

# TOWN OF NORTH SALEM 2024 TENTATIVE BUDGET



Re: North Salem Town, Highway and District Budgets  
Date: October 30<sup>th</sup>, 2023  
From: Warren J. Lucas, Town Supervisor

The 2024 Tentative Town Budget is attached. It supports the Town's major goals and has a tax increase of 2.320% and is under the NYS Tax Cap. Not everyone is in a sewer or water district but everyone pays the tax on the General and Highway levy. These two budgets have a have tax increase of 2.366% and an overall *tax rate increase* of -7.965% based on our tentative assessment rate. The rate is negative comparing it to last year's tax rate simply because property values increased so much in 2024.

2024 <b>Tax Rate</b> Increase for General and Highway =====>	<b>-7.965%</b>
2024 <b>Tax</b> Increase for General and Highway =====>	<b>2.366%</b>
2024 Tax increase for all district budgets =====>	<b>2.320%</b>
2024 Tax Increase without new Pabst Water District =====>	<b>2.320%</b>

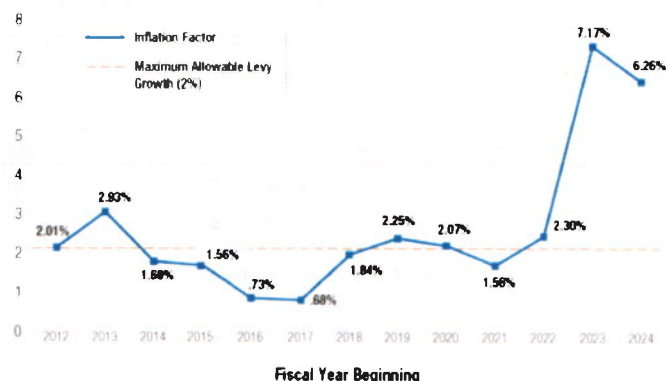
The Tentative Budget is the first step in the process. The 2024 *Tentative Budget* is the budget put together by the Town Supervisor and given to the Town Clerk by October 30st. The budget then goes through two additional phases. The Town Board will discuss and possibly alter the budget creating the Town *Preliminary Budget*. The *Preliminary budget* will be put forth to the Townspeople at a public hearing probably towards the end of November or early December and anyone is allowed to comment. That public hearing may be set to any date prior to the Town Budget's mandatory approval date of December 20th. After the public hearing, changes can be made and the *Final Budget* will be voted on and approved by the Town prior to December 20th.

Our Town wide budget contains two individual budgets, the General and Highway budgets, which everyone in North Salem pays. It also includes nine individual district budgets. These district budgets are paid by the people living in the district and include things such as; water, sewer, lighting and park districts.

The Town budget funds all of the items the Town spends money on each year. It does not necessarily fund capital improvements which is laid out in a longer term spending plan. Roads and certain vehicles capital expenses such as police cars are often included in the budget yearly as they are in the 2024 budget.

The total value of the budget is compared to last year's budget and that is evaluated against the NYS TAX CAP legislation which sets an allowed percentage increase based on a number of factors. The NYS TAX CAP adds up all budgets; General, Highway and District budgets when

Tax Cap Inflation Factors for Calendar Fiscal Year Local Governments  
2012-2024



calculating the total allowable tax cap:

The tax cap formula for North Salem is ;

$$\begin{aligned}
 & \left( \text{The 2023 taxes of } \$7,329,462 \text{ less any omitted taxes which is } \$614.56 \right) \\
 & + \\
 & \left( \left( \text{The TAX CAP \% given to us by the State Comptroller's office. For 2024 it is 2\%} \right) \right. \\
 & \times \\
 & \left. \left( \text{A growth factor of 1.0065 which is the new assessable properties since the previous} \right. \right. \\
 & \left. \left. \text{year is also added onto the 2\% tax cap num.} \right) \right) \\
 & + \\
 & \left( \text{The carryover from 2023 of the amount not used last year to put the budget together} \right. \\
 & \left. \text{plus any restored or omitted taxes} \right) \left. \right)
 \end{aligned}$$

$$\text{Tax cap} = ((\$7,329,462 - 614.56) \times (1.02 \times 1.0065)) + \$7,934$$

$$\text{Tax Cap} = \$7,531,948$$

The 2024 preliminary budget has a tax increase of **2.32%** or **\$170,044** which is \$32,442.27 under the tax cap. The total ALLOWABLE tax for all budgets is **\$7,531,948**. 2024 tax of \$7,531,948 - 2023 tax of \$7,329,462 = **\$202,486** (Also note that the above \$170,044 + \$32,442 = \$202,486)

Description	Tax Cap	Taxes by Fund	2024 Tax	2023 Tax	2022 TAX	2021 TAX	2020 TAX	2024 to 2023 Tax Delta	2023 tax increase
Total Tax for 2024	\$ 7,499,505.93	General Tax	\$ 4,429,370.46	\$ 4,199,653.14	\$ 4,592,085.64	\$ 4,022,466.93	\$ 3,821,978	\$ 229,717	5.47%
2023 Taxes	\$ 7,329,461.56	Highway Tax	\$ 2,557,673.36	\$ 2,625,880.10	\$ 1,971,417.36	\$ 2,408,087.46	\$ 2,608,742	\$ (68,207)	-2.60%
2024 Tax cap percentage	1.0200	Total of above ==>	\$ 6,987,043.82	\$ 6,825,533.24	\$ 6,563,503.00	\$ 6,430,554.39	\$ 6,430,720.17	\$ 161,511	2.37%
2024 Growth factor	1.0065	Peach Lake Sewer Dist.	\$ 267,043.84	\$ 264,543.84	\$ 261,361.24	\$ 267,443.64	\$ 265,348.42	\$ 2,500	0.95%
Available carryover from 2023	\$ 7,934.00	Croton Falls Water Dist.	\$ 68,306.25	\$ 68,306.25	\$ 66,826.46	\$ 64,717.46	\$ 57,000.00	\$ -	0.00%
2023 Restored Gen. Fund tax (Karen R.)	\$ 614.56	Candlewood Water Dist.	\$ 37,291.80	\$ 37,091.80	\$ 37,090.80	\$ 36,041.40	\$ 36,000.00	\$ 200	0.54%
Total 2024 taxes allowed under tax cap	\$ 7,531,948.20	Sunset Ridge Water D.	\$ 85,736.43	\$ 85,736.43	\$ 84,818.89	\$ 72,498.51	\$ 66,054.01	\$ -	0.00%
Total tax increase allowed for 2024	\$ 202,486.64	Candlewood Lake Park D	\$ 14,083.79	\$ 10,263.00	\$ 10,263.00	\$ 10,000.00	\$ 6,400.00	\$ 3,815	37.15%
Tax Cap Used	\$ 170,044.37	Salem Acres Water Dist.	\$ 28,000.00	\$ 27,381.00	\$ 22,350.51	\$ 18,000.00	New District	\$ 619	2.26%
Tax cap left	\$ 32,442.27	Pabst Water System	\$ -	New District					
		Croton Fall Lighting District	\$ 7,000.00	\$ 6,600.00	\$ 6,000.00	\$ 6,700.00	\$ 8,000.00	\$ 400	6.06%
		Purdys Lighting District	\$ 5,000.00	\$ 4,000.00	\$ 4,000.00	\$ 3,600.00	\$ 4,000.00	\$ 1,000	25.00%
		All District Taxes	\$7,499,505.93	\$ 7,329,462	\$ 7,056,214	\$ 6,909,555	\$ 6,873,523	\$ 170,044	2.32%
		Allowed Tax Cap with carryover =====>	\$ 202,486.64		Under Tax Cap by \$32,442.27			\$ 170,044	<= Good

