

## 2019 Budget Summary

### Compensation

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

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

Buildings & Grounds Capital Reserves - following past practice, we budgeted \$30,000 for the Town Hall Capital Reserve for improvements to the Old Town Hall and \$65,000 for the Town Highway Barn Reserve Fund for future improvements to the Highway Garage.

Highway Equipment - We budgeted \$268,000 for needed highway truck replacements. \$218,000 will be used to purchase a new truck in 2019 and the remaining \$50,000 will add to the Highway Equipment Reserve Fund for future needs.

### Caroline Fire Protection

The contracts for fire protection services for the Caroline Fire Protection District increased by 5.4%. Speedsville Fire Company and the Brooktondale Fire District proposed budgets with 2% increases; the town board budgeted an additional \$736 to restore the Caroline Fire Protection District fund balance because of underbudgeting for Workers' Compensation in 2018 and \$2,000 to provide reserve funds for non-reimbursable expenses for recertification training for volunteer firefighters.

### Budget Comments

The tax levy for town tax items (General Fund, Highway Fund, Caroline Fire Protection, and Streetlights) is 1.29% greater than for 2018, which is \$52,620 (2.97%) below the Tax Cap. For a \$200,000 property, the Preliminary Budget will result in town taxes with the two special districts increasing by about \$10.

- For the services provided by General and Highway Funds, the levy change is nearly flat at 0.2%. With an increase in Total Assessed Value of Caroline properties of 1.3%, the combined tax rate for General and Highway Funds will decline by 1.16%.
- 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 2.25 to provide funds for purchase of streetlights from NYSEG. This is our next step in converting our streetlights to LEDs, which will reduce town costs for streetlights by 50-60% (approximately \$7,700 annual savings) 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 budget, our fund balance for General and Highway Funds combined will be about 29% of 2019 budgeted expenses.