

## Gallatin Town Budget- 2016 Overview

### Are my taxes going up?

1. The Town is staying in the mandated State cap which will allow Town residents to get the refunds due for having your Town, County and School all stay under the Cap. The Cap this year was .07%. So the tax levy went up by that much plus a growth factor. Overall, complicated formulas aside, the Levy increased about 1% or about \$4,000 for the Town as a whole. Your individual tax rate may have actually gone down. As Gallatin has stayed under the Cap since its inception while we have added over \$20,000,000 in assessed value- (new houses and redone houses) to the tax rolls. This is about an increase of 6-7% of the overall Town valuation during a time that the tax levy went up maybe 3% over 4 years. The result is a lower tax rate on your bill. We cannot count on large estates being constructed annually but recent history has trended towards low cap limits and large estates coinciding to reduce the Town tax rate.

### What did we do different this year?

1. Well, for starters – the budget did NOT go up by \$83,000. This increase is simply a switch of highway reserves back to the general side so that the Town can establish proper reserves going forward.
2. **What did we raise expenses on and where did we get the money if taxes are not going up?**
  - a. Well, health care expenses went up and we added health benefits for our Town Clerk, as we were the only town not to have them. Town liability Insurance went up 3-5% but we do have an amazingly clean claims record so we have kept that category somewhat under control. We also set up a private retirement budget for our Highway staff and Town clerk. We intend to match 3%. Gallatin is not in the State Retirement system so we are trying to offer a reasonably priced alternative for our employees. The total cost of this program will be \$7-9,000 a year, depending on who chooses to participate.
  - b. On the Highway side, we increased road repair by \$25,000 as we try to keep up with the theory of repairing and re-topping 10% of our roads and culverts each year. 50% of this budget plan comes from increased “CHIPS” money- contributions from the State. It is hoped the State will use some of its one-time settlements with the banks to also increase road and bridge infrastructure funding in the next few years.
  - c. We also increased the budget for snow removal as that has been trending higher the last few years- mainly due to increased storm

numbers; but also due to better tracking of expenses related to actual snow removal and the increased costs of sand and salt mixtures.

- d. We got the money for these increase mainly due to sales tax revenue being higher in recent years which somewhat offset a large decrease in court ticket revenue over the last five years. It is also a product of a more detailed budget; we are presenting a second balanced budget for 2016.

**3. What about that Highway Building addition - how did we pay for that?** Not from raising current taxes. We will invest about \$200,000 in getting the Highway Garage able to house all machinery from the weather and provide interior space for storage and repairs. We are also fixing the roof and some items on the current building. We are paying for this from the sale of the old garage building on Route 11, which raised \$130,000, and from a building reserve account set up for this purpose.

**4. What else are we saving for?**

- a. The Court Building is done and the Highway Garage is redone. The Court parking area needs work but otherwise those two important town assets are in excellent shape. After we address the court lot; we will turn attention to overdue maintenance at the Town Hall, which is 15 years from last addition and many more since the Schoolhouse section was attended to. We recently replaced the furnace (which was long overdue) and the copier (it was a museum piece). Fraser Patterson and Lisa Deleeuw worked on a grant in 2015 which will (among other items) allow for a public use computer in the Town hall that will be geared to help resident with land use questions, site planning, town history and other features. If the Town shows support for the idea, we will next look for grants and private funding to help build a community room for the Town residents at the Town Hall site, so we can again have a place where civic groups and senior programs can take place. We could then use the old school room, fixed up a bit, for weddings, anniversaries and family milestones. The new room would have kitchen features for theses events. This project will not come from a tax raise.
- b. The Board is making sure we are in a position to replace highway equipment as needed as these are large ticket items. Over the last two years we replaced an old Plow with a new multi season truck, replaced a truck bed and a pick-up/plow; all using saved funds. In our current reserve fund planning, we have saved for a backhoe to replace our 1995 model, a pickup we will need in 2-3 years to replace our 2011 model and we are starting to save for the next plow to replace our 1997 International in 4-5 years. These expenses are already in our reserves to which we added approximately \$45,000-\$50,000 in 2015 from

unexpected revenues- increase in sales tax above budget, an uptick in court fees and a couple large building permit fees. In 2016 we added \$10,000 to the budget to begin to save for equipment we will need in 7-10 years so we will not have a big unexpected tax increase at that future date.

**Overall,** Gallatin has always been a conservative spending Town with the lowest overall tax burden in the County. The Town website has a NY State study done through 2013-2014 that shows those numbers and how the State Comptroller looks at overall tax burdens. Our past boards and Supervisors have done a good job in keeping the budget in line. Today, we have the Cap and we face increases in healthcare and liability insurance as an annual burden. Next year, we expect lower gas prices to decrease sales tax and we will face that challenge with a greater knowledge using a budget balanced to actual revenue. If you have any further questions, please come to the Budget hearing on November 5<sup>th</sup> at 6:30 pm or email me at [gallatinsuper@icloud.com](mailto:gallatinsuper@icloud.com).

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