

TOWN OF BEDFORD
COMPTROLLER'S OFFICE

Abraham J. Zambrano
Comptroller

Elisa Alaimo
Senior Bookkeeper



Missy Harold
Senior Office Assistant
Carolina Bruschi
Senior Account Clerk

December 6, 2022

Honorable Supervisor and Town Board
Town of Bedford
Westchester County
Bedford Hills, NY 10507

Dear Supervisor Calves and
Town Board Members Bittker, McCaine, Castillo and Catoliato:

In accordance with the provisions of Article 8 § 106 of New York State Town Law, I present the Adopted Preliminary 2023 Town Budget to the Town Board for your consideration and review in connection with adopting a final budget following the public hearing. In my capacity as Budget Officer, I filed the Tentative 2023 Town Budget with the Town Clerk on October 26, 2022.

As in prior years, the 2023 Budget makes provision for increases in general operating expenses, health and liability insurance premiums, retirement system contributions, and contractual labor obligations. The budget reflects the Town Board's continuous proactive measures to maintain and improve services and to operate efficiently. The appropriations for the 2023 Preliminary Budget for all funds are \$44,175,478 and the projected non-tax revenues total \$15,890,400, leaving an amount of \$28,285,078 to be levied as taxes; this amount is \$16,944 below the Property Tax Levy Cap of \$28,302,022 as set by the Office of the State Comptroller.

The 2% Property Tax Levy Cap legislation was initially legislated in 2012 as a temporary measure to control real property tax growth in the state, and in April of 2019, the "2% Property Tax Cap" was enacted as a permanent law by the NYS Legislature. In 2023, reflective of inflation, our allowable Tax Cap growth was set at 2.00% by the Office of the State Comptroller and our Tax Base Growth Factor has been set at 1.0071% by the Department of Taxation and Finance; this percentage is directly related to the increases in assessed valuation based on improvements to properties such as home renovations or new construction. The compounded combination of those rates total 2.90% and has allowed for the Town's total tax levy to grow by \$797,787 over the 2022 tax levy.

The combined total tax levy for the three Town-wide funds (General, Highway and Open Space) totals \$24,308,001 and is \$779,315 higher than in 2022. The 2023 tax rate the town-wide funds is \$40.6163 per \$1,000 of assessed valuation, which represents a slight increase of \$1.05 or 2.65% increase over the 2022 rate; the average tax payer with an assessment of \$65,000 will

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see a \$68.17 increase. In addition to the General, Highway and Open Space Funds, the total tax levy of \$28,285,078 includes the necessary operating tax levy for the Park Districts Funds, Water District Funds, Lighting District Funds, Fire Protection District 1 Fund and Paramedic District 1 Fund.

The total General Fund's budget is \$25,852,512, which requires \$15,726,645 to be raised by taxes at a tax rate of \$26.2777 per \$1000 of assessed valuation. The proposed rate is \$0.88 higher than the rate for 2022, which represents a 3.46% tax rate increase. The General Fund's Appropriations will increase \$1,331,289 or 3.46% higher than for 2022.

The Preliminary 2023 General Fund's Budget takes into consideration NY State's reinstatement of AIM funding in the amount of \$79,494, an increase of \$430,000 in anticipated Sales Tax revenue, as well as a \$75,000 increase in projected Building Department fees. In addition to the aforementioned, the Preliminary General Fund's Budget includes the allocation of \$500,000 of the Fund's Reserves, with the plan that Fund Balance allocation will be reduced by \$100,000 in 2024, 2025 and 2026 until such appropriation returns to the \$200,000 a year that has been historically appropriated over the past several years. This recommendation is based on the growth of the General Fund's Unassigned Fund Balance from \$7,406,916 at the end of 2020 to \$9,937,398 in 2021. At this point, we are projecting that the Fund's Reserves will once again increase at the end of 2022.

On the appropriations side of the Preliminary Budget, there is provision for contractual labor increases for the Town's union and non-union employees as well as for health insurance benefits that increased by 14.9% for a family plan. Highlights of major changes are as follows:

The 2023 budget for the Town Board is \$213,927 and includes \$37,600 in funding for video services and the broadcasting of board meetings as well as \$2,500 individually for Supplies and Education & Training. There are no salary increases for members of the Town Board. The Supervisor's budget totals \$339,411 and is \$9,775 over the 2022 budget. It includes \$5,000 for part-time help to upgrade the Town's website as well as \$2,500 individually for Supplies and Special Projects. The department's budget also reflects a decrease of \$16,000 in the Outsourced Contracts, expenses that have been consolidated into the Town Board's budget in 2023. There is no salary increase for the Town Supervisor in the 2023 budget.

The 2023 budget for the Town's Justice Court includes a reduction in salary for full-time employees as the result of the retirement and resignation of four employees who had reached the top of their pay scale as per the union contract. The Part-Time Labor line, however, includes an increase. The department's budget also includes an increase in funding for Steno & Interpreter Service. In summary, the department's budget decreased \$20,826 in 2023.

The Finance Department's Personal Services increased by \$48,110 to reflect increases to staff and the conversion of the part-time Sr. Office Assistant position shared with the Wetland's Department to a full-time Sr. Account Clerk. The additional staffing will allow the Finance Department to meet work stemmed from additional reporting requirements and increased work load. Similarly, the Tax Receiver's, Assessor's and Town Clerk's budgets also reflect increases in the Personal Services line. In the Personnel Department, in addition to a salary increase, the budget makes provision for a seasonal part-time employee to help process paperwork for summer part-time staff.

