needed highway truck replacements. These funds will be important as we renew our capital replacement plan for highway equipment.

Caroline Fire Protection

The contracts for fire protection services for the Caroline Fire Protection District were up 2% for both the Speedsville Volunteer Fire Co. and the Brooktondale Fire District.

Budget Comments

The tax levy for town tax items (General Fund, Highway Fund, Caroline Fire Protection, and Street-lights) is increased over 2018 by 1.25%, which is \$53,369 below the Tax Cap. For a \$200,000 property, the Preliminary Budget would result in town taxes with the two special districts increasing by about \$7.

- For General and Highway Funds combined, the Preliminary Budget uses \$230,000 of Reserve Funds (Fund Balance) to reduce the levy amount. For the services provided by these two town-wide funds, the resulting levy change is nearly flat at 0.3%. With an increase in Total Assessed Value of Caroline properties of 1.3%, the combined tax rate for General and Highway Funds declines by about 1%.
- Employee Health Insurance costs will increase in 2019 by 5.6%. Premium costs will go down with transition to a high-deductible plan, but Health Reimbursement Arrangements (HRAs) to cover employee out-of-pocket expenses are an added cost in 2019. Going forward we expect savings to the Town from the high-deductible plan combined with HRAs.
- The Caroline Lighting District levy increases by a factor of 2.2 to provide funds for purchase of street-lights from NYSEG. For a \$200,000 property, this increases taxes by \$11. This is our next step in converting our streetlights to LEDs, which will reduce town costs for streetlights by 50-60% and energy use by 60-80% going forward.

We are budgeting and planning for future capital expenses and attention to maintaining a responsible amount of reserves. A rule of thumb is to maintain a Fund Balance of at least 20% of budgeted expenditures, enough to finance town operations for about two months, for instance, in the interval between January 1st and the deposit of tax revenues. With this Preliminary Budget I project a Fund Balance for General and Highway Funds combined of about 30% of 2019 budgeted expenses.