

**TOWN OF ROTTERDAM  
FIVE YEAR FINANCIAL FORECAST  
2015 - 2019**

# FINANCIAL FORECAST ASSUMPTIONS

## 1. Taxable assessed values

Remain flat over the life of the forecast based on the current assessed values

## 2. Revenue including property tax

Increases between 1.16 to 2.10 percent

## 3. Wages

2015 - Forecasted salaries based on negotiated contracts

2016 – 2019 – No increase in salaries have been forecasted

4. Equipment & other capital outlay

Forecast does not include additional equipment

*\*\*\* A replacement program needs to be instituted\*\*\**

5. Contractual expenses other than central dispatch

Forecasted at an approximate increase of 2% annually

6. Buyouts

Projected at \$526,745 per year over the life of the forecast

## 7. Retirements

State and Police pensions have been forecasted based upon salaries and the *current* contribution rates:

	<u>Police Rate</u>	<u>CSEA Rate</u>
TIER II	33.8% of salaries	26.2% of salaries
TIER III	25.5% of salaries	21.0% of salaries
TIER IV	16.3% of salaries	21.0% of salaries
TIER V	n/a	16.0% of salaries
TIER VI	n/a	11.4% of salaries

## 8. Other benefits

Social Security	7.65%
Worker's Compensation	2.00% Inc
Life Insurance	no increase
Unemployment	no increase
Disability	no increase
Medical Insurance	8.00% Inc
Dental Insurance	3.00% Inc
Vision Insurance	2.50% Inc

## 9. Debt Service

Forecast is based on current debt with an allowance for Police vehicle rotation

**ASSESSED VALUE HISTORY**  
**Roll Section Town Summary**

2009 Taxable Value	\$ 2,416,567,371
(increase rate 1.266%)	<u>30,607,408</u>
2010 Taxable Value	\$ 2,447,174,779
(increase rate .534%)	<u>13,056,488</u>
2011 Taxable Value	\$ 2,460,231,267
(decrease rate .210%)	<u>(5,175,714)</u>
2012 Taxable Value	\$ 2,455,055,553
(decrease rate 4.704%)	<u>(115,508,204)</u>
2013 Taxable Value	\$ 2,339,547,349
<b>Overall decline 2009-2013</b>	<b>\$ 77,020,022</b>

Projected Property Tax Increase

General Fund

Highway Fund

2015	\$136,392	\$71,623	\$208,015
2016	\$136,392	\$71,623	\$208,015
2017	\$136,392	\$71,623	\$208,015
2018	\$136,392	\$71,623	\$208,015
2019	\$136,392	\$71,623	\$208,015

**GENERAL FUND**

<b><u>YEAR</u></b>	<b><u>ACTUAL EXPENSE</u></b>	<b><u>ACTUAL REVENUES</u></b>	<b><u>DOLLAR DIFFERENCE</u></b>
2009	\$12,975,745	\$12,846,855	\$ (128,890)
2010	\$13,046,832	\$12,410,565	\$ (636,267)
2011	\$13,102,057	\$12,517,530	\$ (584,527)
2012	\$13,468,659	\$13,532,865	\$ +64,206
2013	<u>\$14,014,304</u>	<u>\$13,851,505</u>	<u>\$ (162,799)</u>
TOTAL	\$66,607,597	\$65,159,320	\$(1,448,277)

**HIGHWAY FUND**

<b><u>YEAR</u></b>	<b><u>ACTUAL EXPENSE</u></b>	<b><u>ACTUAL REVENUES</u></b>	<b><u>DOLLAR DIFFERENCE</u></b>
2009	\$4,060,629	\$4,069,653	\$ 9,024
2010	\$3,748,769	\$3,942,530	\$ 193,761
2011	\$4,079,517	\$4,198,193	\$ 118,676
2012	\$3,754,638	\$3,944,810	\$ 190,172
2013	<u>\$3,955,589</u>	<u>\$3,900,675</u>	<u>\$ (54,914)</u>
TOTAL	\$19,599,142	\$20,055,861	\$456,719

■ **2015 FORECAST EXPENSES VERSUS REVENUES**

■ **GENERAL FUND**

<b><u>YEAR</u></b>	<b><u>EXPENSES</u></b>	<b><u>REVENUES</u></b>	<b><u>DIFFERENCE</u></b>
■ 2015	\$15,771,799	\$14,237,466	\$(1,534,333)
■ 2016	\$15,968,311	\$14,407,354	\$(1,560,957)
■ 2017	\$16,303,243	\$14,582,626	\$(1,720,617)
■ 2018	\$16,703,877	\$14,758,287	\$(1,945,590)
■ 2019	<u>\$17,118,202</u>	<u>\$14,934,341</u>	<u>\$(2,183,861)</u>
■	<b><i>TOTAL EXPENSES OVER REVENUES</i></b>		<b><i>\$(8,945,358)</i></b>
■	<b>EXPENSES OVER THE LIFE OF THE FORECAST INCREASED BY AN AVERAGE OF 2.97%</b>		

