The City of Lockport, NY

FY 2022 to FY 2032 Financial Forecast Report

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City of Lockport, NY

3/1/2022

Introduction

The City of Lockport, NY approves regular annual operating budgets once a year in November, according to City Charter. In this process, the Mayor first provides the Council with a budget proposal. Once obtained, the Common Council holds a public hearing on the budget and rate changes (if applicable), regular budget sessions to discuss the budget, and finally will vote on and adopt a budget that may or may not contain changes to the Mayor's proposal. Often, rate increases in operating funds are thought of and discussed in a singular year occurrence and not in the context of a multi-year forecast, which can result in inadequate tax equity norms for the City residents.

Multi-year financial forecasts are intended to shed light on how actions in the current year may impact our financial condition and tax equity in future years. The New York State Office of the State Comptroller (NYS OSC) recommends multi-year projections as a means to avoid future financial stress and as an opportunity to develop a financial improvement plan which identifies goals and benchmarks for the City to obtain as we proceed with annual planning.

While a formalized multi-year forecast has not been published in prior years by the City, it is the utmost importance to begin constructing healthy financial habits and long-term plans to promote tax equity and financial stability. This report will be outlined as follows:

(1) Introduction
(2) Model Assumptions and Data Used
(3) Fund-Based Discussion and Key Findings
(4) Recommendations and Conclusion
(5) Sources and Appendices

In addition, to promote open data and transparency, this report and associated forecast model will be accessible online for citizens to use and read as well.

Model Assumptions and Data Used

The model used for this report contains a section for 'model inputs' followed by four sets of projections. Each set contains a ten-year projection of each of the City's major funds (General, Water, Sewer, and Refuse). The user can manipulate all cells of the model input area to see changes throughout the funds' projections. In addition to expenditures and revenues changing for each year, each fund will also contain a break-even percent for the major revenue source of the fund (property taxes, water meter rates, sewer rents, and refuse charges for the General, Water, Sewer, and Refuse funds, respectively). This value represents the required rate increase that is needed for the fund to remain solvent *for the individual year*. Notice that changing the rate or other model inputs for one year will impact the required break-even rate for future years (more to be discussed in the "Findings" section below).

The ultimate goal that users would be striving for is to have each fund be solvent in their annual budgets (that is, to have no annual deficits and no significant surpluses), while also having no significant increases in rates (and for property taxes, no increases more than 2%). In terms of definitions for this report, 'tax equity', while subjective in nature, will equate to no annual increases over 2%. In theory, this would allude to maintaining tax increases below the forecasted rate of inflation and/or the levy limitation by NYS OSC.

The model inputs (all of which can be manipulated to automatically alter the projections for each fund) contain the following variables:

(1) Cost-of-living-adjustments (COLA) for union groups. The City contains six separate union groups, each having their own contractually obligated COLA taking effect the first day of each new fiscal year. The cells highlighted in blue are extrapolated from the final year COLA from current contracts and are not actually contained in ratified contracts.
(2) PFRS and ERS contribution rates. The City is obligated to pay towards NYS retirement for both the Police and Fire Retirement System (PFRS), as well as the Employees' Retirement System (ERS). In practice, this is done by obligating a percentage of wages and earnings for each of the benefit groups. The rate itself is variable and changes each year depending on the solvency of the NYS Retirement system. Current out-year projections are based on current contribution rates (which have decreased slightly after COVID-19).
(3) The average rate of inflation. The rate of inflation used for this model is derived from the average of two values provided by the Congressional Budget Office's (CBO) "Budget and Economic Data." The first inflation indicator used is CPI-U, which is the consumer price index for all urban consumers, and represents "changes in prices of goods and services purchased for consumption by urban households." The second value, GDP-I, is the "measure of inflation in the prices of goods and services produced in the United States."
(4) The average rate of inflation for healthcare. The projected health inflation rate is used similar to the inflation rate but is meant to apply to only health-related expenditures. This is calculated identical to the average rate of inflation, but is separated in the event that the user wants to assume higher medical inflation.
(5) Rate increases for property taxes and water/sewer/refuse rates. These variables represent the annual revenue (or levy) percent increase each year, and the dollar value associated to this increase is based off of the prior year's revenue amount.

Note that values displayed in the model input for 2022 are a reference and have no impact on the model outputs.

The model outputs, the ten-year projections, contain the following variables:

(1) Revenue – Property taxes, metered water sales, sewer rents, and refuse charges. These are calculated by taking the prior year revenue amount and multiplying it by the user's chosen input for the year's rate increase.

(2) Revenue – Sales taxes. Growth in sales tax is assumed to be the prior year revenue amount multiplied by the rate of inflation for the year. It is assumed there is no natural economic growth or decline in the area (which would skew this trajectory).

(3) Revenue – Departmental Income/ Other Misc. City finances contain a number of miscellaneous revenue sources and/or departmental charges that are not tax/levy based. While trends show slight increases for these sources (some of which change based on the economy, such as investment earnings), the typical growth is much slower than that of inflation. As a result, the projected annual increase for these revenues are half the average rate of inflation. "Town" revenue (found in the Sewer fund only) represents the funds that the City bills to the Town of Lockport for services. "Fund Balance" (found in the General Fund) is reduced to $45k in 2023 for the comprehensive plan. All other contractual costs associated to this revenue were reduced in the 2023 forecast (since they were one-time) and as a result, revenues are reduced as well.

(4) Revenue – Interfund. This represents the amount that funds charge other funds for indirect cost allocations. While annual costs do change somewhat, it is assumed that these values may likely remain close to current levels in future years. These levels are set by the Mayor and Council each year during the budget process.

(5) Expenditures – Personnel costs. Personnel costs are divided into costs associated to each union's anticipated expenditures in addition to 'other costs' which includes non-union specific costs, such as overtime, out-of-grade, etc. The adjustments to the annual COLAs of the model input will alter the costs associated to each union, while the 'other costs' is increased based on the average salary increases found across the unions for the year.

(6) Expenditures – Equipment and Contractual. These costs represent expenditures for regular operating items such as computer equipment, supplies, public works repairs, etc. Increases from FY 2022 amounts are assumed based on the average (non-medical) rate of inflation from the model input.

(7) Expenditures – Debt Payments and Interfund. The City has set obligations to repay debt and loans, in addition to paying for capital projects. The values shown in the projections are based on these schedules and are not impacted by model inputs. If desired, users can change these values in the projections themselves. Note: short-term financing debt repayments in the sewer funds are estimated and not yet fully known, as they are based on the progress of the project itself. An estimated cost was built in to represent these costs each year.

(8) Expenditures – Health related. These expenditures represent costs that the City annually incurs to pay sponsored premiums for active employees as well as retired employees. The annual increase is based on the model input for healthcare inflation.

