



# 2025 Recommended Budget



Administration

September 3, 2024 Presentation to the Tompkins County Legislature

# The Bottom Line

## Recommended 2025 Operating Budget

- Total: **\$252,317,460**
- Recommended Levy total: **\$55,762,946**
- Levy increase from 2024: **4.34%**
- Property Tax Cap for 2025: **4.45%**
- Impact for the owner of a median-priced home: **\$138**
- Price of Median Home: **\$300,000**
- Increase in solid waste annual fee: **\$2**

## Recommended Capital Budget

- Total: **\$35,901,269**



# Economic & Fiscal Indicators

*Environmental Scan*



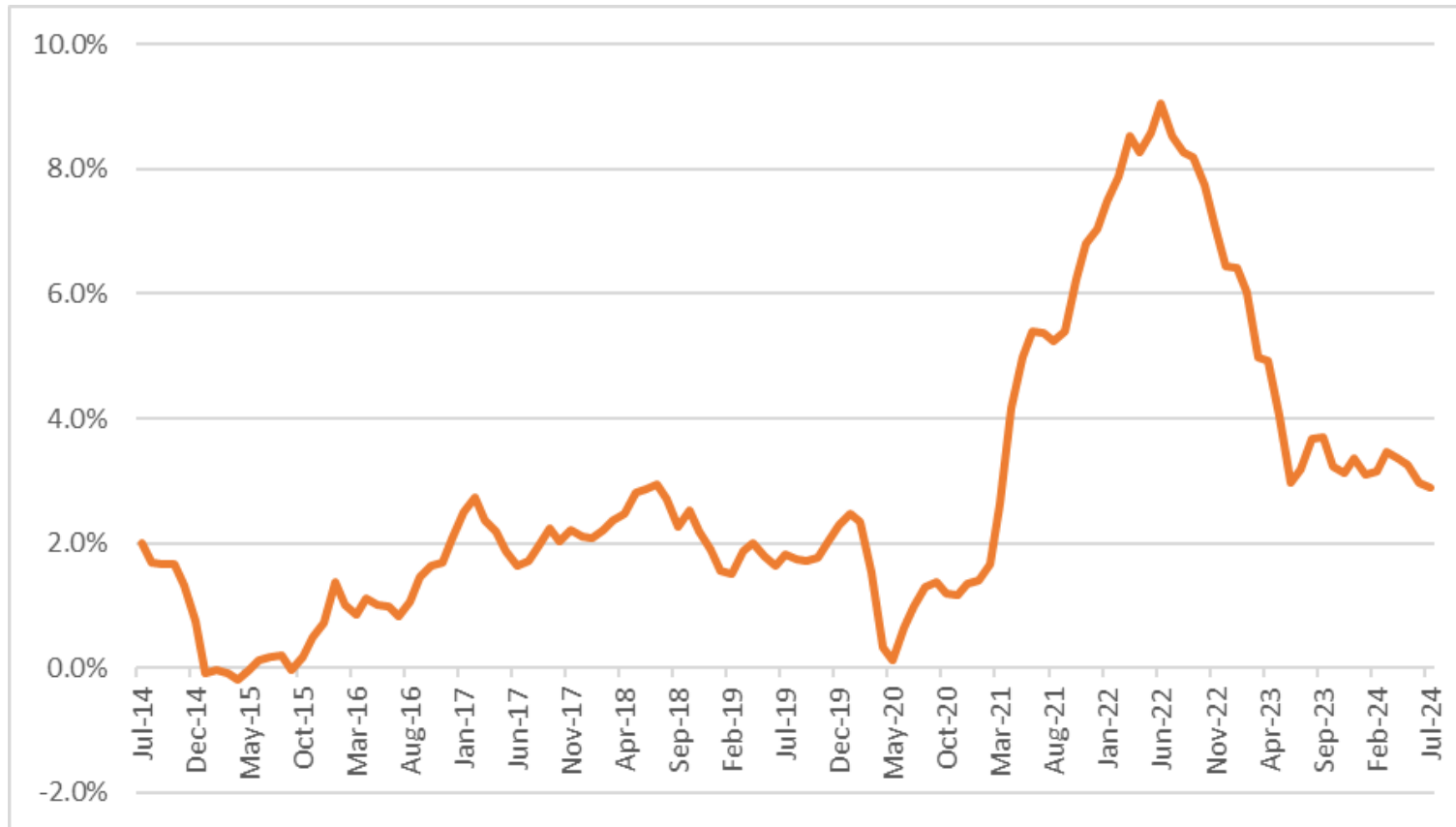
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9/3/2024

