

# Review of the Town of Queensbury 2023 Budget

## BUDGET (2022)

Grand Total: \$38,848,871 (33,205,394)

General Operations: \$17,319,663 (14,849,066)

<sup>1</sup>General Fund Unassigned Fund Balance: \$5,895,569 (YE 2021 audited)

General Fund Revenue from Real property Taxes: \$3.35m (\$2.1M)

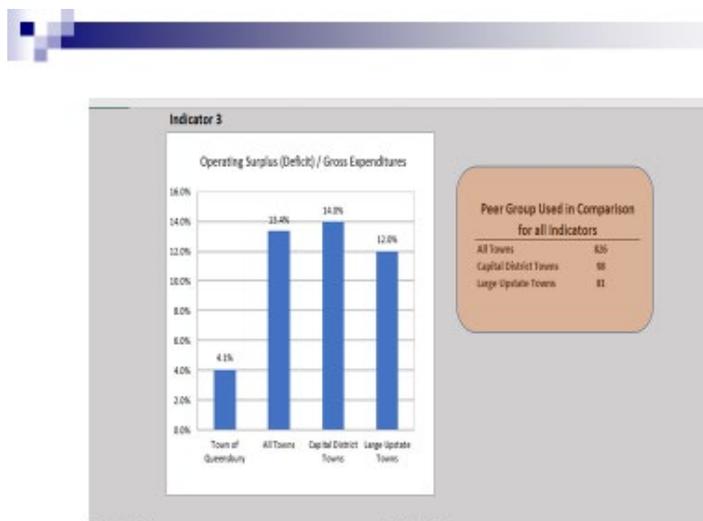
<sup>1</sup>This is money reserved for cash flow and unforeseen expenditures. This number does not reflect an additional subtraction amount that's needed for capital expenditures. *BST/Town Auditor: The Town has established a fund balance policy that embodies sound financial management principles and requires the Town to maintain a stable financial base at all times. The policy incorporates the concept of maintaining a stable financial base at levels sufficient to: Fund cash flows of the Town; Provide financial reserves for unanticipated or emergency expenditures; Provide financial reserves for unanticipated revenue shortfalls or delays, and Provide funds for existing encumbrances. In accord with the Town Board's adopted policy (should represent about 3 months of expected spending).*

## PROFESSIONAL OPINIONS:

NYS Comptroller's Office: Fiscal Stress: 3.3 (100 being significant stress); Environmental Stress: 0 (100 being significant Environmental stress)

Moody's Report: As2 rating for town. Credit Strengths: Very strong and stable financial position. Credit Challenges: Seasonal economy and exposure to sales taxes.

BST/Town Auditor: In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



### **QUEENSBURY TAXES AMONG THE LOWEST**

The claim that the town of Queensbury overtaxes its residents is not accurate. Actually the Town's General Operations taxes, \$.82/\$1000 for 2023, are among the lowest in Warren County and the Capital Region. If you are going to compare, and please do, keep in mind that the town of Queensbury's Highway Department is included in its Town General Tax (some towns have a separate highway district tax) as well as Landfill and cemetery operations. Our Town taxes are so low that even an additional \$152,545 of tax rate increase would have triggered a break in the tax cap.

Town residents will pay more for town taxes. However, the higher rates will provide for General operations and the maintenance of the quality of services the town provides (and the residents expect): Assessor, Accounting, Animal Control, Building & Codes Enforcement, Building & Grounds Maintenance, Cemetery Maintenance, Community Development (Planning, Zoning and Enforcement), Fire Marshall, Highway Administration and Maintenance (snow plowing, paving, etc.), Information/Technology, Parks & Recreation, Town Clerk (Licensing, Receiver of Taxes, Records Maintenance), Town Counsel, Town Court, Town Supervisor & Board, Transfer Stations (Solid Waste).

EXAMPLE of a typical tax increase: Average assessed home in Queensbury was \$290,000 for 2022 and is 293,500 for 2023

	2022	2023	Difference
Town Tax:	\$152.95	\$240.96	\$88.01
Emergency Medical:	\$69.60	\$159.96	\$90.36
Fire Protection:	\$209.50	\$219.54	\$10.04
Water:	\$85.56	\$126.21	\$40.65
Total tax increase:	\$517.61	\$746.67	\$229.06

Historically, since 2012, our General Operations tax rate fell below the CPI index: 2012 tax rate was .658/\$1000 assessed value. The tax rate for 2023 is .821/\$1000 assessed value. Our 11-year tax rate increase averages 2%, while 2012 to 2022 - CPI has averaged 2.82%.

