

Village of Bainbridge
2020-2021 Budget Summary Statement
April 13, 2020

When the Board first began discussions for the 2020-21 Village budget in early February, the Covid-19 virus pandemic was just beginning to make news, but events rapidly changed. During our final discussions in preparing the tentative budget for public presentation, the pandemic was making history throughout the Country.

The pandemic has forced the Board to make some serious assessments that affect the shape of the 2020-2021 budget:

1. The economic impact of the pandemic on Village taxpayers required us to assess how much Villagers can afford without affecting important Village services.
2. The economic impact will not only affect us locally, it will affect the State budget as well.

Together, this meant considering several budget affecting factors while balancing Village needs and priorities. From a revenues standpoint, we agreed on the following:

1. There could be no tax increase this year. There was a very small increase in our tax base for the 2019 tax roll which could result in a very small decrease for some taxpayers, but most taxpayers will see no increase in Village taxes for 2020-21.
2. State Sales tax revenues are at risk. The Sales tax revenue distributed by the State, and redistributed by the county, amounts to almost 20% of Village revenues. The economic pause created by the pandemic mitigation actions may reduce revenues received. We may be forced to curtail expenses if these revenues are not realized, as we do not have reserves or fund balance to cover a gap caused by a decrease in sales tax revenues.
3. Special state programs such as Chips, Pave NY and Extreme Winter Recovery may be reduced or curtailed. The State budget was approved by April 1, but it has 4 re-evaluation dates for budget adjustments during the year if revenues are not realized. The State is already facing a deficit, and the pandemic may increase it.

The critical services we must continue to provide to the Village are:

- Safe, reliable drinking water and firefighting supply
- Sewer services for proper sanitation
- Road maintenance, including pot hole repair, resurfacing, winter plowing and salting
- Remediating any condition that creates a liability to the Village
- Police services for traffic control and personal and property safety

These services require materials, equipment and man-power. Water mains can't be repaired without repair parts and excavation equipment. Road work requires safe and operable equipment for plowing and salting. Salting requires salt. The treatment plant requires chemicals and testing equipment.

The 2020-21 budget we present is aligned with all of the above. Unfortunately, although some costs are increasing, we have several positive items to report:

1. Health insurance costs for employees have actually decreased approximately 7% due to switching plans this year as part of the new Teamsters contract.
2. We are proceeding with switching the streetlights to LED units. This should save us approximately 50% of the cost once completed later this year. We had to budget the same amount this year as in the past to cover the cost of switching but we should see a major decrease in the 2021-2022 budget year.
3. We put our fuel oil and propane supply out to bid again this year, so these costs are remaining steady or decreasing due to the competitive bid.
4. We put our electric supply out to bid as well and signed a fixed price contract for 1 year.
5. We received a \$30,000 grant for a Sewer System I&I (Infiltration and Inflow) study, which we plan to execute this spring to position us for further grant and/or financing for other sewer system improvements.
6. We purchased a stump grinder attachment for the skid steer. This allows us to grind tree stumps as needed rather than renting equipment for a limited time, which also limited how many stumps could be removed per year. We've already made good progress on stumps around the Village.

We're also making progress year-to-year in Water and Sewer funds. In Water, the expected fund balance draw is \$4,176, down substantially from \$17,957 last year, and sewer fund balance draw is \$31,417, down substantially from \$51,126 last year. In General, the fund balance draw is \$44,889, up slightly from \$42,385 last year.

We need to plan to replace one of the trucks used for plowing and other road work. The 2006 Ford dump is in bad shape. It's over 13 years old, badly rusted, maintenance costs are increasing, and in general, it's unreliable. We expect to acquire a replacement vehicle in the 2020-21 year using reserves only. If the fund balance at the end of 2020-21 can support it, we'll start replacing reserves for the next vehicle replacement.

We will need to proceed cautiously in 2020-21. Although we expect to see economic recovery later in the year, we must be prepared for budget changes if conditions change.