# Inflation Rates July 2014-2024

July 2023 to  
2024 inflation  
was 2.9%



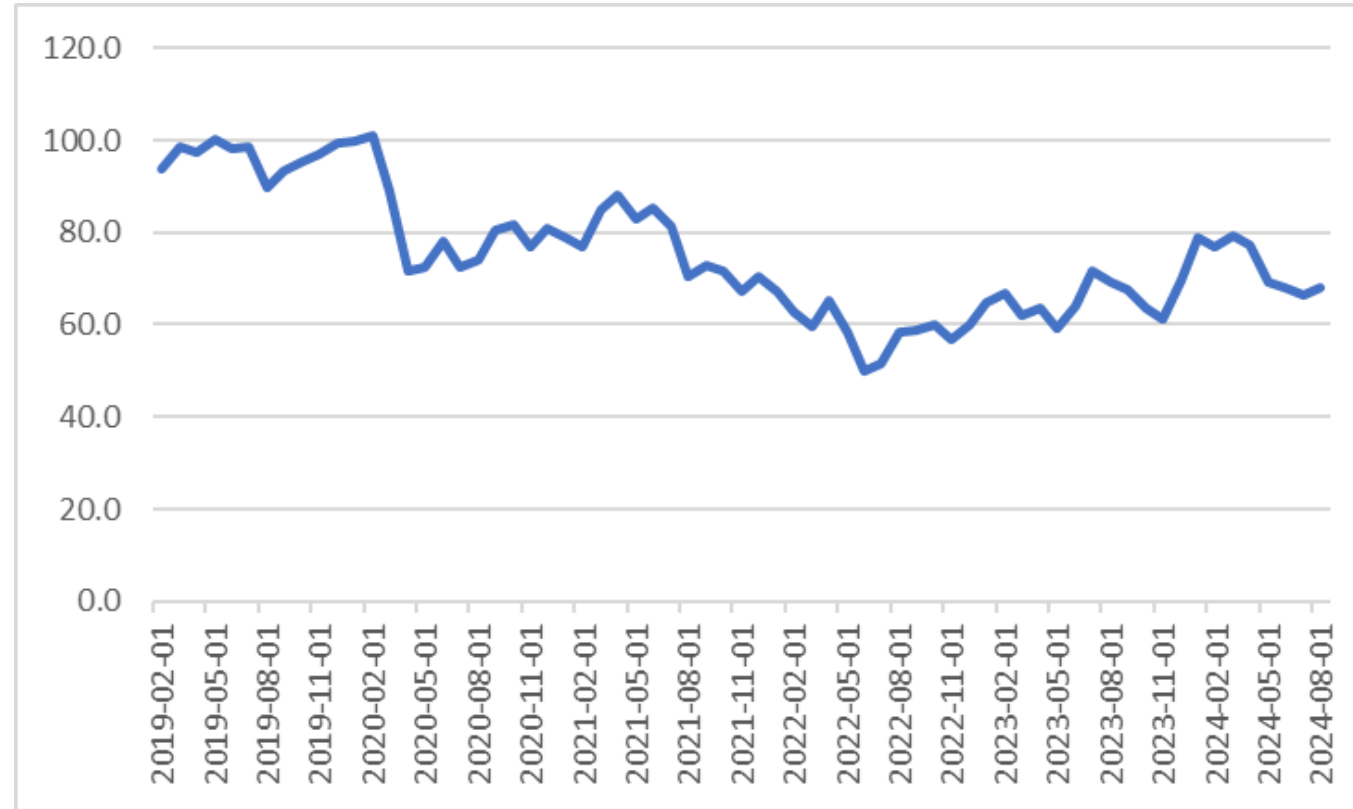
*U.S. Dept. of Labor, Bureau of Labor Statistics*



