

TOWN OF HALFMOON 2016 BUDGET HIGHLIGHTS

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The Town of Halfmoon relies on two major sources of revenue for the Town budget, mortgage tax and sales tax. This year's Town Budget figures are the result of a number of different statistical data and analyses. The Town Supervisor and Town Budget Officer reviewed actual statistical data of the Town budgets over the past five year period and then compared it with recent trends to formulate the budget. The Town Budget is based on very conservative fiscal expenditures and revenues for the 2016 budget year.

NO GENERAL FUND TOWN PROPERTY TAX

This budget marks the 37th consecutive year there is no general fund Town tax to be levied with the residents of the Town of Halfmoon.

GENERAL, HIGHWAY and WATER FUND

The General Fund portion of the Town Budget shows that there has been a significant increase in health insurance costs due to Affordable Health Care rules for groups fewer than 100 will now be community rated. The Town has requested a quote from CDPHP to renew December 1, 2015 to keep the current health insurance plan for 11 months in 2016. There have also been slight cuts in NYS retirement. There is a two percent (2%) raise budgeted for all year-round Town employees. The budget includes a new Code Enforcement Officer to help with the work load in that department.

The 2016 budget also takes into account a small increase in the expected sales and mortgage tax the Town will receive based on the better than anticipated 2015 amount.

The Town will not rely upon any use of its unappropriated fund balance for the 2016 budget.

The general fund portion of the budget increased 1.9 percent from the 2015 budget.

The Highway fund portion of the budget is a 12.88% percent increase over the 2015 budget. The Town will have a proposed \$630,000 tax levy in 2016 to increase the revenue that will be generated by sales tax and State monies received thru the CHIPS program.

The Water fund portion of the budget will decrease 5.7% over last year's budget. The water fund budget operating portion increased 7.6% from the previous year based upon the Town's continuing to purchase water from the City of Troy due to GE's dredging of the Hudson River. The debt portion has decreased because the large projects for the water department have been completed and nothing is scheduled in the near future allowing us to decrease the amount transferred to capital reserve.

Overall, the Town budget for 2016 increased \$154,615, which is basically a stable and realistic budget for the year 2016.

PROVIDING NEEDED SERVICES

Our residents continue to use needed services provided by the Town. For example, over 1000 seniors actively participate in the Senior Center's educational and recreational programs, along with other services. Meals-on-Wheels, Day to Day activities, planned trips and senior van use are important and vital services provided to the seniors.

For our youth, the Summer Recreation Program enrolled just under 600 children this past summer. The Character Counts program is integrated into the programming for all summer recreation participants whose ages range from pre-school to 15 years old. The Town also employed youth thru its summer beautification program, many for whom it was their first job experience.

The Town partners with several non-profit organizations to provide support to Halfmoon children, seniors and families in need. These partnerships include: CAPTAIN, Center for the Family, Care-Links, and the YMCA Reach Out for Youth program. The programs offered by these organizations are essential components of our Town as they provide educational, financial, emotional, psychological and other support to those in need.

SLOW ECONOMIC IMPROVEMENT CONTINUES TO AFFECT HALFMOON

The slowly improving national economy continues to present realistic challenges to the Town. Sales and mortgage tax numbers for the calendar year 2015 to date have been higher than budgeted. The Town has made significant cuts in certain areas of health insurance, reducing costs while maintaining stable coverage for its employees. The Town has also been recently approved for a state sponsored program thru NYSERDA for solar panels to be placed at the Halfmoon Water Treatment facility. They will be installed at no cost to the Town but will result in significant savings in utility bills that the Town pays monthly. Lastly, the Town refunded some of its bonds resulting in substantial savings to Town residents. Conservative budgeting and spending will continue as the Town finds more ways to cut its expenses.

GRANT FUNDING

The Town continues to aggressively pursue federal, state and other grants. These grant awards have been and will continue to be used for road, sewer, water, energy efficiency improvements, sidewalk, park, trail, recreational, and court projects. These are projects that would have otherwise been funded exclusively by the Town or would have been deferred due to the lack of funds.

AUDITOR AND BOND RATING AGENCY EVALUATIONS OF TOWN FINANCES

Annually the Town's finances are examined by an independent auditing firm. For the most recently completed fiscal year 2014, the CPA Firm, Bollam, Sheedy, Torani & Company issued the following opinion regarding the Town's financial statements and internal controls:

"In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each governmental fund, the fiduciary fund, and each account group of the Town of Halfmoon, New York as of December 31, 2014 and the changes in financial position of each governmental fund for the year then ended, in accordance with the accounting and reporting practices permitted by the New York State Office of the State Comptroller..."

The Town of Halfmoon continues to have a very strong credit rating as reflected by Moody's 2015 rating of the Town with its "Aa3" designation and the removal of the negative outlook. Another rating company, Standard and Poor maintained the Town's AA bond rating with a stable outlook. Moody's report stated:

"The town does not levy a general town property tax and derives the majority of its revenues from sales tax (68% of 2014 operating revenues). While historical budget to actual results for this economically sensitive revenue has been negative, recent years have improved with stronger receipts and more conservative budgeting. Of note, the town is considering implementing a highway tax that could come as early as fiscal 2016. A new revenue source would provide greater operating flexibility and reduce its dependence on economically sensitive revenues." (Moody's Investors Service Report, September 14, 2015).

Respectfully submitted;

Kevin J. Tollisen
Town of Halfmoon Supervisor