Updated chart from 2024 Preliminary Budget with minor changes in tax rates. The Pabst Water System shows \$0 in taxes but will have water usage fees leveled in 2024 of about \$65K. Taxes cannot be levied as they are not currently a district and will not be until 2024.

Taxes supply the majority (61%), but not all of the revenue needed to run North Salem. Approximately 39% of the revenue for the total Town taxes comes from non real estate tax items such as; sales tax, mortgage tax, fund balance, court fees, building inspection fees and other fees.

Total revenue all sources: Town Budget	2024	2023	2022	2021	2020
Amount of budget from real estate taxes =>	61.16%	59.29%	60.37%	67.38%	66.95%
Amount of budget from other sources =>	38.84%	40.71%	39.63%	32.62%	33.05%

Chart showing the amount of revenue from tax and non tax sources for the last 5 yearly budgets.

## Major North Salem Non tax revenues lines over \$50,000

Below is a list of 2024 budget revenue lines for both the General and Highway budgets for all revenue lines over \$50,000. The different revenue categories vary year to year and are estimated. For example the Mortgage tax is expected to be down in 2024 by over \$100,000. Others revenue categories such as interest income is estimated to be \$150,000 higher than the 2023 budget. These revenue items are best guess at what will come into the Town by year end 2024.

General Budget Income/Revenues/Expenses	2021 Budget	2022 Budget	2023 Budget	2024 Budget	% Increase 2023 to 2024
A1001 · REAL PROPERTY TAXES	\$4,022,466.93	\$4,592,085.64	\$4,199,653.14	\$4,429,370.46	5.47%
A1090 · INT & PENALTIES	\$79,000.00	\$66,000.00	\$66,000.00	\$60,000.00	-9.09%
A1120 · SALES TAXES	\$976,000.00	\$1,265,912.90	\$1,299,490.00	\$1,300,000.00	0.04%
A1051 · Gain From Sale of Tax Acquired Property		\$1,001.00	\$69,000.00	\$60,000.00	-13.04%
A1170 · FRANCHISE FEE	\$121,400.00	\$112,500.00	\$112,500.00	\$110,000.00	-2.22%
A1720 · PARK FEE/CROTON FALLS	\$106,000.00	\$103,000.00	\$147,000.00	\$147,000.00	0.00%
A2001.1 · PARKS/RECREATION CAMP	\$380,000.00	\$388,000.00	\$388,000.00	\$388,000.00	0.00%
A2401 · INTEREST	\$37,000.00	\$18,611.00	\$100,000.00	\$249,025.00	149.03%
A2555 · BLDGS & ALT	\$201,000.00	\$235,000.00	\$255,574.04	\$245,000.00	-4.14%
A2610 · FINES/FOR BAIL	\$202,208.00	\$205,000.00	\$210,000.00	\$190,000.00	-9.52%
A3005 · MORTGAGE TAX	\$299,600.00	\$305,000.00	\$243,938.72	\$143,000.00	-41.38%
A5999 · Approp. Fund Balance	\$80,000.00	\$119,000.00	\$550,000.00	\$250,000.00	-54.55%
Highway Budget Income/Revenues/Expenses	2021 Budget	2022 Budget	2023 Budget	2024 Budget	% Increase 2023 to 2024
DA1001 · PROPERTY TAXES	\$2,408,087.46	\$1,971,417.36	\$2,625,880.10	\$2,557,673.36	-3%
DA2300 · SV OTHER GOVTS	\$194,599.92	\$222,783.00	\$227,000.00	\$185,370.00	-18%
DA5999 · APPROP FUND BALANCE	\$42,324.85	\$682,324.85	\$190,000.00	\$351,000.00	85%
DA3501 · CHIPS	\$78,089.00	\$117,000.00	\$131,000.00	\$131,000.00	0%

## FUND BALANCE Use in the 2024 Budget

The Town had Fund Balance left over from 2023 and previous years and it is slowly being reduced, however it is being used judiciously. The General Fund balance should be about \$3,000,000 by the end of 2023. The Highway Fund balance should be about \$700,000 by the end of 2023. Both the General Fund and the Highway Fund are making use of Fund Balance to pay for 'capital improvements' and to control the taxes.

While capital items are not normally included in the budget certain things are and are coded on line A5999 and DA5999;

- A5999 - \$450K of the General Budget Fund Balance was used in 2023 to make improvements to the new Community Center, the Schoolhouse in Croton Falls. That has been reduced by \$200,000 in 2024 to \$250,000.
  - \$50,000 towards the painting Delancey Hall (the contracts were signed in 2023).
  - \$200,000 is being used to limit the tax increase and keep it under the tax cap.