# Consumer Confidence

## 2019-2024

U.S. Consumer Confidence has regained 36% from low in 2022

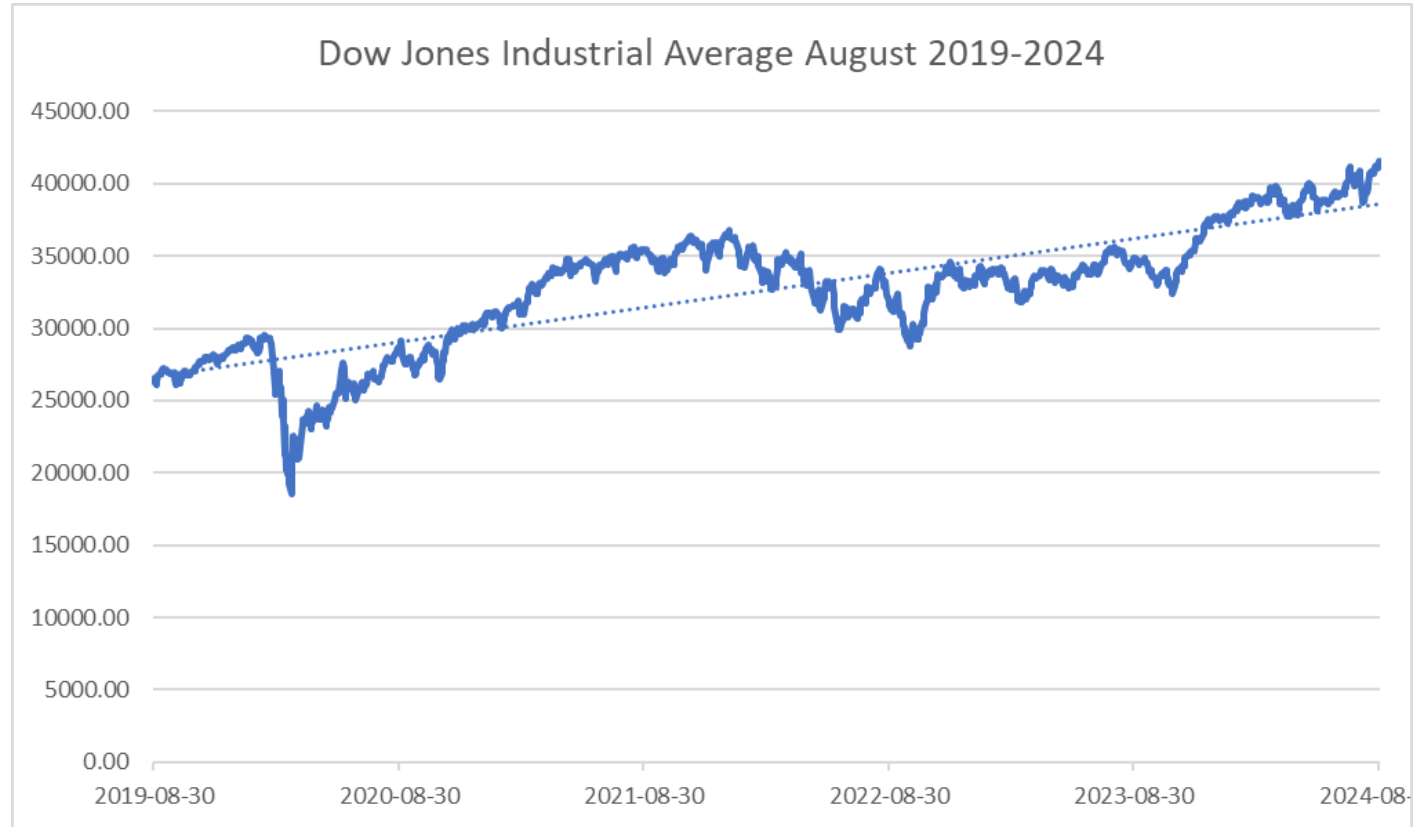


University of Michigan: Consumer Sentiment