(9) Expenditures – FICA/ retirement/other. FICA is based on a standard percentage rate of wages. Retirement is derived from the user inputs for ERS and PFRS contribution rates. Other costs (retirement buyouts, unemployment costs, etc..) is based on the average rate of inflation.

The 2022 values for both model inputs and outputs are taken directly from the appropriated FY 2022 budget, as well as accompanying support documents (debt and capital schedules, union cost allocation, etc.). As can be seen in the description of the variables, there will always be a degree of uncertainty with all projections and forecasts. The intention is to provide the user with the ability to manipulate the inputs of the model that may alter and change each year in order to see how their decisions impact the projections.

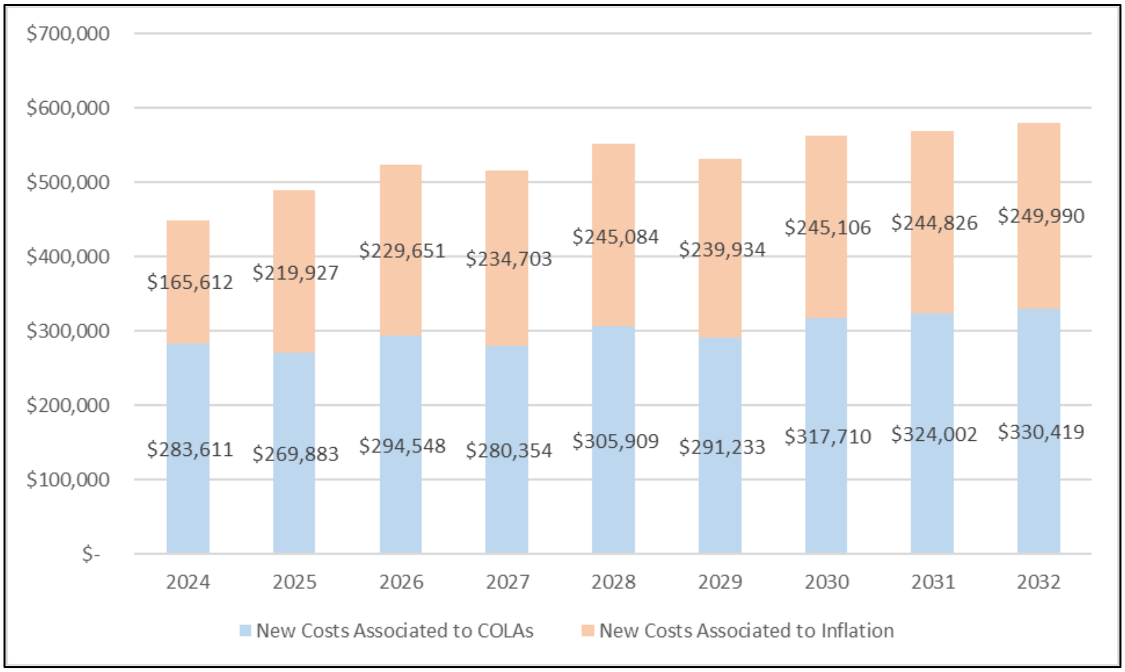
It should be noted that this model does not take into account accumulated fund balances, as the intent of this model is to relay the importance of naturally occurring operating and legacy costs compared to our operating revenues.

Discussion and Findings (By Fund)

General Fund

Given the base model inputs and assumptions, expenditures in the General Fund will increase from $26.3 million in FY 2023 to $30.7 million in FY 2032, a ten-year increase of $4.3 million. The largest drivers of this increase are personnel costs for $2.1 million (relating to COLAs) as well as employee benefits, with health costs increasing $1.2 million. Notice costs for debt repayment decrease heavily as current debt obligations dissipate with principal payments. While the average annual increase is $432k, actual budget increases grow almost exponentially, as COLAs impact prior year wages and inflation impacts contractual items. FY 2023 increases only $36k from the prior year (keep in mind ~$500k in one-time fund balance utilization is no longer budgeted for in FY 2023 as it was in FY 2022, but four new firefighter positions are now funded in the budget per legal requirements), while the increase from FY 2031 to FY 2032 is estimated to be $580k. **Exhibit 1** (on the following page) shows natural annual cost increases for FY 2024 to FY 2032 as they are associated to either union COLAs or natural inflation.

Exhibit 1. General Fund Cost Drivers, FY 2024 to FY 2032

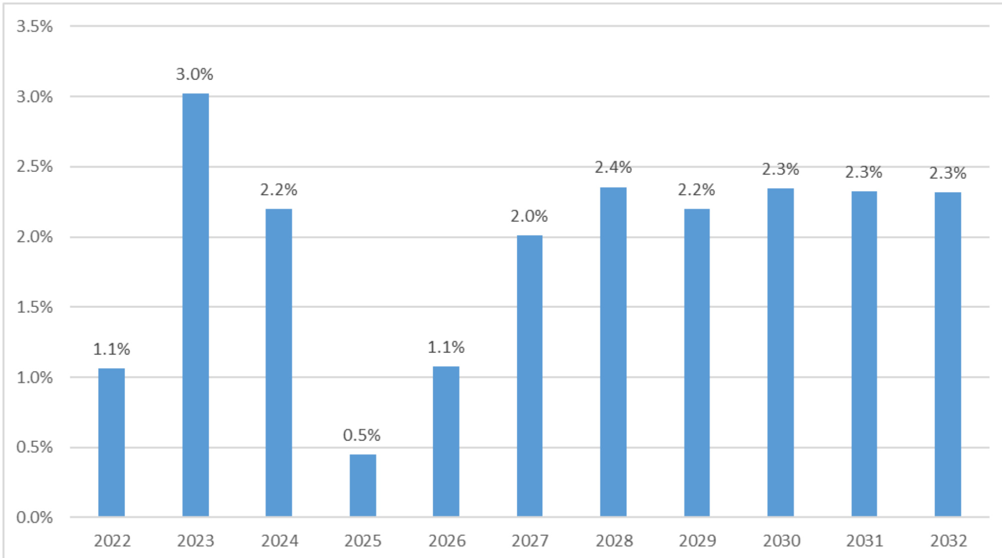


At the same time, with an assumed 0% increase for property taxes in the ten-year window, our non-property tax revenues are only increasing by $1.8 million, attributed to inflation on our sales tax attainment, and mild increases in department revenue and other sources. As a result, we must rely on steady property tax increases to be able to annually produce a balanced budget.

