



Town of LaGrange 2011 Budget

Narrative Budget

Jon J Wagner, Town Supervisor

History

- Spending practices were subject to extensive reform in 2006 and 2007.
- Spending policies and internal controls have previously been overhauled.
- Salary structure has already undergone extensive review.
 - Some salaries remain frozen.
 - Some jobs previously eliminated

History Continued...

- Zoning Administrator job previously eliminated.
- Combined with Building Inspector at a smaller salary.
- Savings of about \$100,000.00 including benefits.

History continued...

- Engineer budget line item previously reduced.
- Changing engineers saved tax dollars.
- Former engineers charged \$90,000.00 just to continue a relationship-billable hours increased the general budget costs over that figure.
- Current engineers cost taxpayers much less – majority of their expenses through developer escrow NOT tax dollars.

History continued...

- Administrator of Public Works position created in 2007.
- “Watchdog” over consultant expenses.
- Provides oversight for public works construction projects.
- Storm Water Maintenance Officer.
- Planning oversight.
- Performs numerous functions under one title saving taxpayer dollars and controlling costs generated through consultants and construction.

History continued...

- Grants to keep budget costs low
 - CDBG Freedom Park bathrooms
 - Town Hall furniture
 - Lighted stop signs Cross Rd. and Rte 55
 - Open Space
 - MS4 (storm water)
 - Titusville Sewer Plant energy efficiency
 - NYS Office of Court Administration
 - Construction
 - Furniture
 - Security
 - Computers
 - Applied for new construction grant.

History Continued...

- Mortgage Tax Revenue weigh heavily on the 2008, 2009 and 2010 budgets.
 - In 2004,05,06 and 07 mortgage tax revenue kept the tax levy down. LaGrange previously saw as much as 1.3 million dollars.
 - That dynamic shifted in 2008 and continues to be declined today.
 - The tax levy has increased with the decreases in mortgage tax revenue.

History Continued...

- 2004-2010 LaGrange Town budget **ACTUAL** spending decreased 8%
 - Budgets are estimates, but spending control – *spending to the budget* - has been made a priority in LaGrange.
 - Internal Controls have been solidified.
 - Purchase process is very strict, including quote process and purchase orders that are checked against available budget lines.
 - Training- especially out of town training involving overnight stays reduced or curtailed.

History Continued...

- Conservative budgeting and spending practices resulted in positioning LaGrange for favorable bond interest rates.
- Moody's Investor Services upgraded LaGrange's bond rating from A1 to aA2.

2008

- LaGrange Association Library got an 11.43% budget increase to \$599,280.00
- Mortgage tax started to make a downward slide, which was the beginning the economic downturn.
- Spending was further reduced and preparations were made for upcoming budget reductions.

2009

- LaGrange recognized that the economy was taking a turn for the worse during preparation of the 2009 budget in the Fall of 2008.
- Training such as the NYS Association of Towns curtailed
- The general fund was reduced by \$74,000.00
- Reductions were made to the highway budget
- One highway position went unfilled
- Highway employee's pay netted a zero
- Town Hall employee's pay netted a zero
- The LaGrange Library was kept at \$599,280.00
- Spending was further controlled during the year
- Mortgage tax fell further.

2010

- Total budget 2.68% less than 2007 budget.
- Town Hall employees salaries net zero.
- Highway Department reduced spending to pre 2007 levels.
- Service cutbacks occurred in Parks and recreation- some costs passed on to sports entities
- Non-essential overtime curtailed.
- For the first time in history the Town Board faced with an impasse, legislatively imposed a zero percent wage increase for union workers.

2011 Budget

- Medical Insurance premiums increase by an estimated \$110,000.00.
- NYS retirement contributions increase by an estimated \$150,000.00.
- Dutchess County Legislature voted to pass an estimated \$30,000.00 in election costs on to LaGrange that our taxpayers did not have to pay in 2011.

2011 budget

- NYS revenue sharing reduced by 6% and remains uncertain in the future.
- NYS Office of Real Property tax reduces per parcel stipend expected for 100% valuation compliance, costing LaGrange an estimated \$14,000.00.