# Stock Market

19% higher in August 2024 than a year ago



<https://fred.stlouisfed.org/series/DJIA>



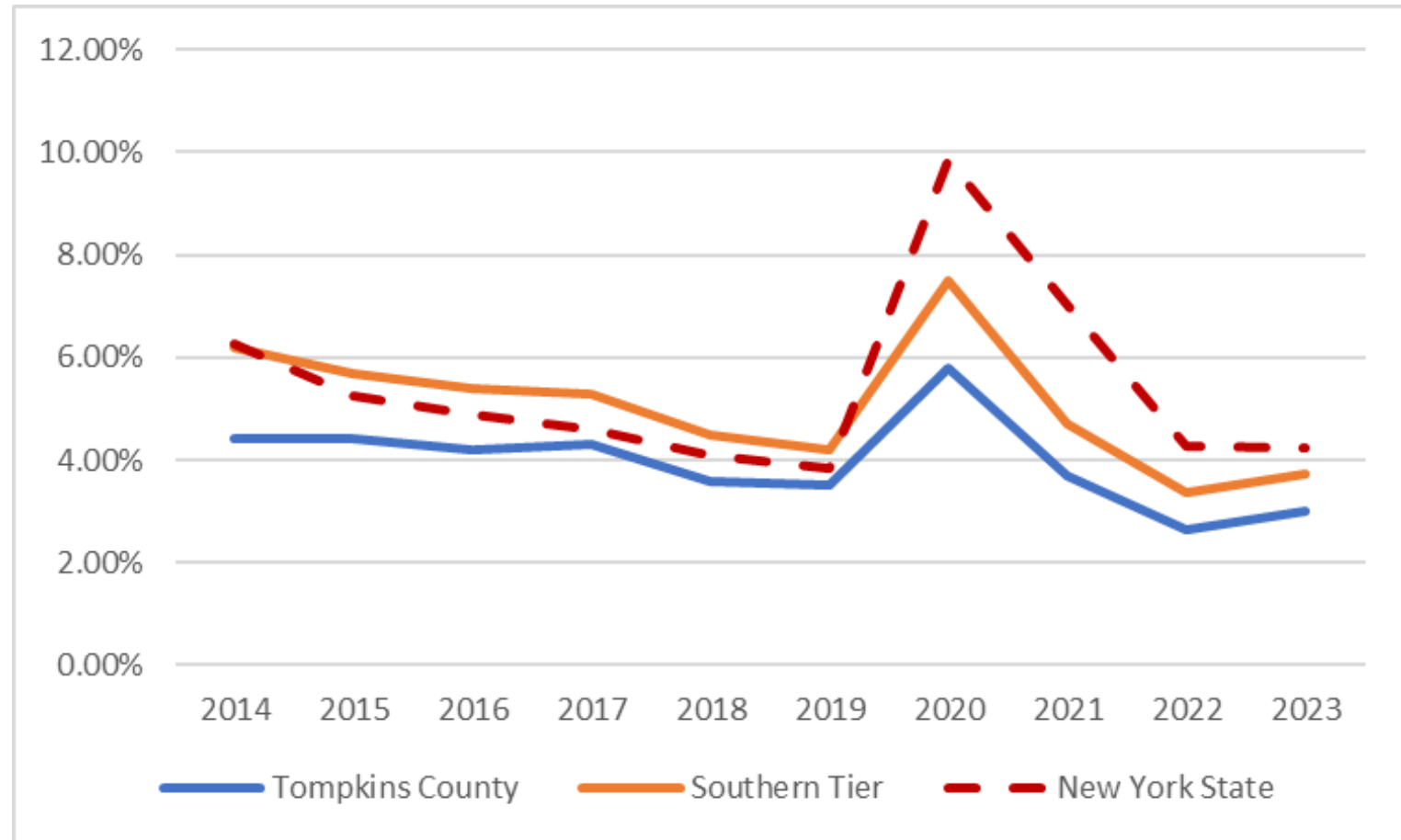
# Average Annual Unemployment Rates 2014-2023