- DA5999 - In the Highway Budget \$473,000 of Fund Balance is being used to purchase two items and to balance the budget;
  - on line DA51302 - Equipment there is \$251,161 a new bucket truck (\$235,511) and a chipper (\$15,650).
  - We also normally set aside \$100,000 of Highway Fund Balance to pay a portion of the road paving costs. This year the \$100,000 equates to 24% of the road paving line (51122 · ROAD IMPROVEMENTS) of \$420,000. The Town has 42 miles of roads with a useful life of about 12 years on average. That means that about 3.5 miles of roads need to be paved each year. At \$120,000 average per mile, (which changes year to year) that equates to \$420,000 needed each year with \$320,000 from taxes and \$100,000 from Fund Balance.

The below chart shows six years of budget revenue for each different Funds from 2017 through 2024. These include the General and Highway budgets which everyone pays and the individual district budgets for water, sewer and park districts. Ambulance and police budgets are part of the General Budget. These numbers include real estate taxes and other revenues listed above that are not paid directly by property owners.

Total revenue all sources: Town	2024	2023	2022	2021	2020	2019	Recent Delta	% Change
General Budget <sup>(1)</sup>	\$ 7,571,395	\$ 7,641,156	\$ 7,534,837	\$ 6,592,676	\$ 6,450,621	\$ 6,373,239	\$ (69,760)	-0.91296%
Highway Budget	\$ 3,245,743	\$ 3,216,408	\$ 3,034,926	\$ 2,753,469	\$ 2,890,175	\$ 2,731,401	\$ 29,336	0.91207%
Peach Lake Sewer Dist.	\$ 611,044	\$ 572,044	\$ 538,861	\$ 541,464	\$ 532,872	\$ 532,871	\$ 39,000	6.81766%
Croton Falls Water Dist.	\$ 106,127	\$ 99,633	\$ 98,844	\$ 95,945	\$ 80,975	\$ 80,199	\$ 6,494	6.51789%
Candlewood Water Dist.	\$ 60,920	\$ 50,682	\$ 50,681	\$ 46,311	\$ 45,332	\$ 44,832	\$ 10,238	20.20055%
Sunset Ridge Water D	\$ 127,869	\$ 122,869	\$ 121,952	\$ 113,604	\$ 97,084	\$ 96,457	\$ 5,000	4.06936%
Salem Acres Water District	\$ 53,050	\$ 50,711	\$ 44,319	\$ 37,057	\$ -	\$ -	\$ 2,339	4.61342%
Candlewood Lake Park D	\$ 14,099	\$ 10,279	\$ 10,273	\$ 10,004	\$ 6,218	\$ 6,218	\$ 3,820	37.16111%
Croton Falls Lighting Dist.	\$ 7,002	\$ 6,602	\$ 6,000	\$ 6,700	\$ 8,000	\$ 11,500	\$ 400	6.05877%
Purdys Lighting Dist.	\$ 5,001	\$ 4,000	\$ 4,000	\$ 3,600	\$ 4,000	\$ 5,800	\$ 1,001	25.02500%
Pabst Water District	\$ 65,105	\$ -	<== New District added				\$ 65,105	
Total	\$ 11,867,356	\$ 11,774,383	\$ 11,444,692	\$ 10,200,829	\$ 10,115,277	\$ 9,882,517	\$ 92,973	0.78962%

As mentioned the General and Highway budgets are paid for by everyone in Town based on their properties assessed valuation and as such it is considered an *Ad Valorem* tax. District Budgets show both an *Ad Valorem* and Usage fees. Usage fees apply to water and sewer districts where people are also charged based on their consumption or use.

### **Assessed Valuation**

The following table shows the number of parcels and assessed valuation and taxable valuation for the entire Town. The total Town taxable value for next year is \$1,695,435,497. This is increased from the previous years Assessed Valuation of \$1,578,500,025, the delta is \$116,935,472. This increase is due to new building and the increase in value of existing buildings. This changes every years as the Town is at 100% valuation. If we were not at 100% valuation, the NYS Tax department would provide us with an equalization rate, also called an *EQ Rate*, which we would use to calculate our overall assessed valuation. At 100% valuation the State's given EQ Rate is 1.

RS	Description	Parcel Count	Land Value	Assessed Value	County Taxable	Town Taxable
1	TAXABLE	2,223	\$ 549,296,800	\$1,635,860,200	\$1,521,066,217	\$1,521,988,097
5	SPCL FRANCHISE	12		\$ 9,002,100	\$ 9,002,100	\$ 9,002,100
6	UTILITY & R.R.	45	\$ 42,629,500	\$ 164,445,300	\$ 164,445,300	\$ 164,445,300
8	WHOLLY EXEMPT	169	\$ 89,261,200	\$ 137,192,800	\$ -	\$ -
TOTAL		2,449	\$ 681,187,500	\$1,946,500,400	\$1,694,513,617	\$1,695,435,497

**Your Home Assessed Value** You are probably noticing that home assessed values change every year. In the past that was not the case. Prior to going to 100% valuation in 2018. The entire town was valued in "1974 dollars" which was the last time the town did a Town wide revaluation. That was done again in 2017/18. The taxable valuation of your property is calculated the same using this formula;

**Your Taxable value = Your Assessed value / State Equalization Rate.**

Prior to 2017, if your home was assessed let's say for \$60,000 with our equalization rate at the time of 10.1% the taxable value of your property was (\$60,000 / .101) or **\$594,059**. The State changed equalization rate each year based on market prices.

The State now leaves the equalization rate as 1 and the Town sets the home value. For the same home mentioned above the Town assessed value would be \$549,059 and the taxable value is set by the same formula ( \$594,059 / 1) or **\$549.059**. This gives the Town more flexibility in setting home values as opposed to using one EQ rate that was set for every property.

To figure out you tax it is simply the percentage of your taxable value divided by the taxable value for all the properties in the district. This is a list of all non General Fund and Highway Fund taxable values.