■ **HIGHWAY FUND**

■ 2015	\$4,260,231	\$4,183,447	\$ (76,784)
■ 2016	\$4,358,458	\$4,255,070	\$ (103,388)
■ 2017	\$4,453,122	\$4,326,693	\$ (126,429)
■ 2018	\$4,547,805	\$4,398,316	\$ (149,489)
■ 2019	<u>\$4,575,154</u>	<u>\$4,469,939</u>	<u>\$ (105,215)</u>
■	<b>TOTAL EXPENSES OVER REVENUES</b>		<b>\$ (561,305)</b>
■	<b>EXPENSES OVER THE LIFE OF THE FORECAST INCREASED BY AN AVERAGE OF 1.78%</b>		

## GENERAL FUND BALANCE ANALYSIS

Total Fund Balance As Of 12-31-2013		\$4,600,421
Assigned Fund Balance –Encumbrances	\$197,724	
Tax Certiorari	\$271,053	
Employee Benefits	\$838,622	
Restricted	\$612,222	
Non spendable	\$528,075	
Future Years Budget	<u>\$729,359</u>	
TOTAL Assigned		<u>\$3,177,055</u>
TOTAL Unassigned		\$1,423,366

THE STATE COMPTROLLER'S OFFICE RECOMMENDS AN UNASSIGNED FUND BALANCE EQUAL TO AT LEAST TWO MONTHS OF EXPENSES.  
FOR ROTTERDAM THIS IS EQUAL TO \$1,600,000.

# FINANCIAL RECOMMENDATIONS

1. Continue to explore avenues that will generate new revenues.
2. Explore the possibility of shared services as a means to reduce costs.
3. Establish replacement schedules aimed at reducing maintenance costs.
4. Maintain financial stability between expenses and revenues.
5. Review all fees on an annual basis. Make adjustments where necessary.
6. Establish partnerships with employees of the Town aimed at controlling benefits in future years.
7. Establish budgets that will reduce the current practice of balancing budgets through the use of FUND BALANCE. This may require an override of the tax cap.

## 2015 DEFICIT BASED UPON BUDGET REQUESTS

GENERAL FUND \$1,452,477.00  
HIGHWAY FUND \$ 480,653.00  
TOTAL\$ 1,933,130.00

### POTENTIAL SOLUTIONS

Remove buy outs	\$ 490,820.00
Remove SS on buy outs	\$ 47,115.00
Remove Records Clerk	\$ 48,500.00
Remove Patrol Vehicles	\$ 125,000.00
Remove Highway Resurfacing	\$ 400,000.00
Apply Yard Waste Revenue	\$ 240,000.00
Total Changes	\$ 1,351,435.00

AMOUNT OF ADDITIONAL REQUIRED CUTS \$581,695.00 TO HAVE A  
0% BUDGET.

# **ADDITIONAL AREAS OF REDUCTIONS**

- **STAFFING - STAFFING NEEDS TO BE REVIEWED IN ALL DEPARTMENTS. THIS WILL BE DISCUSSED WITH DEPARTMENT HEADS DURING INDIVIDUAL BUDGET MEETINGS.**

# 2015 BUDGET FACT SHEET

<u>General Fund Budget</u>	<u>Revenues</u>	<u>Applied Fund Balance</u>	<u>Tax Levy</u>
\$14,860,036	\$7,485,524	\$566,670	\$6,807,842

Budget Increase of \$56,066.00

2015 Tax Rate Homestead \$2.32 A Decrease of \$ .14 from 2014

2015 Non Homestead Increase of \$ 0.78

<u>Highway Fund Budget</u>	<u>Revenues</u>	<u>Applied Fund Balance</u>	<u>Tax Levy</u>
\$4,033,019	\$ 770,063	\$ 0	\$3,262,956

Budget DECREASE from 2014 is \$157,136

2015 Tax Rate Homestead Decrease of \$0.21

2015 Non Homestead Tax Rate Increase of \$0.14

In 2014 the proration of assessed value between Homestead and non Homestead was 66% homestead and 34% non homestead. In 2015 the rates changed to 61% homestead and 39% non homestead. These rates are not established by the town, they are given to us ORPS, the Office of Real Property Taxes.

## BUDGET SUMMARY

- The 2015 Budget Spending For ALL Funds Shows A ZERO dollar increase from 2014
- The Spending Plan for 2015 is \$22,503,244
- BUDGET BY CATEGORY
- Personal Services \$9,106,225.00
- Equipment And Other Capital Outlay \$ 386,516.00
- Contractual Expenditures \$4,803,851.00
- Fringe Benefits \$6,014,085.00
- Debt Service \$1,304,728.00
- Other Items \$ 887,839.00

- For the average home owner in the Town of Rotterdam, they will see their General Fund and Highway Fund taxes go down as follows.

■ <u>Average ASSESSED VALUE</u>	<u>TAX DECREASE:</u>	<u>Savings</u>
\$173,456.00	\$0.35	\$60.71