2023

New York State – 4.2%

Southern Tier – 3.7%

Tompkins County – 3%



*NYS Dept. of Labor*



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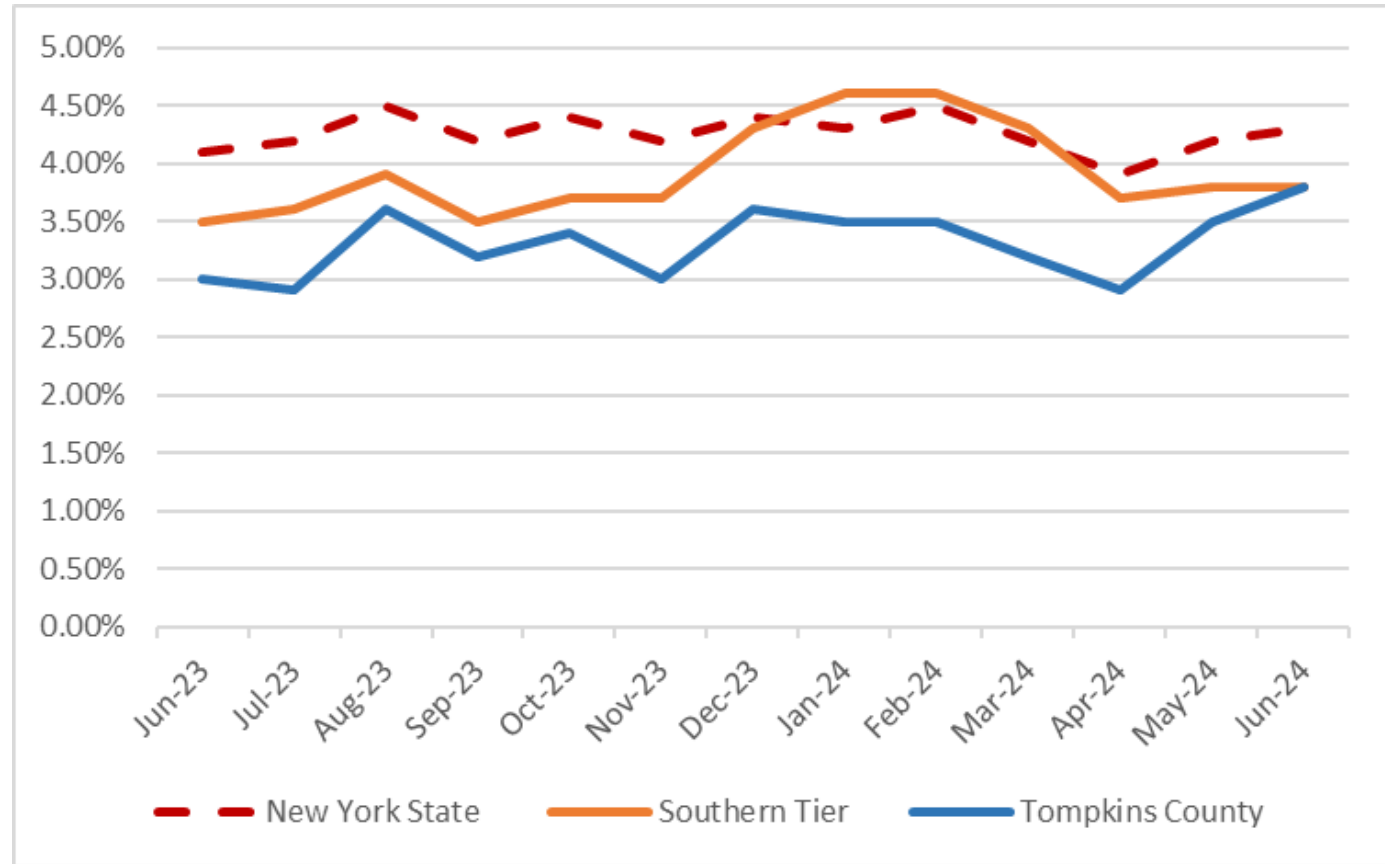
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# Monthly Unemployment Rates 2023-2024

