

*Office of the Supervisor  
Kenneth Schmitt*

**TOWN OF CARMEL**



[www.carmelny.org](http://www.carmelny.org)

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**SUPERVISOR'S 2012 TENTATIVE BUDGET MESSAGE**

Good Evening ladies and gentlemen, members of the Town Board, residents of the Town of Carmel. As required by Town Law of the State of New York, I hereby submit the Tentative Budget for the Town of Carmel for Fiscal Year 2012.

As the Town of Carmel and our entire nation continue to grapple with the ongoing economic crisis and the financial challenges that many of us have experienced as a result of what is being described as the most devastating fiscal recession since the great depression. The financial collapse along with the tanking of the housing market created severe hardships for many of our residents and business owners. The strong financial years when the markets were healthy and the housing market flourished came to a sudden end in 2008. The reality of an economic recession began to have major impacts on many of our residents. Unemployment numbers began to increase along with the rise of home foreclosure filings as a result of the harsh and painful reality of these very difficult economic times. All levels of government must be pro active in providing tax relief to its residents. Economic recovery will occur; however, this will continue to be a slow process over a period of time. By working together, we will get through these difficult times. Since the outset of the fiscal crisis, in the Fall of 2008, significant reductions in spending have been made in an effort to provide property tax relief to our residents. This year's budget process began months ago with myself, our Town Comptroller, Mary Ann Maxwell, knowing how difficult, painstaking and challenging fiscal year 2012 would be regarding budgetary constraints. Going forward during the process, we met with elected officials, department heads and managers advising them that difficult decisions must be made and we need to continue to do more with less. The Town's Comptroller and I have gone over this budget multiple times, line by line, making additional spending cuts and painful decisions, knowing that certain services and outside programs that the Town in the past was able to provide funding for, will now be impacted. I can tell you the organization has been leaned out and cut to the bear bone. In addition, the New York State Legislature has passed legislation this year which capped the growth of the Town's property tax levy at 2% or the rate of inflation, which ever is less. For fiscal year 2012, the cap will be 2%. I am pleased to report this evening that my 2012 Tentative Budget does meet the perimeters of the newly imposed property tax cap. The budget contains a 1.8% increase over the 2011 property tax levy. This number reflects allowable exclusions contained within the law. Unfortunately, not included in the tax cap legislation was meaningful mandate relief. I strongly encourage all municipal elected officials and its residents to lobby their State and Federal representatives and demand unfunded mandate relief.

The MTA payroll tax has strained municipal operating budgets which translate into increased tax burdens of approximately \$40,000 in the 2012 budget. This mobility tax which is self serving and benefits one entity should be immediately repealed by our state legislature.

The Town of Carmel will continue to seek alternative funding sources from the State and Federal Government in an effort to save the local taxpayers money. I will continue to pursue and encourage partnerships and shared services including the feasibility of consolidating certain services with neighboring municipalities, Putnam County and School Districts.

Sales Tax Revenue: Putnam County must begin the sharing of sales tax revenue with its Towns and Villages. A significant amount of sales tax dollars are generated from businesses located in the Town of Carmel and currently none of those dollars are returned back to the municipal coffers to be used for property tax relief. Even a 1% sharing of sales tax would be extremely beneficial to the taxpayers. For example, in 2010, Putnam County received \$47,632,078 in total sales tax revenue. One percent (1%) of this number would be \$476,320.00. Revenues have declined steadily over the past four years most notably the mortgage tax revenue generated by home and property sales. For example, in 2004, the mortgage tax revenue received was \$3.5 million dollars. In 2010, \$981,000 was received; and as of 9/30/2011, \$605,000 has been collected from a \$900,000 2011 budgeted amount which currently leaves us with a shortfall of \$295,000.

**Town of Carmel Tentative Budget 2012 Major Spending Increases:**

Benefits- Health Insurance/Dental	\$311,179.00
Retirement	\$236,700.00
Workers Compensation Insurance Policy NYMIR- Insurance Premium Increase ( <i>*Driven by injury claims experience and settlements, Workers Comp Insurance premiums have jumped dramatically. In the past two years, almost a 90% increase. In 2010, The premium amount paid was \$512,771 in 2011, the Town of Carmel paid \$729,488. In 2012, the Town of Carmel will be paying \$976,630, a 33.9% increase from the 2011 Policy</i> )	\$247,142.00
Town of Carmel P.B.A. Collective Bargaining Agreement reflects a 4% salary increase. 2012 will be the final year of a four-year agreement with the PBA	\$228,432.00
Fuel – Highway Department	\$ 70,000.00
Fuel – General-Police, Recreation, Town Offices	\$ 16,500.00
Highway Department – Road Repair ( <i>*Increase over the 2011 budget of \$100,000 – 2012 budgeted amount will be \$110,000</i> )	*\$ 10,000.00

- Machine Repair  
 (\*Increase over 2011 budget of \$200,000  
 2012 budgeted amount will be \$325,000) \*\$125,000.00