SD Code	Description	Parcel Count	Extension	Assessed Value	Taxable Value
CROTON FALLS FIRE	FD035	2,423	Total Assessed	1,934,329,700	1,797,337,872
GOLDENS BRIDGE FIRE	FD036	36	Total Assessed	18,739,600	9,687,290
CROTON FALLS LT DIST	LT015	215	Total Assessed	114,400,300	90,623,345
PURDYS LIGHT DIST	LT016	111	Total Assessed	185,361,700	157,764,505
CANDLEWOOD PARK DIST	PD100	55	Total Assessed	28,906,600	28,906,600
CROTON FALLS WATER	WD045	100	Total Assessed	57,360,700	35,172,476
SUNSET RIDGE WTR U	WD046	98	Total Assessed	64,728,200	64,528,238
SUNSET RIDGE WTR NU	WD047	21	Total Assessed	17,593,500	3,262,446
CANDLEWOOD PK WATER	WD048	55	Total Assessed	28,906,600	28,906,600
CANDLEWOOD WATER NU	WD049	12	Total Assessed	1,989,300	1,707,150
SALEM ACRES WATER NU	WD051	5	Total Assessed	272,400	272,400
PEACH LAKE SEWER SD	SD001	387			264,408
		44	Non Users		
			Bedrooms		826

*2023 tentative assessed valuation.*

\$132M of the Town's assessed valuation is wholly tax exempt. This does include municipal and school district buildings, not for profits and other local government properties. The next chart is the list of tax exemptions provided by NYS enabling legislation. It shows different classes of exemptions and total dollar value for each type of exemption. Many of these are partial exemptions. For example the School District properties are assessed at \$34,012,500 but they do not pay taxes. Veteran Exemptions get a small percentage discount on their properties.

EX Code	Description	Statutory Authority	Count	Total Equalized Value	% of Value Exempted
12100	NY STATE	RPTL 404(1)	13	\$ 5,117,400	0.282387577
12350	PUB AUT ST	RPTL 412 & Pub Auth L	9	\$ 8,524,800	0.470414198
12360	MTA	RPTL 412 & Pub Auth L	3	\$ 749,500	0.041358793
13100	CTY OWNED	RPTL 406(1)	32	\$ 28,923,300	1.596041078
13500	TWN WTHIN	RPTL 406(1)	30	\$ 10,450,800	0.576694433
13510	TOWN CEMET	RPTL 446	3	\$ 525,500	0.02899806
13800	SCHOOL DIS	RPTL 408	5	\$ 34,012,500	1.876872527
13870	SPEC DIST	RPTL 410	19	\$ 1,801,900	0.099432168
25110	RELG PROP	RPTL 420-a	5	\$ 4,069,000	0.22453493
25120	EDUCATION	RPTL 420-a	5	\$ 5,408,000	0.298423422
25130	CHARITIES	RPTL 420-a	3	\$ 2,749,600	0.151728003
25300	NON-PROFIT	RPTL 420-b	37	\$ 25,644,200	1.415094288
26250	HIST SOCTY	RPTL 444 & NPCL 1408	1	\$ 259,500	0.014319689
26400	VOL FIRE	RPTL 464(2)	4	\$ 4,048,768	0.223418491
41001	CIL VET	RPTL 458	1	\$ 35,978	0.001985332
41121	WAR VET	RPTL 458-a	76	\$ 4,499,670	0.248300096
41131	COMBAT VET	RPTL 458-a	49	\$ 5,114,525	0.282228929
41141	DISABL VET	RPTL 458-a	15	\$ 2,465,420	0.136046426
41163	CW_15_VET/T	RPTL 458-b	3	\$ 36,000	0.001986546
41400	CLERGY	RPTL 460	1	\$ 1,500	8.28E-05
41640	RPTL466	RPTL 466-c, d, f	13	\$ 580,080	0.032009885
41700	FARM BLDG	RPTL 483	21	\$ 4,510,100	0.248875642
41720	AGRIC	Ag-Mkts L 305	77	\$ 65,603,800	3.620138769
41730	AGRIC	Ag-Mkts L 306	21	\$ 12,489,200	0.689177107
41800	AGED-ALL	RPTL 467	34	\$ 4,291,879	0.236833805
41801	AGED-CT	RPTL 467	3	\$ 523,315	0.028877488
41930	DIS & LIM INCOME CTS	RPTL 459-c	1	\$ 76,740	0.004234655
47460	FOREST EXM	RPTL 480-a	3	\$ 1,177,200	0.064960069

### **Certioraris**

A portion of the Roll Section 6, "Utility and R.R.", (third chart above) has an assessed valuation of \$164M , the largest piece of which is owned by the NYC DEP who owns a number of parcels in Town including the Titicus Reservoir. The NYC DEP has filed a Certiorari with the Town in 2018 contesting their valuation which was set by the State or New York - Office of Real Property Tax Services, ORPTS. \$15K was set aside in 2024.

### **Paving**

Road paving was removed from the capital budget because we are repaving approximately three miles each year. As a reoccurring yearly expense it makes complete sense to run it out of the operational budget. Borrowing for the roads increased the costs and often the Bonds were still being paid after the useful life of the roads were exceeded. The 2024 budget has funding for DA51122 · ROAD IMPROVEMENTS of \$420,000. This line was originally not funded properly and the Town borrowed money every year. It was funded \$27,000 in 2017, \$218,000 in 2018 and 2019, to \$400,000 in 2020 with \$100,000 of Fund Balance being used in 2020, 2021, 2022 and 2023. In 2024 \$100,000 in Fund Balance is being used for paving. The goal over time is to have the proper funding in place within the operational budget rather than relying on borrowings.

The Town has about 42 miles of Town owned roadway. Roadways last 12 years on average some stretches long than others. We need to pave on average 3.5 miles of Town Roadway a year at a current cost of about \$120,000+/mile to keep a paving program up to date due to the high oil prices. Recently with higher oil prices the per mile lane charge is increasing.

The total cost to pave 3.5 miles is estimated based on higher oil prices is about \$420,000 to \$500,000 based on the actual width of the roads being paved. Bogtown is cheaper to pave than Fields lane for example. When paving the Town contracts with third parties based on the cubic yards of paving put on the roadway.

### **Police**

The Town replaces one police car per year. Each car has about 100,000 miles on it and the engine has been running substantially longer than a typical car with that much mileage. The budget has sufficient funds to pay three 3 year leases in each budget on line **A97854 - Installed Purchase Principal**. Our leases are such that we own the vehicle at the end of three year lease. Older police cars are used by the building and recreation department once they are retired or auctioned off.