Beginning in FY 2023, without reductions to line items or services, the City must increase the property tax by 3% (note: since the City appropriated a property tax under the legal limit in FY 2022, it is likely the City would be able to legally appropriate 3% in FY 2022, if required, without an override). This would be the largest increase over the next ten-year period, and is largely due to the purposeful decision of prior year Council to reduce the property tax rate to lower amounts than normal, due to COVID-19 (with the thought that doing so would promote better tax equity for the community when economic conditions due to COVID-19 worsened). For example, if a 2% increase had been appropriated in FY 2022 (totaling a levy of $13.2 million in FY 2022), an increase of only 2.07% would have been required in FY 2023. This is because the levy increase is based on the prior year amount. If we reduce the prior year levy, we will need to increase it more in the following year to account for the lower starting point.

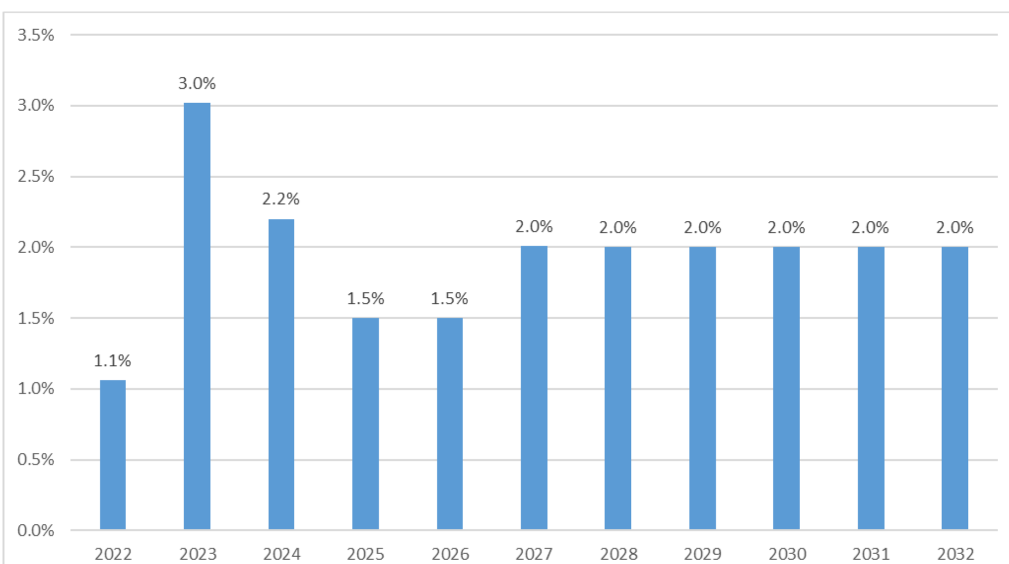
Given the projections in the fund, the City would need to increase the property tax levy by varying amounts, as seen in **Exhibit 2** on the following page. These amounts were determined by selecting the lowest amount required to break-even for each year. Notice that the required levy increase in FY 2025 drops heavily as City debt obligations for selected loans end in FY 2024, and gradually builds back up, increasing past 2% beginning in FY 2028-forward. This is not beneficial for tax equity, as the annual increase is past 2%, meaning it is in excess of both the maximum allowed by NYS OSC, as well as exceeding the rate of inflation in that year. The property tax levy in year 2032 amounts to $16.0 million.

Exhibit 2. Required Property Tax Levy Increases to Balance Budget, FY 2022 to FY 2032



In order to reduce these required rate increases in future years, an entity can opt to redistribute the rate increases in a way that allows smaller annual jumps. For example, **Exhibit 3** (below) displays the annual property tax rate increases, but in this instance, they are not chosen as the required minimum. Instead, they are chosen as relatively more stable figures with less annual deviation from each other. Notice in this instance we do not exceed the property tax maximum of 2% in years 2028 through 2032. The property tax levy in year 2032 amounts to $16.0 million.

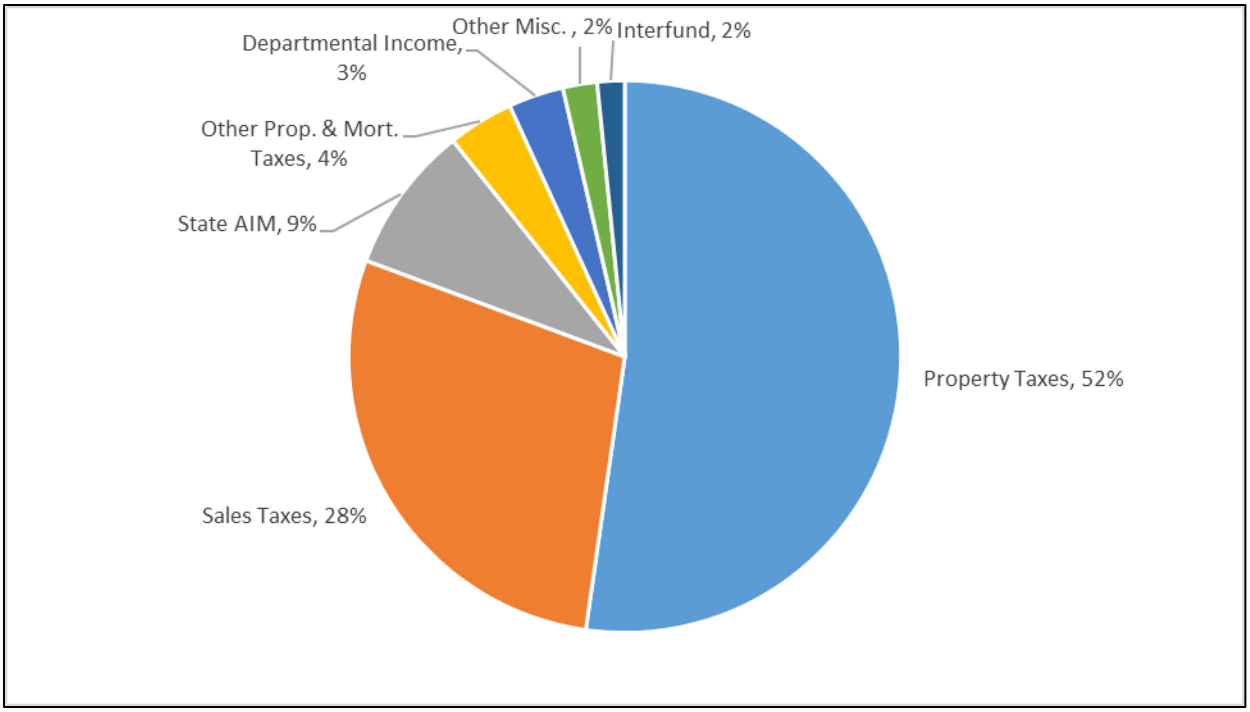
Exhibit 3. Selected Property Tax Levy Increases to Balance Budget, FY 2022 to FY 2032



Notice that the property tax levy in FY 2032 in both **Exhibit 2** and **3** totals $16 million; however, in the **Exhibit 2** set of rates, the City would potentially need to exceed the property tax cap for five consecutive years, FY 2028 through FY 2032. In the **Exhibit 3** set of rates, it abides by the presumed maximum of 2% for those same years. When making decisions regarding property taxes and the levy, it is important to consider the greater context of the decision, in addition to the budget year solution.

