

Town of Newstead – Budget Message for 2025

Each year in August the town department heads submit requests for funding for their own portion of the budget. The Town Supervisor, as the budget officer, then reviews that information, adds the anticipated estimated revenue sources and expenses for the main part of the budget, and sets the tentative budget. Then the Town Board reviews the budget as a whole and recommends adjustments, if necessary, to trim the budget.

The number one challenge for Towns in their 2025 budgets is the retention of existing employees and the hiring of new employees. Being able to be competitive with wages compared to the private sector has become an insurmountable challenge. The goal in this year's budget was to get wages for existing employees that have served the town and community for many, many years to a competitive wage compared to new employees that have recently been hired, making employee compensation fair and equitable. Due to a recommendation from our auditors and the State Comptroller's office, another challenge we faced was working to eliminate the highway tax. Last year we cut the highway tax rate in half and we have done that again for this year's budget, decreasing it by \$0.13/1,000 Assessed Valuation (AV), with an overall goal of hopefully eliminating it by the 2026 budget. As a result, that has led to a corresponding \$0.18/\$1,000 AV increase in the General (A) fund tax. With decreases happening in all the remaining special district lines the overall effect on a town taxpayer will be a \$0.0272 tax increase over last year. This equates to a \$2.72 increase per \$100,000AV. Without the corresponding decrease in the highway tax to make up the difference, a Village taxpayer will see an approximate \$16 increase per \$100,000AV. This year's budget remains under the 2% tax cap recommended by the state.

The overall budget appropriations in the town's tentative budget, which includes all funds, will be \$6,855,450. Amount to be raised by taxes will be \$3,284,037. That amount includes the town wide general fund, highway funds, water districts, fire protection district, refuse and garbage district, and drainage district.

The general fund tax rate is tentatively set to be \$1.254324 (\$1.07 last year) per \$1,000 taxable valuation. The highway tax rate will be \$0.158077 (\$0.29 last year) per \$1,000 taxable valuation. The drainage tax will be \$0.075410 (\$0.08 last year) per \$1,000 taxable valuation. The fire protection district tax rate will be \$0.779300 (\$0.80 last year) per \$1,000 taxable valuation. Water district rates will vary, but most have dropped or remained the same as last year depending on the district. The refuse fees will increase to \$10 for flat fee charges on vacant land and \$214.80 for yearly full service as determined by a 5-year contract and also covers the town's expense for the various recycling programs that the town and village jointly offer. A complete detailed budget and summary of estimated tax rates can be found in the tentative budget on our website at www.erie.gov/newstead on the Supervisor's office page. The hearing on the budget is scheduled for Monday, October 28, 2024 at 7:25 p.m. Once final adjustments are made, the final budget will be adopted at the November 11, 2024 Town Board meeting.

Sincerely,

Dawn D. Izydorczak
Supervisor - Town of Newstead