The Town is now purchasing hybrid police vehicles from the State bid list which we hope will save us some money in fuel and will reduce the CO<sub>2</sub>.

The Police also received a \$100,000 grant for new radios from Senator Harckham. The current radios which are about 20 years old need to be replaced as the County and NYS Police have moved to new frequencies that have better penetration into buildings.

### **District Budgets**

The Town has a number of special district budgets as required by NYS law. People who live in these districts pay the cost to operate these district as well as all capital improvements. Revenues for the water and sewer districts are taxes and usage fees. Sometimes grants are obtained for some capital improvements.

The districts are: *Croton Falls Water District, Salem Acres Water District, Sunset Ridge Water District, Peach Lake Sewer District, Purdy's Lighting District, Croton Falls Lighting District, Candlewood Park Water District, Candlewood Park Improvement District*. A new district, the *Pabst Water District* is also being formed January 1, 2024. Each district has its own budget.



Taxes by Fund	2024 Tax	2023 Tax	2022 TAX	2021 TAX	2020 TAX	2019 TAX	2024 to 2023 Tax Delta	2023 tax increase
Peach Lake Sewer Di	\$ 267,043.84	\$ 264,543.84	\$ 261,361.24	\$ 267,443.64	\$ 265,348.42	\$ 265,348.42	\$ 2,500	0.95%
Croton Falls Water D	\$ 68,306.25	\$ 68,306.25	\$ 66,826.46	\$ 64,717.46	\$ 57,000.00	\$ 56,223.82	\$ -	0.00%
Candlewood Water D	\$ 37,291.80	\$ 37,091.80	\$ 37,090.80	\$ 36,041.40	\$ 36,000.00	\$ 35,500.00	\$ 200	0.54%
Sunset Ridge Water	\$ 85,736.43	\$ 85,736.43	\$ 84,818.89	\$ 72,498.51	\$ 66,054.01	\$ 65,427.33	\$ -	0.00%
Candlewood Lake Pa	\$ 14,083.79	\$ 10,269.00	\$ 10,263.00	\$ 10,000.00	\$ 6,400.00	\$ 6,202.61	\$ 3,815	37.15%
Salem Acres Water D	\$ 28,000.00	\$ 27,381.00	\$ 22,350.51	\$ 18,000.00	New District		\$ 619	2.26%
Pabst Water System	\$ -	New District						
Croton Fall Lighting	\$ 7,000.00	\$ 6,600.00	\$ 6,000.00	\$ 6,700.00	\$ 8,000.00	\$ 11,500	\$ 400	6.06%
Purdys Lighting Distr	\$ 5,000.00	\$ 4,000.00	\$ 4,000.00	\$ 3,600.00	\$ 4,000.00	\$ 5,800	\$ 1,000	25.00%
All District Taxes	\$7,499,505.93	\$ 7,329,462	\$ 7,056,214	\$ 6,909,555	\$ 6,873,523	\$ 6,772,468	\$ 170,044	2.32%

#### *Taxes for each district*

Total revenue all sources: To	2024	2023	2022	2021	2020	2019	Recent Delta	% Change
Peach Lake Sewer Dist.	\$ 611,044	\$ 572,044	\$ 538,861	\$ 541,464	\$ 532,872	\$ 532,871	\$ 39,000	6.818%
Croton Falls Water Dist.	\$ 106,127	\$ 99,633	\$ 98,844	\$ 95,945	\$ 80,975	\$ 80,199	\$ 6,494	6.518%
Candlewood Water Dist.	\$ 60,920	\$ 50,682	\$ 50,681	\$ 46,311	\$ 45,332	\$ 44,832	\$ 10,238	20.201%
Sunset Ridge Water D	\$ 127,869	\$ 122,869	\$ 121,952	\$ 113,604	\$ 97,084	\$ 96,457	\$ 5,000	4.069%
Salem Acres Water District	\$ 53,050	\$ 50,711	\$ 44,319	\$ 37,057	\$ -	\$ -	\$ 2,339	4.613%
Candlewood Lake Park D	\$ 14,099	\$ 10,279	\$ 10,273	\$ 10,004	\$ 6,218	\$ 6,218	\$ 3,820	37.161%
Croton Falls Lighting Dist.	\$ 7,002	\$ 6,602	\$ 6,000	\$ 6,700	\$ 8,000	\$ 11,500	\$ 400	6.059%
Purdys Lighting Dist.	\$ 5,001	\$ 4,000	\$ 4,000	\$ 3,600	\$ 4,000	\$ 5,800	\$ 1,001	25.025%
Pabst Water District	\$ 65,105	\$ -	<== New District added				\$ 65,105	

*District budgets, total revenues which also includes user fees.*

*The various taxing districts in North Salem and the number of parcels and total valuation in each district. All of these districts have their own boundaries. Only people within the boundaries pay for the taxes for a particular district.*

The **Croton Falls Water District** owes the General Fund \$180,000 from the late 1990's. That money was negotiated to be paid as part of the Highgate settlement agreement however that subdivision has never moved forward. To date the Town's General Fund has been holding that 'IOU' which the district is now slowly paying back. this money would have been bonded and paid back by the district but this was not done at the time due to the impending Highgate subdivision. The District just bonded \$100,000 to add an additional well as required by Westchester County. That work will be ongoing in 2024.

The **Sunset Ridge Water District** has finished a number of capital improvements. The pump station was expanded to allow Uranium filters to be placed in the building. They were activated in March of 2018 at a final cost of approximately \$435,000. The system tanks were also repainted at a cost of \$239,000. In 2021 the State strengthened the requirement for PFOS/PFOA set of chemicals setting the maximum amount at 10 parts per trillion. We are working with the NYS DOH on a proof of concept PILOT using WRT to remove PFAS chemicals with a special treatment media to provide a solution to remediate that in 2024. The existing Uranium filters do remove all of the PFAS contaminatres but the NYS DOH does not certify them for this purpose which is why we are in a Proof of Concept.