Finally, regarding the General Fund, the composition of our revenue sources does change slightly, but not too dramatically. Property taxes will likely overtake 50% of the General Fund's revenue source as of FY 2023, gradually becoming around 52% of City revenue by FY 2032 (as seen in **Exhibit 4** below). State funding via AIM, if funded at today's amount, will decrease from 10% to 9% in FY 2022. Sales tax, as a percent of our revenue, will increase by only 1% over the 10 years.

Exhibit 4. Composition of General Fund Revenue Sources, FY 2032



Expenditures have slight compositional changes, with personnel and employee benefits growing from 83% of the budget today, to 86% in FY 2032. As contractual obligations in the form of COLAs and increased medical costs continue to increase annually, it is anticipated that these costs will continue to dominate our expenditures for years to come. If continued, this will lead to potential financial stress, as annual cost increases may require continually higher property tax rate increases, unless actions are done to make structural changes in the City. This is a common concern that many municipalities experience in long-term planning and budgeting.

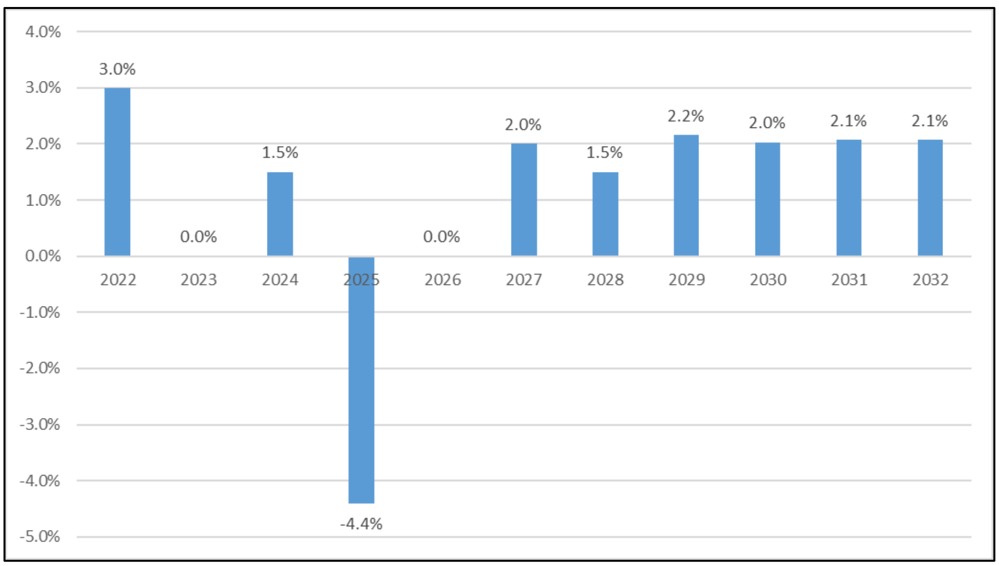
Water Fund

The Water Fund, similar to the General Fund, also experiences costs associated to the union COLAs as well as inflation, but to a lesser dollar extent because of the size of the fund and amount of personnel/spending. Projected annual COLA costs average $32k per year while inflation costs average $50k per year.

Notably, due to the size of the fund, projections will be dependent on debt and loan obligations. For example, ending debt payments for completed financing in FY 2024 will decrease the FY 2025 operating budget by $271k. As a result, the fund has the opportunity to see negative growth to its metered water sales rates in FY 2025, and, to a slight degree in FY 2026.

In this instance, if the City were to proceed with a rate reduction, it would eventually have to follow (beginning FY 2027) with rate increases to account for the annual COLA and inflation costs per year. This would amount to 2% in FY 2027 and varying amounts per year after that to match up revenues with our costs. This is shown below in **Exhibit 5**.

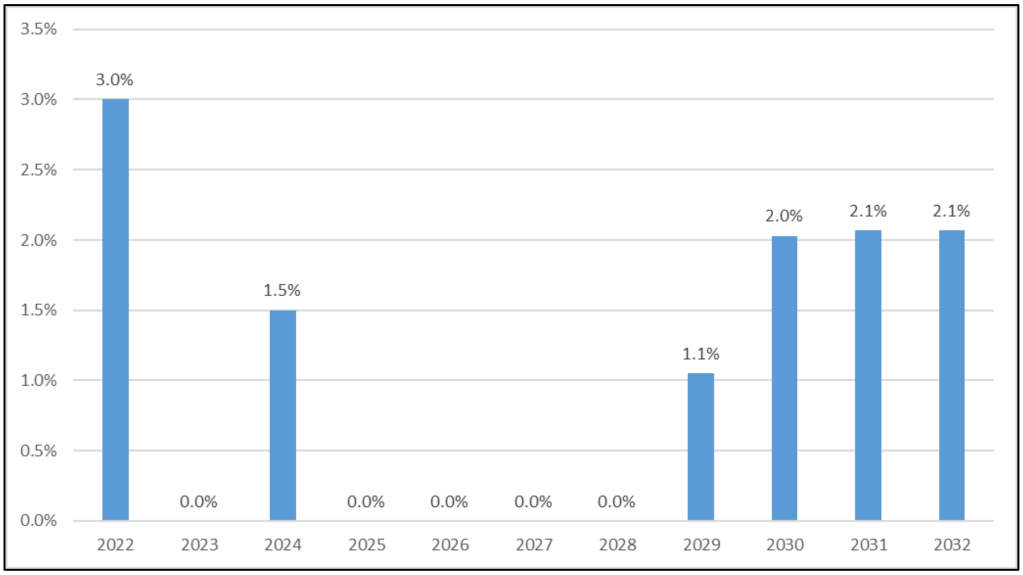
Exhibit 5. Required Water Rate Increases to Balance Budget, FY 2022 to FY 2032



It should be noted that each year after FY2027, assuming there are no structural changes in the fund and that debt payments begin to stabilize, annual rate increases must match with annual cost increases from the COLAs and inflation. On average, this amounts to $82k in new revenue, or a 2% rate increase, each year.