Also, there are service and infrastructure costs associated with being Warren County's economic hub. Residents and visitors use our stores, restaurants, and entertainment/recreation businesses, like Six Flags Great Escape; emergency services costs, highway department, traffic management and accidents and other consumer and tourism economy impacts; costs that need to be addressed, like traffic management and accidents. The town of Queensbury's economic vitality produces costs and revenues, revenues that have to be shared with the county and other county municipalities.

### **EMS COSTS UP SIGNIFICANTLY**

The cost of our town's emergency services is up, especially for Emergency Medical Services (EMS). To keep our three EMS squads healthy (staffing and equipment) and provide trained

personnel the appropriate emergency responses with a minimal response time we had to provide an additional \$1.6 million, in accord with the town's EMS study. After several years of underfunding the Town's EMS squads, which caused a near collapse of the EMS system in town, the Town Board made the decision to significantly improve the system, which included upgrades from a mostly volunteer staff to a 24/7 paid staffing system, calling for more shifts and higher paid staff to provide needed EMS coverage.

The EMS world is facing very serious challenges, not just here in the town of Queensbury. From the Albany Times Union article: EMS billing hospitals for long wait: "Some ambulance organizations are evolving from a hospital transportation service to a 'community paramedicine' model, training emergency crews to perform on-site medical treatment instead of taking the patient to the hospital. This model is effective in rural areas where many patients lack access to primary care and call 911 for routine health care needs, EMS leaders say."

In the emergency services/first responder world, and in the town of Queensbury, volunteerism is down significantly and are being replaced by paid service. Also, other EMS related costs are up significantly, especially for: Equipment and vehicles, training, medical supplies, gear and uniforms, gas/diesel, heating fuel, and more. Our total for EMS and Fire was \$5,249,000 in 2022 and \$6,807,000 in 2023. Up \$1,558,000, or 29.68%.

### **TOO MUCH IN RESERVE**

The claim that we hold too much in reserve is not accurate. See beginning of this report. For town operations General Fund, we hold what is considered by the state and our auditors to be a prudent set aside which is three months of expected expenditures; this sum is reflective of the Town Board's approved policy. On page 13 of our town financial report, we show an Assigned Fund Balance for Fire/EMS of \$6,691,576, money that is mandated to be maintained; that money can only be spent on our Length of Service Award Program and is administered by a third party. LOSAP is a set aside award for our first responder/emergency services volunteers.

As one letter-to-the-editor claimed, "This rise is on top of a surplus which the New York State Comptroller's Office deems as excessive." This is not accurate, the New York State Comptroller's Officer never deemed such a conclusion. As our 2021, the most recent audit available, showed the unreserved and unappropriated fund balance of the General Fund was \$5,895,569, or 37% of 2021 expenditures and transfers out. Again, in accord with the Town Board approved definition of fund balance as equivalent to three months of expenses.

The claim that the town's auditor is concerned with our annual approach of underestimating revenues and overestimating revenues, resulting in a large surplus, is not accurate. Yes, our budget approach is conservative but does not yield a large surplus. The auditor's review supports this. The Town may underestimate budgeted revenues, but generally uses a like amount of Fund Balance during the year for unforeseen and unbudgeted expenses.

The claim that the town's capital reserve is excessive, is not accurate. Actually, our capital reserves are underfunded. We use our capital reserves to update our aging vehicle inventory, averaged 15 years old, nine years ago. We are purchasing new single-axle and tandem trucks for our highway department. We have built a new building to house those quarter of a million dollar trucks. We have replaced decades old trailers and storage buildings with new buildings for highway, cemetery and solid waste departments. We have much more to do and need the capital funds to do so.

### **WHY ARE QUEENSBURY TAXES SO LOW?**

Why are Queensbury's town taxes one of the lowest in the region? Queensbury's prime revenues are the direct result of the town's economic energy; which has been very strong, a direct result of the Town Board's investments, investments that produce the Town's current and future economic health and well-being.

Out of almost \$17M in revenues, only \$3.4M comes from real property taxes; the remainder of revenue comes from charges, fees and \$10.8M in sales tax revenues (we produce much more sales tax revenue than that but have to share our production of sales taxes revenues with the county and other county municipalities).

As long as we keep our local economy strong, we will keep real property taxes low. To keep the local economy strong and taxes low, we have to maintain our services and infrastructure at levels that will encourage business attraction and success, maintain and improve property values, offer great emergency services, and offer a quality of life desired by all and encourage new property owners. The strong economy that Queensbury experiences and enjoys, is the direct result of this Town Board's sound and professional financial and community planning. And that strategy is what keeps your taxes the lowest in the region.