## Summer Camp

We continue to run a very successful summer camp at the County Park at Mt Lakes although during the COVID season we were unable to have it. There are two budget lines for the camp showing income and expenses. The revenue and expense tend to cancel each other out although we design it to make a small profit. The estimated revenue in 2024 is \$388,000, the estimated expense is slightly lower with a small profit. Usually the camp makes a little money but it is designed to run primarily as break even. it is not subsidized by the taxpayer.

### Estimated Revenue:

General Budget Income/Revenues/Expenses		2023 Budget	2024 Budget	% Increase 2023 to 2024	As of 9/30/2023	% through 10/5/2024
	A2001.1 · PARKS/RECREATION CAMP	\$388,000.00	\$388,000.00	0.00%	\$354,690.13	91%

The camp is targeted to run with a small profit in the 2024, however, unexpected things break and need to be replaced. The Town does handle all of the administration for the camp as part of our regular business hours. That includes all payroll and HR aspects which is not budgeted to the camp. Because of this the people in our Town attend for slightly less. We do use the County park and are required to have surrounding Town's attend if they wish.

Besides the great programming done by our staff, one aspect of the camp that I comment on all the time is that we employ over 100 local teenagers each year as Camp Counselors. This is the first job many of them have and it also allows us to pay about \$250,000 in salaries to them.

## Town DEBT

The Town uses Bond financing for some of its capital improvements and especially land and building purchases. The total General Fund debt, Line A9700, is \$399,118.17 or 5.191% of the General Budget. That includes BAN's and Bond. Bond debt totals \$274,309 for the General budget. See the chart below.

The next Bond to be paid off is the bond due in 2028 which will reduce then total budget by \$178,000/year. This bond is paying off the Purdy's Ridge property among other items.

Issue	BUDGET						TOTAL
	General	Highway	SRW	CFW	CPW	CPID	
Total Principle Debt Service by Fund	\$203,240	\$122,370	\$32,160	\$18,440	\$8,330	\$460	\$385,000
Total Interest Debt Service by Fund	\$71,069	\$45,851	\$15,279	\$12,536	\$1,621	\$311	\$146,669
Total	\$274,309	\$168,221	\$47,439	\$30,976	\$9,951	\$771	\$531,669

*Figure 1 Bonds paid by the different budgets. Principal and interest*

The interest rate for the 8 year bond is 1.5% and for the 20 years bond 1.85%. The Refinancing the older bond saved us \$100,000 in interest over the next 8 years and a total of about \$63,000/year.

**BANs:** The Town had one Bond Anticipation Notes (BAN) outstanding totaling \$950,000 for several items including the purchase of 3 Owens Road and water meters at Salem Acres Water District. The interest rate was .37% in 2023 and will be \$928,000 at 4.65% for 2024.

## BOND RATING

Standard and Poor's just reviewed and set the Town's Bond Rating to AA+. The highest rating is AAA.

## Employee Benefits

The Town is part of the NYS pension system and has no true long term liability for its employees pensions beyond yearly payments when the employees are working.

The Town also has health insurance through the New York State NYSHIP plan which spreads risk over 1.8M people throughout NY. Increases in health insurance for 2024 are not yet available. The rates in 2023 took a drastic increase of over 14%. We do not yet have the rates for 2024. NYS Pension costs decreased about \$24,000 from 2023 to 2024. The State has already given us warning that the NYS Pension payments made by municipalities will increase in 2025.

All employee benefits which loosely includes everything in the lists below increased from \$1,715,352 to \$1,740,819 or \$25,467. The biggest savings is in health insurance costs as some people retired and newer people took their positions. Below are the employee benefits for the General and Highway budgets. These include items like Workers Comp and other insurance you might not equate with benefits.

## General Budget Employee Benefits including

	2023 Budget	2024 Budget	% Increase 2023 to 2024	As of 9/30/2023	% through 10/5/2024	Delta 2024 versus 2023
A90101 · COMPENSATED ABSENCES	\$0.00	\$11,592.00				\$11,592.00
A90108 · RETIRE.STATE	\$228,649.27	\$211,991.12	-7.29%	\$203,285.00	89%	-\$16,658.15
A90158 · RETIRE P/F	\$24,125.25	\$25,264.25	4.72%	\$25,611.00	106%	\$1,139.00
A90308 · SOCIAL SECURITY	\$168,000.00	\$166,284.00	-1.02%	\$111,940.00	67%	-\$1,716.00
A903085 · MEDICARE TAX	\$39,200.00	\$39,120.00	-0.20%	\$26,179.00	67%	-\$80.00
A903086 · MEDICARE Part B Health	\$50,788.12	\$45,115.90	-11.17%	\$42,954.00	85%	-\$5,672.22
A90408 · WORK COMP	\$26,143.00	\$29,000.00	10.93%	\$27,505.00	105%	\$2,857.00
A90508 · UNEMPLOYMENT	\$2,000.00	\$2,000.00	0.00%	\$0.00	0%	\$0.00
A90558 · DISABILITY	\$0.00	\$0.00		\$0.00		\$0.00
A90608 · INSURANCE, HEALTH	\$536,920.98	\$580,718.74	8.16%	\$429,109.00	80%	\$43,797.76
A906085 · INSURANCE, DENTAL	\$35,500.00	\$40,000.00	12.68%	\$31,919.00	90%	\$4,500.00
A906086 · INSURANCE, OPTICAL	\$3,000.00	\$4,800.00	60.00%	\$970.00	32%	\$1,800.00
A906087 · INSURANCE, PAYMENT IN LIE	\$13,000.00	\$15,600.00	20.00%	\$9,966.00	77%	\$2,600.00
A906088 · LONGEVITY BONUS	\$7,851.60	\$8,984.80	14.43%	\$0.00	0%	\$1,133.20
	\$1,135,178.22	\$1,180,470.80	3.99%	\$909,438.00	80%	\$45,292.58

**Figure 2** The above list is paid for health insurance, retirement and other disability and Workers Comp type insurance coverage for our employees.