On the other hand, the City may not wish to reduce rates, but to use the excess funds in FY 2025 to invest in infrastructure repairs or other non-operating costs. In this case, we would be able to proceed up to four years without rate increases, until our COLA and inflation costs require us to charge more for our services. This is shown in **Exhibit 6** below.

Exhibit 6. Selected Water Rate Increases to Balance Budget, FY 2022 to FY 2032



Sewer Fund

Similar to the Water Fund, the Sewer Fund also experiences increases associated to COLAs and inflation costs, as well as the potential to decrease the fund's associated sewer rent rates in FY 2025, due to the payment of financing obligations. Similar rates can be estimated for Sewer to those seen in **Exhibit 5** and **6**. It should be noted that this fund in particular has more uncertainty due to ongoing capital projects which are using short-term financing. When these projects are completed and funding is replaced with bonds, the fund will incur increased debt obligations. An estimate has been put into the projections, but the exact figure and timeline will not be known fully until the bonding process is completed at a later point in time.

Refuse Fund

The Refuse Fund is dissimilar to other enterprise funds because it contains no budgeted personnel. Rather, it is for a service that the City contracts to a third-party. Annual cost increases for the payments to this vendor are based on inflation, taken at each year-end for the following year. As such, it can be anticipated that the associated rates for the fund mirror that of inflation taken into the costs.

Outside of this concept, this fund will also end debt payments in FY 2024, meaning that it will have an opportunity (like water and sewer) to either reduce rates altogether, or to build (in this case) a much-needed cash reserve to meet our minimum fund balance requirements in FY 2025. From FY 2026 onward, the fund will require annual increases in revenue to match the obligations of the fund.

PDF copies of the model projections can be found attached to this report in the **Appendix**. An excel copy of the forecast model can be found on the City of Lockport's Finance Department website under "Other Documents."

Recommendations and Conclusion

With an understanding of the projections key findings, this section will turn to recommendations that the City can make to alleviate financial stress in the future and to abide by healthy financial habits.

Recommendation #1

Annual City operating budgets should include a long-term projection for each fund. This will allow citizens to have a greater context into the decisions presented in the budget, as well as the future consequences of the document. While options such as reducing the tax rates may sound alluring in principle, knowing that a long-term impact may amount to much higher rates in the near future is a critical piece to making or supporting a decision. The goal of the budget process should be promoting tax equity not only in a single-year consideration, but in a multi-year plan.

Recommendation #2

Budgetary decisions made outside of the budget cycle should include a multi-year analysis. As with the operating budget recommendation, the Mayor and Council should be aware of the future impact of their decisions in a more uniform manner. Stating the impact in terms of a ten-year forecast window will allow for more insightful decisions.

Recommendation #3

Debt and bond obligations, particularly for the enterprise funds (Water, Sewer, and Refuse), should be discussed not only for the benefit of the project, but also in terms of annual rate increases. For example, decision-makers may agree that a certain project would bring utility and benefit to citizens, but may not be aware of the direct impact the project could have on user fees and charges. Because these funds are so small on an operational level, debt payments have a significant impact on rates. This should commonly be a consideration in the decision.

Recommendation #4

Like many local municipalities, the City should be considerate of the annual cost increases from COLAs and inflation compared to their ability to increase future tax revenues. Without structural changes, new revenue sources, strategic budgeting, or environmental changes, future operating costs will begin to exceed the ability to tax without heavy reliance on property tax overrides. Investing in local economic development or other means to make annual routine returns on investments should be prioritized. Expanding on tax bases (for property taxes and/or sales taxes) can promote better sustainability. Consider drafting a long-term investment or improvement plan with identified goals to address this concern.

While it may be impossible to predict the future, multi-year forecasts provide an opportunity to strategize our financial priorities and to assess the effectiveness of our tax equity. By analyzing our budget data, projections from FY 2023 to FY 2032 shed light on a number of trends that we may wish to minimize before they become significant financial stress. The recommendations above are meant to provide a beginning step forward for the City, and are intended to become a part of normal procedures moving forward.

Thank you for your time,

Tim Russo

Finance Director

Sources and Appendices

New York State Office of the Comptroller Multi-Year Financial Plan Guide

https://www.osc.state.ny.us/files/local-government/publications/pdf/multiyear.pdf

Congressional Budget Office Economic and Budget Data

https://www.cbo.gov/data/budget-economic-data#6

U.S. Bureau of Labor Statistics CPI-U

https://www.bls.gov/data/inflation_calculator.htm

U.S. Bureau of Economic Analysis GDP Price Index

https://www.bea.gov/data/prices-inflation/gdp-price-index#:~:text=What%20is%20the%20GDP%20Price%20Index%3F%20A%20measure,U.S.%20goods%20and%20services%20exported%20to%20other%20countries.

City of Lockport FY 2022 to FY 2032 Projections Model

To use, alter 'Model Inputs' below (all values can be modified). Inputs will alters cells and values throughout the projections for each applicable fund. Some notes: (1) COLA values in blue are extrapolated from the current union agreements and are not ratified figures. (2) Average inflation is taken from the Congressional Budget Office for US Congress 'Budget and Economic Data' set. (3) Debt repayments for short-term financing for sewer fund projects is estimated and meant to provide an illustrative example, not exact figures. (4) The distribution of employees' steps is assumed to be the same each year. This will shift as the active workforce's average employment time shortens and lengthens. (5) Values displayed to 'Break Even' are based on the prior year accumulation. For example, a break-even value showed as 1% for 2024. If prior year alterations are made to the input values, the break-even figure for 2024 will increase, as the percentage increase starting point (the revenue for the prior year) is now lower. (6) Fund Balance utilization from 2022 is reduced to $45k in 2023 for the comprehensive plan only. (7) Plus values on left side of the screen will expand and shorten projections tables for your convenience.

Model Inputs:											
Input	**2022 (Reference)**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**
AFSCME COLA	*2.5%*	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
CSEA COLA	*2.0%*	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Department Head COLA	*1.5%*	2.0%	1.5%	2.0%	1.5%	2.0%	1.5%	2.0%	1.5%	1.5%	1.5%
Fire COLA	*2.0%*	1.5%	2.0%	1.5%	2.0%	1.5%	2.0%	1.5%	2.0%	2.0%	2.0%
Police COLA	*2.0%*	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Unrepresented COLA	*0.0%*	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PFRS Contribution Rate	*27.0%*	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%
ERS Contribution Rate	*11.6%*	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%	11.6%
Growth of the CPI-U	-	2.3%	2.3%	2.4%	2.4%	2.4%	2.5%	2.4%	2.4%	2.3%	2.3%
Growth of the GDP-I	-	2.0%	2.1%	2.1%	2.2%	2.2%	2.2%	2.1%	2.1%	2.1%	2.1%
Average Projected Inflation	-	2.2%	2.2%	2.3%	2.3%	2.3%	2.4%	2.3%	2.3%	2.2%	2.2%
Projected Health Inflation	-	2.2%	2.2%	2.3%	2.3%	2.3%	2.4%	2.3%	2.3%	2.2%	2.2%
Property Tax Levy Increase	*1.1%*	3.0%	2.2%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Water Rate Increase	*3.0%*	0.0%	1.5%	0.0%	0.0%	0.0%	0.0%	1.1%	2.0%	2.1%	2.1%
Sewer Rate Increase	*3.0%*	0.0%	1.5%	-3.0%	-0.5%	2.3%	2.1%	2.4%	1.9%	2.5%	2.5%
Refuse Rate Increase	*10.0%*	2.0%	2.0%	0.0%	1.8%	2.2%	2.2%	2.1%	2.1%	2.1%	2.1%