- Snow Materials  
 (\*Increase over 2011 budget of \$500,000  
 2012 budgeted amount will be \$550,000) \*\$ 50,000.00

**Spending Increase \$1,294,953.00**

Appropriated Fund Balance – Monies used from the designated and undesignated reserves to reduce the property tax levy and offset declining revenues and increasing expenditures:

\$490,000 from the Compensated absences line (General & Highway)  
 \$100,000 from the certiorari reserve line leaving a balance of \$200,000  
 \$100,000 from the future budgets line leaving a balance of \$200,000

**Total 2012 \$ 690,000.00**

**Town of Carmel Tentative Budget Reductions for 2012**

Recreation Department -Two \*Full time positions salary/benefits  
 (\*These 2 positions are currently vacant:  
     1 Park Maintenance Supervisor – Resignation  
     1 Senior Recreation Leader – Resignation) \$105,712.00

Highway Department – One \*Full-time position  
 (\*Anticipated Retirement – This position will remain vacant) \$ 85,452.00

Building Department – One \*Full-time position  
 (\*Deputy Building Inspector – Currently Filled Position) \$ 54,493.00

Police Department – One \*Full-time position  
 (\*Police Dispatcher – Currently Filled Position) \$ 57,389.00

Financial Consultant (Currently Filled Position) \$ 58,000.00

**Total Full-Time Position Reduction \$361,046.00**

Part-time Staff:  
     Recreation Maintenance \$ 34,000.00

    Administration Clerical \$ 24,500.00

    \*Beach Life Guards  
 (\*The Beach at Sycamore Park will close at the conclusion of summer camp due to lack of use by the community.) \$ 10,000.00

Temporary Labor Line (Part-time staff – Zoning & Planning) \$ 5,000.00

**Total Part-Time Position Reductions \$ 73,500.00**

<b><u>Contractual Expenditures:</u></b>	<b><u>2012 Budget Proposal</u></b>	<b><u>Reduced From</u></b>
Compensation Reserve	\$ 10,000.00	\$ 20,000.00
Video Recording of Zoning & Planning Board Mtgs. <i>(*\$12,000 remains in 2012 budget for video recordings of Town Board Work Sessions and Voting Meetings)</i>	*\$ 12,000.00	\$ 24,000.00
Legal Counsel – Defense Line	\$ 20,000.00	\$ 40,000.00
Libraries – *Mahopac <i>(*\$50,000 Reduction)</i>	-0-	\$ 50,000.00
*Reed Memorial <i>(*\$50,000 Reduction)</i>	\$ 155,000.00	\$ 205,000.00
Architectural Review Board	-0-	\$ 5,000.00
Putnam Humane Society	\$ 50,635.00	\$ 60,635.00
Recycle Budget – Special Machine Rental	\$ 10,000.00	\$ 20,000.00
Recreation – Budgeted Expenses <i>(*For each Town Park Facility)</i>	*\$ 5,500.00	

Town wide Debt Service Payment in 2012 decrease by \$33,762.00 a 2.4% decrease in debt payment of principle and interest for 2012

**Total Budget Reductions  
(including debt service payment decrease) \$697,681.00**

The following Town Employees, Consultants and Town Counsel who voluntarily reduced their salaries in 2011 by 4%, will continue to receive the same salary reduction in the 2012 budget:

Town Supervisor, Kenneth Schmitt  
Town Board Members  
Town Comptroller, Mary Ann Maxwell  
Town Legal Counsel – Gregory Folchetti, Esq.  
Town Planning Consultant – Patrick Cleary

Total 2012 Budget Spending Increase	\$1,294,953.00
Total 2012 Budget Reductions	<u>\$ 697,681.00</u>

**Total Spending Increase \$ 597,272.00**

Town Comptroller, Mary Ann Maxwell, will enumerate the 2012 Budget details along with the proposed budget reductions during her Power Point presentation.

**In Summary:** The 2012 Budget was perhaps the most difficult and painstaking process by all those involved. Unpleasant decisions perhaps unpopular had to be made. Every effort was made to avoid layoffs and reductions of full-time personnel. The Town of Carmel is committed to providing its residents with a continued level of professional service while remaining cognizant of the extremely difficult economic times.

In closing, my sincere thanks to Town Comptroller, Mary Ann Maxwell, my office staff, Anne Pasquerello and Bella Cimadomo, along with other elected officials, department heads and managers for their diligence and assistance during the preparation of this document.

Lastly, I would like to express my thanks to the residents of the Town of Carmel and those affected by the budget cuts for their patience and understanding as we move forward through this turbulent and fragile economy that we are all living in.

Respectfully submitted this 30<sup>th</sup> day of September, 2011

A handwritten signature in black ink, appearing to read 'Ken Schmitt', written in a cursive style.

Kenneth Schmitt,  
Supervisor, Town of Carmel