

TOWN OF BEDFORD
COMPTROLLER'S OFFICE

Abraham J. Zambrano
Comptroller

Elisa Alaimo
Senior Bookkeeper



Missy Harold
Senior Office Assistant
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Senior Account Clerk

December 2, 2020

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

Dear Supervisor Burdick and
Town Board Members Carr, Galligan, Bittker and Calves:

In accordance with the provisions of Article 8 § 106 of New York State Town Law, I present the adopted Preliminary 2021 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 2021 Town Budget with the Town Clerk on October 30, 2020.

This year, taking into account increases in health insurance costs, retirement system contributions, as well as contractual labor obligations and the Town Board's continuous proactive measures to maintain efficiencies, the appropriations for the 2021 Preliminary Budget for all funds is \$40,693,598 and the projected non-tax revenues total \$13,841,975, leaving an amount of \$26,851,623 to be levied as taxes; this amount is \$19,407 below the Property Tax Levy Cap of \$26,871,029 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. For 2021, based a moderate inflation rate in comparison to the last couple of years, our allowable tax cap growth was set at 1.56% by the Office of the State Comptroller and our tax base growth factor has been set at 1.018% 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 3.41% and has allowed for the Town's total tax levy to grow by \$886,296 over the 2020 tax levy.

The total General Fund budget is \$23,374,342 which requires \$14,466,900 to be raised by taxes at a tax rate of \$24.4177 per \$1000 of assessed valuation. The proposed rate is \$2.27 higher than the rate for 2020, which represents a 10.27% tax rate increase. The General Fund Appropriations will increase \$30,816 or 0.01% higher than for 2020.

Due to the COVID19 pandemic, the Preliminary General Fund budget includes decreases in Parking and Court Fines of \$500,000 and \$350,000 respectively and it makes provisions for the Governor's elimination of \$80,000 in NYS AIM funding. However, the 2021 Preliminary Budget includes Real Property Rental fee increase of \$14,636. On the appropriations side of the Preliminary Budget, aside from the expenses mentioned above, the budget makes provisions for small increases in funding for the three hamlet libraries, website hosting, Town Board virtual meetings, Police Department operating expenses and \$55,000 to hire a part-time Assistant Building Inspector to help alleviate the increased activity in the Building Department. The 2021 Budget does not require the appropriation of Fund Balance of the General Fund.

The Highway Fund's Preliminary Budget totals \$8,393,483 and requires a tax levy in the amount of \$7,907,643 and a tax rate of \$13.3468 per \$1,000 of assessed value. This rate represents a tax decrease of \$0.75 or 5.31% lower than the 2020 budget. The Highway Fund's 2021 appropriations are \$404,096 lower than in 2020.

The Highway Fund's Preliminary Budget includes an increase of \$10,000 for the sale of Compost Material and \$15,000 for Snow of & Ice Revenue from New York State. The 2021 Preliminary Budget does not include appropriation of Highway Fund Reserves.

The Consolidated Water, Cedar Downs, The Farms and Old Post Water Districts' Preliminary 2021 Budget require that the Town Board consider a 15% increase in water rates, which will generate a 12% increase in water revenues. The Preliminary 2021 Budget for the four water funds will cover the necessary expenses for each district in order to operate and deliver such a vital resource.

The 2021 Preliminary Budget for the three Park District Funds include funding that would enable to the Town's Recreation & Parks Department to continue providing such an important amenity 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 2021 Budget as presented.

Town-wide projections for non-tax revenues for 2021 have been set at \$13,841,975 and represent 34.01% of the overall town-wide revenue sources for the year or 7.47% lower than in 2020; the drop in non-tax revenues a direct effect of the pandemic.

The proposed 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 will expire on December 31, 2020. However, negotiations with the Teamsters will start before the end of 2020 and it is anticipated that a settlement will be reached during the first quarter of 2021. The two other collective bargaining units, Bedford PBA and Teamsters White Collar, have current contracts.

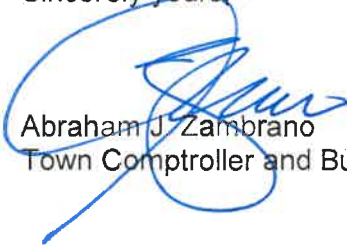
The Town issued Short Term Debt in 2020 to finance a portion of the construction of Phase I of the Bedford Hills/Katonah Business District Sewer and the acquisition of open space. Neither of these Short Term Debt Issues had an impact on the Tax Levy. Due to the Town's accelerated Debt Service Payment Schedule, the 2021 Budget reflects a decrease of \$574,000 in debt service payments for Long Term Debt.

Assessed Valuations as reported by the Town Assessor demonstrate an increase from \$591,460,491 to \$592,475,504; a net increase of taxable assessments of \$1,015,013. Increases in the taxable assessments has 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 earlier in 2020, because they (S&P) "believe the town can maintain better credit characteristics than the U.S. in a stress scenario" and due to the Town's "strong management, with 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 second decade of the twenty first century. With the Town Board's support we anticipate having another great year and continuous financial health.

All in all, the 2021 Preliminary Budget as presented to the Town Board will meet the needs of the Town government in 2021.

Sincerely yours,



Abraham J. Zambrano
Town Comptroller and Budget Officer