General Fund Projections, FY 2022 - FY 2032

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Revenues											
Property Taxes	$ 13,112,349	$ 13,508,473	$ 13,805,659	$ 14,012,744	$ 14,222,936	$ 14,508,817	$ 14,798,993	$ 15,094,973	$ 15,396,872	$ 15,704,810	$ 16,025,973
Sales Taxes	$ 6,973,230	$ 7,123,154	$ 7,279,864	$ 7,443,661	$ 7,614,865	$ 7,790,007	$ 7,973,072	$ 8,152,466	$ 8,335,897	$ 8,519,286	$ 8,706,711
State AIM	$ 2,650,525	$ 2,650,525	$ 2,650,525	$ 2,650,525	$ 2,650,525	$ 2,650,525	$ 2,650,525	$ 2,650,525	$ 2,650,525	$ 2,650,525	$ 2,650,525
Other Prop. & Mort. Taxes	$ 1,055,000	$ 1,066,341	$ 1,078,071	$ 1,090,199	$ 1,102,737	$ 1,115,418	$ 1,128,524	$ 1,141,220	$ 1,154,059	$ 1,166,753	$ 1,179,588
Departmental Income	$ 886,816	$ 896,349	$ 906,209	$ 916,404	$ 926,943	$ 937,602	$ 948,619	$ 959,291	$ 970,083	$ 980,754	$ 991,542
Other Misc.	$ 550,862	$ 556,784	$ 562,908	$ 569,241	$ 575,787	$ 582,409	$ 589,252	$ 595,881	$ 602,585	$ 609,213	$ 615,915
Interfund	$ 490,000	$ 490,000	$ 490,000	$ 490,000	$ 490,000	$ 490,000	$ 490,000	$ 490,000	$ 490,000	$ 490,000	$ 490,000
Fund Balance App.	$ 581,014	$ 45,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenue	**$ 26,299,796**	**$ 26,336,627**	**$ 26,773,237**	**$ 27,172,775**	**$ 27,583,792**	**$ 28,074,778**	**$ 28,578,986**	**$ 29,084,357**	**$ 29,600,021**	**$ 30,121,342**	**$ 30,660,254**
Expenditures											
Personnel Costs											
AFSCME	$ 1,192,358	$ 1,222,167	$ 1,246,610	$ 1,271,543	$ 1,296,974	$ 1,322,913	$ 1,349,371	$ 1,376,359	$ 1,403,886	$ 1,431,964	$ 1,460,603
CSEA	$ 1,130,458	$ 1,153,067	$ 1,176,128	$ 1,199,651	$ 1,223,644	$ 1,248,117	$ 1,273,079	$ 1,298,541	$ 1,324,512	$ 1,351,002	$ 1,378,022
Department Head	$ 517,625	$ 527,977	$ 535,897	$ 546,615	$ 554,814	$ 565,910	$ 574,399	$ 585,887	$ 594,675	$ 603,595	$ 612,649
Fire	$ 2,772,818	$ 2,992,035	$ 3,051,876	$ 3,097,654	$ 3,159,607	$ 3,207,001	$ 3,271,141	$ 3,320,208	$ 3,386,613	$ 3,454,345	$ 3,523,432
Police	$ 3,559,973	$ 3,631,173	$ 3,703,796	$ 3,777,872	$ 3,853,430	$ 3,930,498	$ 4,009,108	$ 4,089,290	$ 4,171,076	$ 4,254,498	$ 4,339,588
Unrepresented	$ 695,472	$ 695,472	$ 695,472	$ 695,472	$ 695,472	$ 695,472	$ 695,472	$ 695,472	$ 695,472	$ 695,472	$ 695,472
Other Costs	$ 1,794,732	$ 1,856,679	$ 1,891,192	$ 1,924,630	$ 1,960,482	$ 1,995,226	$ 2,032,471	$ 2,068,570	$ 2,107,262	$ 2,146,719	$ 2,186,956
Total Personnel	$ 11,663,436	$ 12,078,571	$ 12,300,971	$ 12,513,436	$ 12,744,423	$ 12,965,137	$ 13,205,041	$ 13,434,327	$ 13,683,495	$ 13,937,594	$ 14,196,721
Equipment	$ 209,284	$ 213,784	$ 218,487	$ 223,403	$ 228,541	$ 233,798	$ 239,292	$ 244,676	$ 250,181	$ 255,685	$ 261,310
Contractual	$ 3,427,033	$ 3,175,762	$ 3,199,638	$ 3,271,630	$ 3,346,878	$ 3,423,856	$ 3,504,317	$ 3,583,164	$ 3,663,785	$ 3,744,388	$ 3,826,765
Debt Payments	$ 779,702	$ 534,369	$ 521,521	$ 286,175	$ 112,162	$ 83,350	$ 83,850	$ 83,350	$ 85,800	$ 85,800	$ 85,800
Interfund	$ 113,750	$ 18,750	$ 18,750	$ 18,750	$ 18,750	$ 18,750	$ 18,750	$ 18,750	$ 18,750	$ 18,750	$ 18,750
Employee Benefits											
Health Related	$ 5,266,725	$ 5,379,960	$ 5,498,319	$ 5,622,031	$ 5,751,338	$ 5,883,618	$ 6,021,883	$ 6,157,376	$ 6,295,917	$ 6,434,427	$ 6,575,984
FICA	$ 936,186	$ 924,011	$ 941,024	$ 957,278	$ 974,948	$ 991,833	$ 1,010,186	$ 1,027,726	$ 1,046,787	$ 1,066,226	$ 1,086,049
Retirement	$ 2,224,199	$ 2,313,401	$ 2,357,597	$ 2,398,761	$ 2,444,653	$ 2,487,408	$ 2,535,060	$ 2,579,468	$ 2,628,948	$ 2,679,413	$ 2,730,881
Other	$ 1,679,481	$ 1,697,536	$ 1,716,208	$ 1,735,516	$ 1,755,474	$ 1,775,662	$ 1,796,526	$ 1,816,737	$ 1,837,175	$ 1,857,384	$ 1,877,816
Total Employee Benefits	$ 10,106,591	$ 10,314,907	$ 10,513,149	$ 10,713,586	$ 10,926,413	$ 11,138,521	$ 11,363,655	$ 11,581,307	$ 11,808,828	$ 12,037,450	$ 12,270,730
Total Expenditures	**$ 26,299,796**	**$ 26,336,141**	**$ 26,772,516**	**$ 27,026,980**	**$ 27,377,166**	**$ 27,863,412**	**$ 28,414,905**	**$ 28,945,573**	**$ 29,510,839**	**$ 30,079,667**	**$ 30,660,076**
Budget Surplus (Deficit)	**$ -**	**$ 485**	**$ 721**	**$ 145,794**	**$ 206,626**	**$ 211,366**	**$ 164,081**	**$ 138,784**	**$ 89,182**	**$ 41,675**	**$ 177**
Property Tax Increase Required to Break Even		***3.02%***	***2.19%***	***0.44%***	***0.03%***	***0.52%***	***0.87%***	***1.06%***	***1.41%***	***1.73%***	***2.04%***