## Highway Budget

	2022 Budget	2023 Budget	2024 Budget	% Increase 2023 to 2024	As of 9/30/2023	% through 9/30/2023
DA9000 · EMPLOYEE BENEFITS						
90101 · COMPENSATED ABSENCES	\$0.00	\$19,000.00	\$0.00	-100%		
90108 · STATE RETIREMENT	\$110,317.69	\$102,726.48	\$95,242.39	-7%	\$91,330.00	-4%
90308 · SOCIAL SECURITY	\$81,296.72	\$84,497.59	\$83,644.02	-1%	\$56,333.00	-33%
903085 · MEDICARE TAX	\$19,012.94	\$19,709.46	\$19,561.91	-1%	\$13,174.00	-33%
903086 · MEDICARE Part B Health	\$29,840.76	\$33,451.88	\$34,204.10	2%	\$13,497.00	-61%
90408 · WORKERS COMP	\$54,280.00	\$54,280.00	\$54,280.00	0%	\$53,393.00	-2%
90508 · UNEMPLOYMENT					\$ -	
90558 · DISABILITY INS	\$0.00	\$0.00	\$0.00		\$ -	
90608 · HEALTH INS	\$284,116.87	\$353,051.24	\$439,561.60	25%	\$255,331.00	-42%
906085 · DENTAL INS	\$15,000.00	\$15,000.00	\$16,000.00	7%	\$11,788.00	-26%
906086 · OPTICAL INS	\$1,000.00	\$1,000.00	\$1,000.00	0%	\$602.00	-40%
906087 Insurance Payments in Lieu of	\$6,900.00	\$2,600.00	\$0.00	-100%	\$866.64	
91004 · Allowances	\$15,000.00	\$15,000.00	\$15,000.00	0%	\$6,395.56	-57%
Total DA9000 · EMPLOYEE BENEFITS	\$616,764.98	\$700,316.65	\$758,494.01		\$502,710.20	-34%

**Figure 3 Information on employee benefits in the Highway Department.**

### Employee Salaries and Benefits Changes in the 2024 budget

- The Tentative Budget has a 3.00% pay increase for all employees.
- The following items were also added; The Assessment Clerk position is now fulltime as of 1 year ago so that line increased over 3%. A new Recreation Assistant was added for a part time at \$20,000. New Recreation lines were also added: A71404.6 · Recording Secretary REC Meeting Minutes for \$1,500 and A71404.7 · Lighting Sound tech for 3 Owens for \$6,500 (part time hourly as needed).
- Longevity payments increased 2%
- Court clerk temp clerk line increased to \$6,000.
- Full Time employee family insurance payments for the employee is being reduced dropped from 22% to 18% of the premium. Full time worker Individual plan payments for employee is still 16% of the premium.
- For health care the budget anticipates an 8% increase although the real numbers will not be known until the end of November for the 2024 plan increases.

Other departments and items that are part of the Town budget. The values of the following in the 2024 budget are;

- Police at \$790,038, the
- Library \$428,000,
- Ambulance services including NSVAC BLS and WEMS ALS \$522,464 and
- Garbage for \$801,628.



### Ambulance Coverage: ALS and BLS Services Line A4020 - Health

- **BLS - Basic Life Support**
- **ALS - Advanced Life Support**

The Town contracts with the North Salem Ambulance Corp (NSVAC) for Basic Life Support (BLS) and with the Westchester EMS for Advanced Life Support (ALS). For the 2024 budget the amount allotted to these services increased from \$486,72.71 to \$522,464.59 an increase of 7.33%.

The majority of our **Basic Life Support** coverage (**BLS**) is handled with NSVAC volunteer staffing. We appreciate the work they do for us daily. Even though they are volunteers the North Salem Ambulance Corp requires funds for insurance, fuel, ambulances, PPE equipment and a variety of other items.

General Budget Expenses	Description	2023 Budget	2024 Budget	Percent increase
A4020 · HEALTH				
	A402042 · REG VITAL STATS-DEATH	\$4,500.00	\$4,900.00	8.89%
	A402043 · REG VITAL STATS-CONTROL	\$0.00	\$0.00	
	A402044 · AMBULANCE CORPS.-OPTG	\$197,062.71	\$202,974.59	3.00%
	A402047 · ADVANCED LIFE SUPPORT-CONTR	\$145,590.00	\$168,306.00	15.60%
	A402049 · AMBULANCE CORPS.- PER DIEM	\$139,630.00	\$146,284.00	4.77%
Total A4020 · HEALTH		\$486,782.71	\$522,464.59	7.33%

The Town pays a portion of the operating expenses for the NSVAC, line A402044. The increase for 2024 was 3% to **\$202,974.59**. The Ambulance Corp also gets donations and charges insurance companies for pickups. They apply a 'soft pay' which means the bill goes out once and if accepted by the persons insurance company they will be compensated, if not they do not bill again. On a yearly basis they get about \$80,000 from 'soft billing'.

The Town also pays for ambulance coverage on weekends. Called **BLS Paid coverage**, starting in 2017 the Town was asked to start paying a third party service for weekend coverage because of the lack of volunteers. BLS coverage from WEMS on Saturday and partial Sunday which also includes providing two EMT's 32 hours a week. First for Saturdays and then for partial Sunday coverage. This is covered on line A402049. That cost was \$113,621 in 2020, \$139,630 in 2023 and **\$146,284** in 2024.

**ALS Coverage:** Advanced Life Support (ALS) coverage is contracted to Westchester EMS and is a consortium of a number of Towns in Northern Westchester. The cost per town is calculated based on population, square mileage and the number of calls the ALS people go on per year in our coverage area and is covered in line A402047. While BLS coverage employees EMT's, ALS coverage employees PARAMEDICs in three fly-cars which are placed strategically in our area to maximize coverage of the Towns who have joined the consortium.

For the 2024 year WEMS is looking to deploy a fourth fly car because the volume of calls has increased and response time has suffered. In order to defray costs in the 2024 budget, rather than starting January 1 the date was moved to July 1. The new budget reflects a new fly car starting July 1, 2024. The new cost is **\$169,306** or a 15.6% increase.

### Police

The Police equipment line was increased to \$30,000. In 2023 the Town ordered 4 new police car computers. The 2024 budget allows for the purchase of \$15,000 in additional computers. The Police received a grant for \$100,000 in new radios. The police cars are purchased through three year lease/purchase agreement. The Town purchases one new car a year. We have a total of 7 cars. Each year the oldest is retired and if in reasonable condition may be used for other Town purposes or if not then it is sold at auction.