2011 budget

- No further reductions made to town departments.
- Further reductions will reduce services.
- Highway Department has 2 vacancies through retirement that are not being filled. Replacing the two open positions would add about \$160,000.00 to the budget
- Highway equipment and repairs funding cannot be further reduced without impairing service.
- Parks and Recreation reductions mean cutting seasonal staff – Parks would suffer.
- Cost sharing with Soccer and Baseball for specific field work proposed (\$5,000.00 per organization)

2011 budget

- One part-time Deputy Town Clerk position remains unfilled – replacement would add about \$20,000.00 to the budget.
- The preliminary budget includes a 2% salary increase for remaining Town Hall employees who have seen no net increase in two years
- **Elected Officials are excluded from pay raises.**
- Union members will be meeting with management starting tomorrow morning, and are aware of the need to further cut costs through negotiation to preserve jobs.
- Limited training has been reinstated (subject to written policy, approvals and IRS regulations) and to ensure up to date information available to Officials and staff – emphasis on local training where possible.
- Shift in Court security priorities will likely eliminate civilian court attendants and replace with Law Enforcement. *May require adjustment to budget. (plus or minus \$5,000.00) Topic remains unsettled as of 12/17/2010 due to insurance issues.*

2011 budget

- Roof and HVAC replacement debt repayment included – Approximately \$ 14,000.00 for an approximate \$700,000.00 bond at favorable rates.
 - Flat roof with many intrusions for air handling systems, pipes and duct work.
 - Built in 1968 and reportedly leaking ever since.
 - Constant repairs do not solve problem.
 - Building, equipment and employees at risk
 - HVAC system is NOT energy efficient, the equipment is unreliable, breaks down often and expensive to repair.
 - Volunteer architect will help keep costs under control.

2011 budget

- LaGrange Library
 - 11.43% increase in 2008 to \$599,280.00
 - There were no decreases to that budget line despite decreases to Town Highway and General budgets in 2009 and 2010.
 - Town Board has been considering a 9% reduction to the Library budget in 2011. Library Board was asked to produce a report on the effect such reductions would have on the Library budget.
 - The Town Board has decided to **NOT** decrease the Library budget at this time and it stands at \$599,280.00 for the 2011 preliminary budget.
 - The voters defeated a 16.6% increase of \$99,000.00 on Election Day.

Senior Transportation

- Dutchess County has increased LaGrange's payment for the Dial a Ride Senior transportation program from \$11,000.00 to nearly \$18,000.00 per year. Pleasant Valley's increase is very similar.
- Supervisor Wagner and Supervisor McNair (Town of Pleasant Valley) have met with Town of Rhinebeck Supervisor Tom Traudt to learn about Rhinebeck's newly inaugurated senior Transportation program.
- LaGrange and Pleasant Valley began a joint project for a Senior Center last year, cut costs and increased services quite successfully.
- Initial findings indicate that the two towns should be able to replicate Rhinebeck's transportation success and start a similar program which is volunteer based.
- LaGrange and Pleasant Valley have identified citizen volunteers who will work along side Town Officials to develop the program.
- It is hoped that Veteran, Church and Service organizations in both towns will assist in this shift from government provided transportation to a volunteer based program with municipal assistance.
- Work will continue in the next several weeks to avoid the increased costs in this program for both towns

What Does this all Mean?

- The tax rate for the proposed budget will increase 13.01% to \$2.31 per thousand dollars of assessed value.
- In general a residential assessment dropped 10% in accordance with NYS ORPS standards.
- The effective increase for an average residential parcel will mean about a 1.9% increase in actual dollars spent.

Actual Dollar Cost

- A residential taxpayer with a house valued at \$ 331,500.00 will pay \$14.28 more than they did in 2010.

2011 realities

- A drop in expected non-property tax revenues could result in mid year adjustments including layoffs and curtailment of services, and could impede efficient snow removal operations.
- Any additional pass down of costs from the State or County could have the same effect.
- Any reduction “CHIPS” highway improvement funds will hamper highway repairs etc...
- LaGrange has worked hard to reduce the size of our budget - Impending tax cap legislation may result in reduced services.

2011 realities

- Strict spending practices will be continued to ensure every tax dollar is properly spent.
- LaGrange has begun a program aimed at reducing our financial exposure on workman's compensation cases to include employee interviews and education.
- Opportunities for shared services such as consolidated assessing programs, senior programs, equipment etc... will continue to be explored.