Water Fund Projections, FY 2022 - FY 2032

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Revenues											
Metered Water Sales	$ 4,020,358	$ 4,020,358	$ 4,080,663	$ 4,080,663	$ 4,080,663	$ 4,080,663	$ 4,080,663	$ 4,123,510	$ 4,207,218	$ 4,294,307	$ 4,383,199
Interfund	$ 179,911	$ 179,911	$ 179,911	$ 179,911	$ 179,911	$ 179,911	$ 179,911	$ 179,911	$ 179,911	$ 179,911	$ 179,911
Other Misc.	$ 150,200	$ 150,200	$ 150,200	$ 150,200	$ 150,200	$ 150,200	$ 150,200	$ 150,200	$ 150,200	$ 150,200	$ 150,200
Total Revenue	**$ 4,350,469**	**$ 4,350,469**	**$ 4,410,774**	**$ 4,410,774**	**$ 4,410,774**	**$ 4,410,774**	**$ 4,410,774**	**$ 4,453,621**	**$ 4,537,329**	**$ 4,624,418**	**$ 4,713,310**
Expenditures											
Personnel Costs											
AFSCME	$ 814,659	$ 835,025	$ 851,725	$ 868,760	$ 886,135	$ 903,858	$ 921,935	$ 940,374	$ 959,181	$ 978,365	$ 997,932
CSEA	$ 186,888	$ 190,625	$ 194,438	$ 198,327	$ 202,293	$ 206,339	$ 210,466	$ 214,675	$ 218,968	$ 223,348	$ 227,815
Department Head	$ 93,059	$ 94,921	$ 96,344	$ 98,271	$ 99,745	$ 101,740	$ 103,266	$ 105,332	$ 106,912	$ 108,515	$ 110,143
Other Costs	$ 155,067	$ 160,219	$ 163,198	$ 166,083	$ 169,177	$ 172,175	$ 175,389	$ 178,504	$ 181,843	$ 185,248	$ 188,720
Total Personnel	$ 1,249,672	$ 1,280,790	$ 1,305,705	$ 1,331,441	$ 1,357,350	$ 1,384,112	$ 1,411,056	$ 1,438,885	$ 1,466,904	$ 1,495,476	$ 1,524,610
Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contractual	$ 1,133,804	$ 1,158,181	$ 1,183,661	$ 1,210,293	$ 1,238,130	$ 1,266,607	$ 1,296,372	$ 1,325,540	$ 1,355,365	$ 1,385,183	$ 1,415,657
Debt Payments	$ 685,098	$ 598,760	$ 592,978	$ 322,118	$ 238,162	$ 244,962	$ 221,900	$ 224,050	$ 220,800	$ 220,800	$ 220,800
Interfund	$ 78,470	$ 78,000	$ 78,000	$ 78,000	$ 78,000	$ 78,000	$ 78,000	$ 78,000	$ 78,000	$ 78,000	$ 78,000
Employee Benefits											
Health Related	$ 829,507	$ 847,341	$ 865,983	$ 885,468	$ 905,833	$ 926,667	$ 948,444	$ 969,784	$ 991,604	$ 1,013,420	$ 1,035,715
FICA	$ 99,158	$ 97,980	$ 99,886	$ 101,855	$ 103,837	$ 105,885	$ 107,946	$ 110,075	$ 112,218	$ 114,404	$ 116,633
Retirement	$ 135,964	$ 139,279	$ 141,996	$ 144,814	$ 147,640	$ 150,571	$ 153,510	$ 156,557	$ 159,614	$ 162,731	$ 165,909
Other	$ 138,796	$ 140,288	$ 141,831	$ 143,427	$ 145,076	$ 146,744	$ 148,469	$ 150,139	$ 151,828	$ 153,498	$ 155,187
Total Employee Benefits	$ 1,203,425	$ 1,224,889	$ 1,249,697	$ 1,275,564	$ 1,302,387	$ 1,329,867	$ 1,358,368	$ 1,386,555	$ 1,415,264	$ 1,444,052	$ 1,473,443
Total Expenditures	**$ 4,350,469**	**$ 4,340,620**	**$ 4,410,041**	**$ 4,217,416**	**$ 4,214,029**	**$ 4,303,548**	**$ 4,365,697**	**$ 4,453,030**	**$ 4,536,334**	**$ 4,623,512**	**$ 4,712,510**
Budget Surplus (Deficit)	**$ (0)**	**$ 9,849**	**$ 734**	**$ 193,359**	**$ 196,745**	**$ 107,226**	**$ 45,078**	**$ 591**	**$ 995**	**$ 906**	**$ 800**
Water Rate Increase Required to Break Even		***-0.24%***	***1.48%***	***-4.74%***	***-4.82%***	***-2.63%***	***-1.10%***	***1.04%***	***2.01%***	***2.05%***	***2.05%***