In the Municipal Buildings Department, the 2023 budget provides funding to cover the rising cost of utilities and heating fuel along with necessary expenses for staff salary increases and the maintenance of the department's vehicles.

After several years of small or no increases in the cost of general insurance coverage, the 2023 budget includes an increase of \$88,386 for all funds, while the Contingency Account comprises estimated funds for the eventual settlement of union contracts with the Bedford PBA as well as with the Blue and White Collar Teamsters bargaining units, as previously stated.

In the Public Safety sector of the Town's 2023 budget, the Police Department budget contains increases in expenses for the Department's Vehicles, Telephone and Computer Software maintenance and support. Additionally, the Safety Inspections Department budget includes funding for a second Assistant Building Inspector necessary for the department to keep up with the surge in permits filed by property owners to do work in their homes.

The Superintendent of Highways' 2023 budget also incorporates funding for a second Deputy Commissioner of Highways that will allow the department to handle the increase in the number of capital projects, storm management, and grant applications. This position will also provide an important role with respect to succession planning.

The Off-Street Parking section of the budget has been reduced by \$60,560 to reflect the reduction in parking revenue sharing with the NYC DEP as the result of trends in commuter parking post pandemic.

The Recreation Department's budget increased by \$59,182 in 2023. The additional dollars will provide increases for staff salaries, supplies, printing, special events, travel camp program and transportation expenses as well as for costs associated with a surge in participants in the Senior Nutrition Program.

After a few years of low to moderate yearly increases, NYSHIP health insurance premiums have increased substantially for 2023, a direct effect on costs of medical providers and pharmaceuticals caused by the COVID19 pandemic. The increase in the 2023 premium takes \$968,157 of the total increase in appropriations for all funds.

The Highway Fund's 2023 Budget totals \$9,105,129 and requires a tax levy in the amount of \$8,104,729 at a tax rate of \$13.5422 per \$1,000 of assessed value. This rate is \$0.15 or 1.12% higher than the 2022 tax rate. The Highway Fund's 2023 appropriations are \$386,257 or 4.43% higher than in 2022. The 2023 Highway Fund's Budget also includes an appropriation of \$350,000 from its reserves. Similar to the General Fund, it is being recommended that the 2024, 2025 and 2026 budgets reduce the use of reserves until the appropriation of reserves reaches, once again, the \$150,000 level.

The Consolidated Water and The Farms Water District Funds' 2023 Budgets reflect reductions in their tax levies of 15.35% and 10.57%, respectively, while the Cedar Downs and Old Post Water Districts Funds' 2023 Budgets include tax levy increases of 6.48% and 11.47%. While there are tax levy reductions in two out of the four water district funds, a 4% water rate increase has been factored into the budget. The 2023 Budget for the four water funds, as presented, will cover the necessary expenses to operate and deliver such a vital resource.

The 2023 Preliminary Budget for the three Park District Funds include funding that would enable the Town's Recreation & Parks Department to continue providing important amenities to the

residents. The Budget for the three Hamlet Parks includes funding to appropriately staff the three parks and pools as well as for the maintenance of the grounds.

In addition to the information provided above, the following is a summary of additional factors regarding the Preliminary 2023 Budget as presented.

Town-wide projections for non-tax revenues for 2022 have been set at \$15,890,400 and represent 35.97% of the overall town-wide revenue sources for the year or 7.56% higher than in 2022. The 2023 increase over the total 2021 non-tax revenues is primarily due to the additional sales tax revenue budgeted in the General Fund, the projected revenue in CHIPS and AIM funding from New York State, and increases in Building Department and Recreation & Parks fees.

The Preliminary Budget reflects salary increases throughout the budgetary accounts based upon our collective bargaining agreements with Teamsters' Local 456 Blue and White-Collar Units, the Bedford PBA, and recommended increases for the non-contract employees. The Town's contract with the Teamsters Blue Collar unit expires on December 31, 2022, and negotiations will be scheduled over the next several weeks. A tentative four-year agreement has been reached between the Town and the Bedford PBA. The contract for the Teamsters White Collar unit will expire at the end of 2022 and negotiations have started; a settlement is anticipated over the next several weeks.

Assessed Valuations as reported by the Town Assessor demonstrate an increase from \$594,646,894 to \$598,479,131, a net increase of taxable assessments of \$3,832,237. Increases in the taxable assessments have allowed for the Town's Tax Base Growth to provide much needed increases in the tax cap calculation.

Financial Condition – Our auditors, PKF O'Connor, Davis, LLP, have expressed to the Board that our financial condition is excellent. Standard & Poor Global Ratings (S&P) reaffirmed the Town's AAA credit rating on February 16, 2021. Their rating (S&P's) is reflective of the Town's "strong management" and "good financial policies and practices." With this budget and the overall financial health of the Town, we are in a position to keep the Town of Bedford moving forward into the third decade of the twenty-first century. With the Town Board's support, we anticipate having another great year and continuous financial health.

Ultimately, the 2023 Budget, as presented to the Town Board, will meet the needs of the Town government in 2023, providing for a high level of services, maintenance, and public safety and for the effective operation of the Town's departments, both now and in the future.

Sincerely yours,



Abraham J. Zambrano
Town Comptroller and Budget Officer