

## Comments – Draft 2023 Tentative Budget

I have had a chance to talk to all department heads and have attached the first cut at the Draft 2023 Tentative Budget for your review...FAC will discuss this draft tentative budget at the 8/13 FAC meeting, and Town Board will discuss it at the 8/18 Board meeting.

We will review and hold public hearings on the proposed tentative budget in September, the proposed preliminary budget in October and the proposed final budget in November

Best way to understand the proposed changes in the attached budget is to compare 2022 budget to 2023 budget line by line...

Some comments...

1) 2023 taxes are projected to be slightly under 2022 taxes...

2) Salaries are budgeted to go up about 5% in 2023. Raises plus additional salary increases for the tax collector, the establishment of a bookkeeper position and workload related increases in the planning/zoning department are partially offset by salary reductions for the assessor and deputy building inspector resulting from reductions from one-time exceptionally high 2022 budgeted amounts. If cost of living/inflation is still at the 10% level by the end of 2022, we may want to consider a one-time 5% salary bonus for all staff that we pay for out of the 2022 year end fund balance,,,

3) Health insurance is budgeted to increase 20%, but is not yet confirmed...

4) State retirement is budgeted to be up 5%, but is not yet confirmed...

5) Sales tax and mortgage tax revenues are projected to be flat to 2022 budget, which is substantially under 2021 and year-to-date 2022, but will need to be carefully evaluated in November based on economic conditions before we finalize the budget.

6) Major 2022 budgeted investments (HVAC, solar inverters, NHN Van) totaling about \$180,000 have been eliminated from the 2023 budget along with about \$70,000 of grant revenue and \$100,000 of fund balance revenue support. The \$126,000 budgeted in 2022 for highway equipment (pick up, bucket truck) has been budgeted again for 2023, offset by a 2022 fund balance allocation totaling \$126,000. Any other major 2023 investments we decide on (Town pool, SIC, highway equipment, etc) will be funded from fund balance.

7) In addition to salary and health insurance increases, Highway is budgeted to spend \$25,000 more on road repair, \$10,000 more on fuel and \$5,000 more on snow removal, all caused by price increases. These price related increases, and the \$45,500 bank loan payment will be funded out of the 2022 fund balance.

8) There are a variety of budgeted spending decreases in the general fund totaling about \$40,000 (attorney fees down \$15,000, computer spending down \$10,000, PB/ZBA .4 down \$10,000, cemeteries down \$4000, camp/pool salaries down about \$6,000).

9) Keep in mind this is just the first cut at the 2023 budget, and there will be many tweaks as we work our way through the budget process over the next few months, and as we get more clarity on the effect of the inflation we are seeing, economic environmental factors and state programs.

Please let me know if you have any questions or comments.