Sewer Fund Projections, FY 2022 - FY 2032

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Revenues											
Sewer Rents	$ 3,093,543	$ 3,093,543	$ 3,139,946	$ 3,045,748	$ 3,032,042	$ 3,101,779	$ 3,166,916	$ 3,242,922	$ 3,302,916	$ 3,385,489	$ 3,470,126
Town Costs	$ 656,413	$ 666,673	$ 666,673	$ 666,673	$ 666,673	$ 666,673	$ 666,673	$ 666,673	$ 666,673	$ 666,673	$ 666,673
Other Misc.	$ 308,650	$ 308,650	$ 308,650	$ 308,650	$ 308,650	$ 308,650	$ 308,650	$ 308,650	$ 308,650	$ 308,650	$ 308,650
Interfund	$ 82,736	$ 82,737	$ 82,738	$ 82,739	$ 82,740	$ 82,741	$ 82,742	$ 82,743	$ 82,744	$ 82,745	$ 82,746
Total Revenue	**$ 4,141,342**	**$ 4,151,603**	**$ 4,198,007**	**$ 4,103,810**	**$ 4,090,105**	**$ 4,159,843**	**$ 4,224,982**	**$ 4,300,989**	**$ 4,360,984**	**$ 4,443,557**	**$ 4,528,196**
Expenditures											
Personnel Costs											
AFSCME	$ 692,985	$ 710,310	$ 724,516	$ 739,006	$ 753,787	$ 768,862	$ 784,240	$ 799,924	$ 815,923	$ 832,241	$ 848,886
CSEA	$ 209,862	$ 214,060	$ 218,341	$ 222,708	$ 227,162	$ 231,705	$ 236,339	$ 241,066	$ 245,887	$ 250,805	$ 255,821
Department Head	$ 80,388	$ 81,996	$ 83,226	$ 84,891	$ 86,164	$ 87,887	$ 89,206	$ 90,990	$ 92,355	$ 93,740	$ 95,146
Other Costs	$ 125,417	$ 129,209	$ 131,611	$ 133,938	$ 136,433	$ 138,851	$ 141,443	$ 143,955	$ 146,648	$ 149,393	$ 152,194
Total Personnel	$ 1,108,653	$ 1,135,575	$ 1,157,694	$ 1,180,543	$ 1,203,545	$ 1,227,305	$ 1,251,227	$ 1,275,935	$ 1,300,812	$ 1,326,180	$ 1,352,047
Equipment	$ 21,000	$ 21,452	$ 21,923	$ 22,417	$ 22,932	$ 23,460	$ 24,011	$ 24,551	$ 25,104	$ 25,656	$ 26,220
Contractual	$ 1,245,137	$ 1,271,907	$ 1,299,889	$ 1,329,137	$ 1,359,707	$ 1,390,980	$ 1,423,668	$ 1,455,701	$ 1,488,454	$ 1,521,200	$ 1,554,667
Debt Payments	$ 683,308	$ 620,476	$ 593,547	$ 413,035	$ 321,996	$ 323,415	$ 303,682	$ 299,563	$ 275,458	$ 275,458	$ 275,458
Interfund	$ 38,000	$ 38,000	$ 38,000	$ 38,000	$ 38,000	$ 38,000	$ 38,000	$ 38,000	$ 38,000	$ 38,000	$ 38,000
Employee Benefits											
Health Related	$ 706,781	$ 721,977	$ 737,860	$ 754,462	$ 771,815	$ 789,567	$ 808,121	$ 826,304	$ 844,896	$ 863,484	$ 882,480
FICA	$ 87,850	$ 86,871	$ 88,564	$ 90,312	$ 92,071	$ 93,889	$ 95,719	$ 97,609	$ 99,512	$ 101,453	$ 103,432
Retirement	$ 121,305	$ 124,233	$ 126,659	$ 129,175	$ 131,698	$ 134,314	$ 136,939	$ 139,659	$ 142,389	$ 145,172	$ 148,010
Other	$ 129,308	$ 130,698	$ 132,135	$ 133,622	$ 135,159	$ 136,713	$ 138,319	$ 139,875	$ 141,449	$ 143,005	$ 144,578
Total Employee Benefits	$ 1,045,244	$ 1,063,778	$ 1,085,218	$ 1,107,570	$ 1,130,743	$ 1,154,482	$ 1,179,098	$ 1,203,447	$ 1,228,246	$ 1,253,113	$ 1,278,500
Total Expenditures	**$ 4,141,342**	**$ 4,151,188**	**$ 4,196,272**	**$ 4,090,701**	**$ 4,076,923**	**$ 4,157,643**	**$ 4,219,686**	**$ 4,297,198**	**$ 4,356,074**	**$ 4,439,607**	**$ 4,524,892**
Budget Surplus (Deficit)	**$ (0)**	**$ 415**	**$ 1,735**	**$ 13,109**	**$ 13,182**	**$ 2,200**	**$ 5,295**	**$ 3,791**	**$ 4,910**	**$ 3,951**	**$ 3,304**
Sewer Rate Increase Required to Break Even		***-0.01%***	***1.44%***	***-3.42%***	***-0.88%***	***2.23%***	***1.93%***	***2.28%***	***1.70%***	***2.38%***	***2.40%***

Refuse Fund Projections, FY 2022 - FY 2032

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Revenues											
Refuse User Charges	$ 1,411,836	$ 1,440,073	$ 1,468,874	$ 1,468,874	$ 1,494,579	$ 1,526,862	$ 1,560,911	$ 1,594,003	$ 1,628,114	$ 1,662,142	$ 1,696,881
Other Misc.	$ 17,000	$ 17,000	$ 17,000	$ 17,000	$ 17,000	$ 17,000	$ 17,000	$ 17,000	$ 17,000	$ 17,000	$ 17,000
Total Revenue	**$ 1,428,836**	**$ 1,457,073**	**$ 1,485,874**	**$ 1,485,874**	**$ 1,511,579**	**$ 1,543,862**	**$ 1,577,911**	**$ 1,611,003**	**$ 1,645,114**	**$ 1,679,142**	**$ 1,713,881**
Expenditures											
Equipment	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Contractual	$ 1,292,405	$ 1,320,192	$ 1,349,236	$ 1,379,594	$ 1,411,324	$ 1,443,785	$ 1,477,714	$ 1,510,962	$ 1,544,959	$ 1,578,948	$ 1,613,685
Debt Payments	$ 36,431	$ 36,492	$ 36,477	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interfund	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000
Total Expenditures	**$ 1,428,836**	**$ 1,456,684**	**$ 1,485,713**	**$ 1,479,594**	**$ 1,511,324**	**$ 1,543,785**	**$ 1,577,714**	**$ 1,610,962**	**$ 1,644,959**	**$ 1,678,948**	**$ 1,713,685**
Budget Surplus (Deficit)	**$ -**	**$ 389**	**$ 161**	**$ 6,280**	**$ 255**	**$ 78**	**$ 198**	**$ 40**	**$ 155**	**$ 194**	**$ 196**
Refuse Rate Increase Required to Break Even		***1.97%***	***1.99%***	***-0.43%***	***1.73%***	***2.15%***	***2.22%***	***2.12%***	***2.13%***	***2.08%***	***2.08%***