Most of our police are former NYPD officers and as such they can work up to a maximum of \$35,000 before they lose their pension. The town is working with our elected officials to increase that salary cap. Most of our officers already have health insurance coverage and so the Town is able to have very qualified, well trained professional officers. NYS State calls the type of police force we have a *part time* police force.

The police cars mentioned previously are on General Budget line A97854. Due to inventory issues and delays three of the Town's police cars that it ordered over the last two years are coming in this fall

General Budget Expenses	Description	2021 Budget	2022 Budget	2023 Budget	2024 Budget	Percent increase
A3120 · POLICE						
s	A31201 · CHIEF OF POLICE	\$40,800.00	\$51,000.00	\$53,540.00	\$55,146.24	3.00%
s	A312012 · PATROL	\$453,131.76	\$499,950.00	\$519,948.56	\$535,547.04	3.00%
s	A312013 · SECY-PT	\$5,213.52	\$5,370.00	\$5,531.04	\$5,696.88	3.00%
	A31202 · EQUIPMENT	\$20,000.00	\$19,000.00	\$24,037.00	\$30,000.00	24.81%
	A31204 · CONTRACTUAL	\$37,300.00	\$23,000.00	\$23,000.00	\$23,000.00	0.00%
	A32204.1 POLICE CAR FUEL	\$13,000.00	\$13,000.00	\$16,000.00	\$13,000.00	-18.75%
	a32204.2 POLICE TELECOMMUNICATIONS	\$4,700.00	\$5,100.00	\$5,100.00	\$6,300.00	23.53%
	A32204.3 VEHICLE MAINTENANCE	\$11,000.00	\$11,000.00	\$11,000.00	\$8,000.00	-27.27%
	Total A3120 · POLICE	\$570,845.28	\$627,420.00	\$658,156.60	\$676,690.16	2.82%
	A97854 - Installed Purchase Principal	\$36,983.51	\$49,632.00	\$41,000.00	\$45,308.75	10.51%

## **Capital Budget**

The capital budget committee is working on updating the capital budget which is an ongoing process. The budget contains one time purchases or projects that

- 1) are over a certain dollar value and
- 2) regardless of how it is funded can be legally borrowed for.

The value of a capital item is typically set by most municipalities around \$30,000 but that is variable. Capital items are typically not included in the operating budget as they are not reoccurring costs.

Several items discussed earlier that are capital items are included in this budget. Roads paving and new highway equipment are two items that are in this budget as well as the painting of Delancey Hall. That money is primarily using Fund Balance which is reflected earlier in this document in more detail.

*Note: What is and is not a capital item is also somewhat of an art. Certain items such as road paving which is easily considered a capital item is a reoccurring cost every year for North Salem and is now funded in the operational budget. The State defines the useful life for items which is important if item expenses are to be bonded.*

Capital budgeting starts with a comprehensive list of Town assets and a prioritization of investment that we determine we need to make. For certain items such as Croton Falls improvements we will be completing a special plan which includes community input.

**What is Fund Balance:** Simplistically Fund Balance (FB) is extra money in the Town's bank account needed to handle cash flow and to run the Town through the April 30th tax date. While real estate taxes are stable and can be anticipated with accuracy various fees are not and sometimes additional money is brought into the Town coffers. That 'extra' money goes into the Town's Fund Balance. Each budget General and Highway and every district has their own Fund Balance. Extra fund balance is used to defray the cost of capital items and sometimes it is used as revenue in an operational budget on revenue line item A5999. The Town looks to keep a minimum of 15% of its budget in Fund Balance. Optimally having over 33% of the yearly budget in Fund Balance allows the Town to operate in a new year until April 30th when town taxes are due without borrowing money via Tax Anticipation Notes (TANs), a short term financial instrument many municipalities including North Salem use yearly.

The Town General Budget ended the 2023 fiscal year with \$ 3,236,412 of Unassigned Fund Balance which has all deferred receivables removed (items that are not really cash). The Highway Fund ended the year with \$845,158 in Fund Balance.

**Grants:** Grants are monies from the State and Federal government or other organizations that are applied for by the Supervisor's office and other offices on an ongoing basis. Sometimes we get the grant monies for specific projects and sometimes we don't.

Grants can pay for 100% of an item but usually grants require us to pay a portion of the improvement. The Town has received a number of grants in 2023 which will be used for items in 2024. These include which are not included in the budget are;


- \$100K grant for a new pavilion at JB park,
- \$250K grants for a new heating system at 3 Owens Road to go Geothermal,
- \$100K grants for 3 Owens road for updated electrical,
- \$100K in grants for new police radios



<b>Town Budget Calendar</b>	
<b>(Dates in parentheses apply to towns in Westchester and Monroe counties)</b>	
1. The budget officer furnishes the heads of administrative units with the prescribed forms	We recommend the estimate forms be furnished to the units no later than September 1st (October 1st).
2. The administrative unit heads submit estimates to the budget officer.	On or before September 20th (October 20th). Budget officer prepares estimate for each administrative unit that fails to submit an estimate. (Town Law Section 104)
3. The budget officer files the tentative budget with the town clerk.	Not later than September 30th (October 30th). (Town Law Section 106)
4. The town clerk presents the tentative budget to town board.	On or before October 5th (November 10th). (Town Law Section 106)
5. The town board makes revisions and prepares the preliminary budget; preliminary budget filed with town clerk.	Prior to public hearing. (Town Law Section 106)
6. Notice of public hearing.	At least five days shall elapse between the date of first publication and the date specified for public hearing. (Town Law Section 108)
7. The public hearing is held	On or before the Thursday immediately following the general election (December 10th). The hearing may be adjourned from day to day but not beyond November 15th (December 15th). (Town Law Section 108)
8. Final revisions to the preliminary budget are made.	After public hearing but prior to adoption. (Town Law Section 109)
9. The budget is adopted by the governing board.	Not later than November 20th (December 20th). (Town Law Section 109)

**Budget Schedule. Westchester Towns follow the one month later dates noted above.**

Sincerely,

  
 Warren J. Lucas  
 Supervisor  
 Town of North Salem