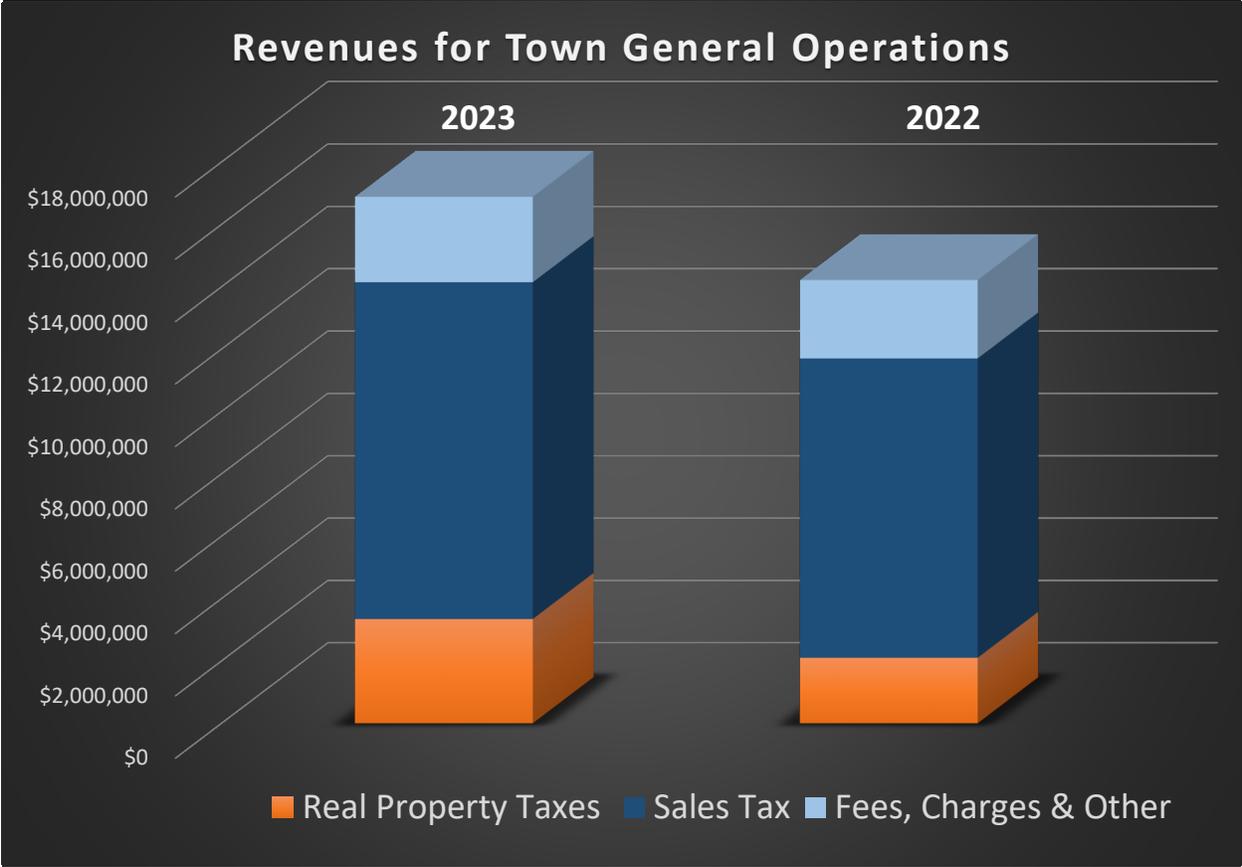
In addition: The Town has implemented unique efforts to reduce costs. For example, we have outsourced many services which has resulted in service improvements and cost reductions: IT, HR, payroll, safety programming, engineering, Activities Center administration, legal, water tank maintenance, road paving, and dog control. In addition, we have kept staff levels minimalized and developed responsible fleet management to reduce maintenance cost, etc.

In contrast, those communities channeled toward slash and burn tax philosophies and guided by spurious platitudes, do not make the necessary investments in their community to assure their economic vitality, and usually end up with HIGHER taxes; the other sources of revenue having been weakened by this strategy. Infrastructure is neglected, land values decline, businesses close, the ability to provide adequate emergency services diminishes, the quality of life deteriorates. Those community leaders and planners do not understand the central and essential role local government has to play in assuring that the interconnected nature of all that they oversee; their philosophy hinders their community's economic success and increases their community's taxes.

It is the leadership of you current Town Board that understands the above and will continue to follow fiscal policies that help assure our economic vitality and quality of life successes. While assuring that the Town of Queensbury’s residents pay the lowest taxes in the region.

As you can see below the amount of real property taxes (your taxes) is a low percentage of the revenues:

2022 14.8%  
2023 19.8%



Revenues for Town General Operations	2023	2022
Real Property Taxes	\$3,350,000	\$2,107,000
Sales Tax	\$10,800,000	\$9,600,000
Fees, Charges & Other	\$2,739,500	\$2,513,500
Total	\$16,889,500	\$14,220,500