

Town of Newstead – Budget Message for 2016

The Town budget continues to be very difficult to work with the tax cap that we have been given by the State of New York. The state 2% cap, which this year is only .73% (last year it was 1.56%) continues to present interesting challenges capping spending by towns, while mandates from the state and other entities continue to increase more than 2%. The tax cap is not a cap on the taxpayer's taxes. It is a cap law that establishes a limit on the annual growth of property taxes levied by local governments to 2% or the rate of inflation, whichever is less. It can be overridden by a 60% vote from the town board for any given year. There are several exclusions provided to the town governments in the formation of the cap figures. The state promised when the 2% law was put into effect there would be state mandate relief. This has not occurred. The Town of Newstead medical insurance, fuel and salt increases, etc. continue to rise well over the 2% tax cap.

As required by Town Law the "Tentative Budget" for 2016 has been prepared by the Town Supervisor. It is submitted to the town board, citizens and taxpayers for review, consideration and resident input. A public hearing will be held in October for official input. The town board has the final vote on passing the preliminary budget in November, and may change portions of the budget as presented here after the public hearing.

The Town of Newstead is blessed to be in good financial condition. Our facilities and infrastructure continue to be upgraded. Grant and partnership opportunities continue to be pursued to help offset costs of various upgrades. Having said that, it is becoming extremely difficult to present a budget with the restrictions from the State, while the state does not fulfill their part of the 2% cap legislation. The town tax is a small percentage of one's total taxes. The town has no control over village, county or school taxes. The Town of Newstead taxes are under 10% of your total tax bill, based on a home with a market value of \$ 150,000. Each we pass a resolution allowing us to go over the tax cap, if needed. As in the past, we do not anticipate going over the 2% tax cap in 2016. But we are getting close to having to go over without unfunded mandate relief from the state government.

The overall budget appropriations for the town, which includes all funds, will be \$4,900,817 (\$4,771,120 in 2015). Amount to be raised by taxes will be \$ 2,344,080 (\$ 2,305,765 in 2015). That amount includes the town wide general fund, highway funds, water districts, fire protection district, refuse and garbage district, and drainage district.

The general fund tax rate will be \$ 1.3158 (\$1.34 in 2015) per \$ 1000 taxable valuation. The fire Protection district tax rate will be \$ 1.2264 (\$1.22 in 2015). The drainage tax will be \$.088 (\$.09 in 2015) per \$ 1000 taxable valuation. Water district rates will vary but stay close to the same as last year depending on the district. The flat yearly rate for refuse will be \$ 178.897 (\$ 161.405 in 2014). This increase will handle the town's portion of the various recycling programs that the Town and Village are jointly offering as well as the normal increase in providing this service. A complete detailed budget and summary of estimated tax rates can be found in the tentative budget. The hearing on the budget is scheduled for Monday, October 26, 2015 at 7:45 p.m.

Sincerely,

David L. Cummings
Supervisor - Town of Newstead