As of June, 2024

New York State – 4.3%  
Southern Tier – 3.8%  
Tompkins County – 3.8%



NYS Dept. of Labor



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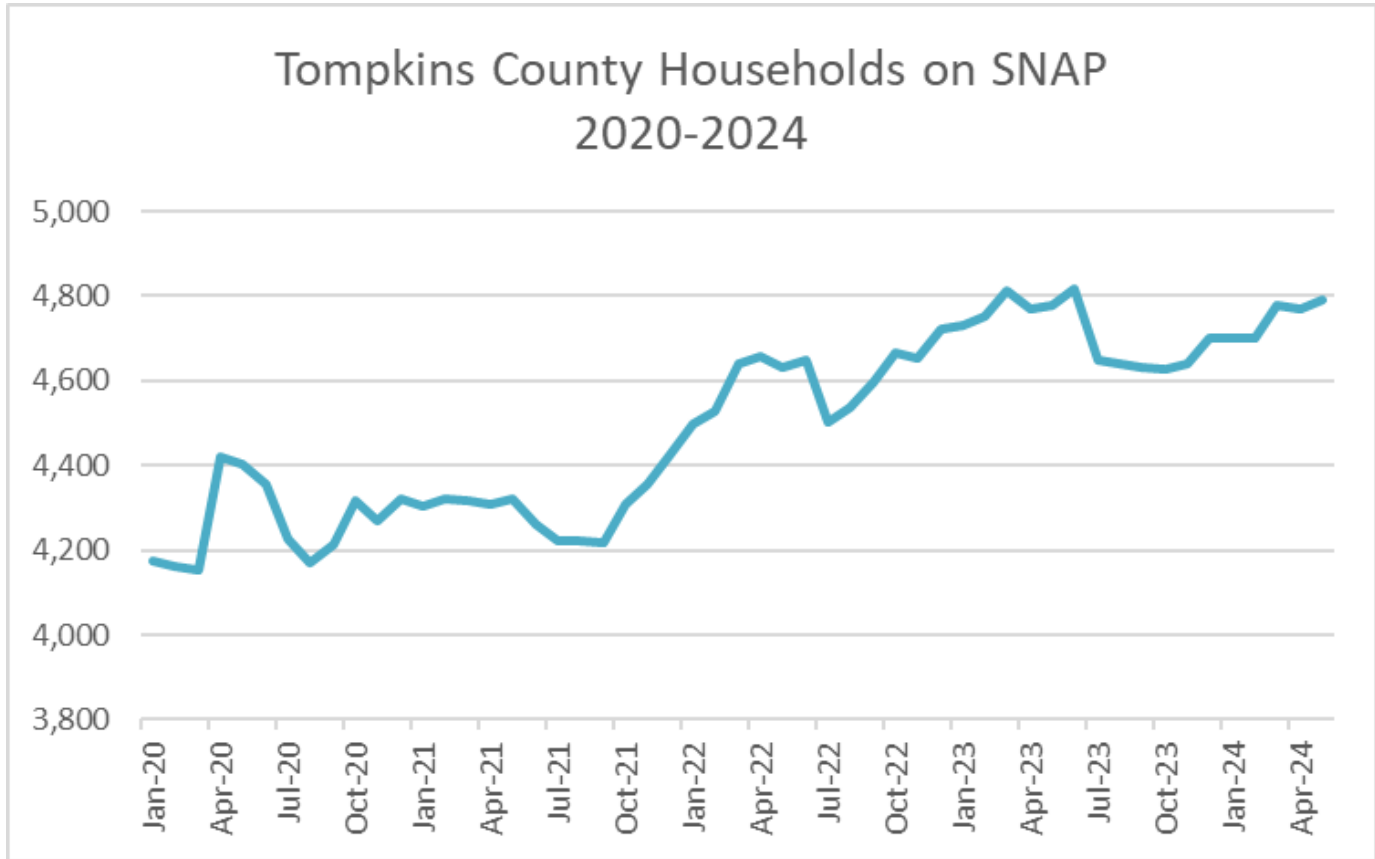


# Indicators of Need

## Supplemental Nutrition Assistance Program (SNAP)

Caseloads trending upward

- Up 15% since 2020
- Up .3% since last year



<http://otda.ny.gov/resources/caseload/>

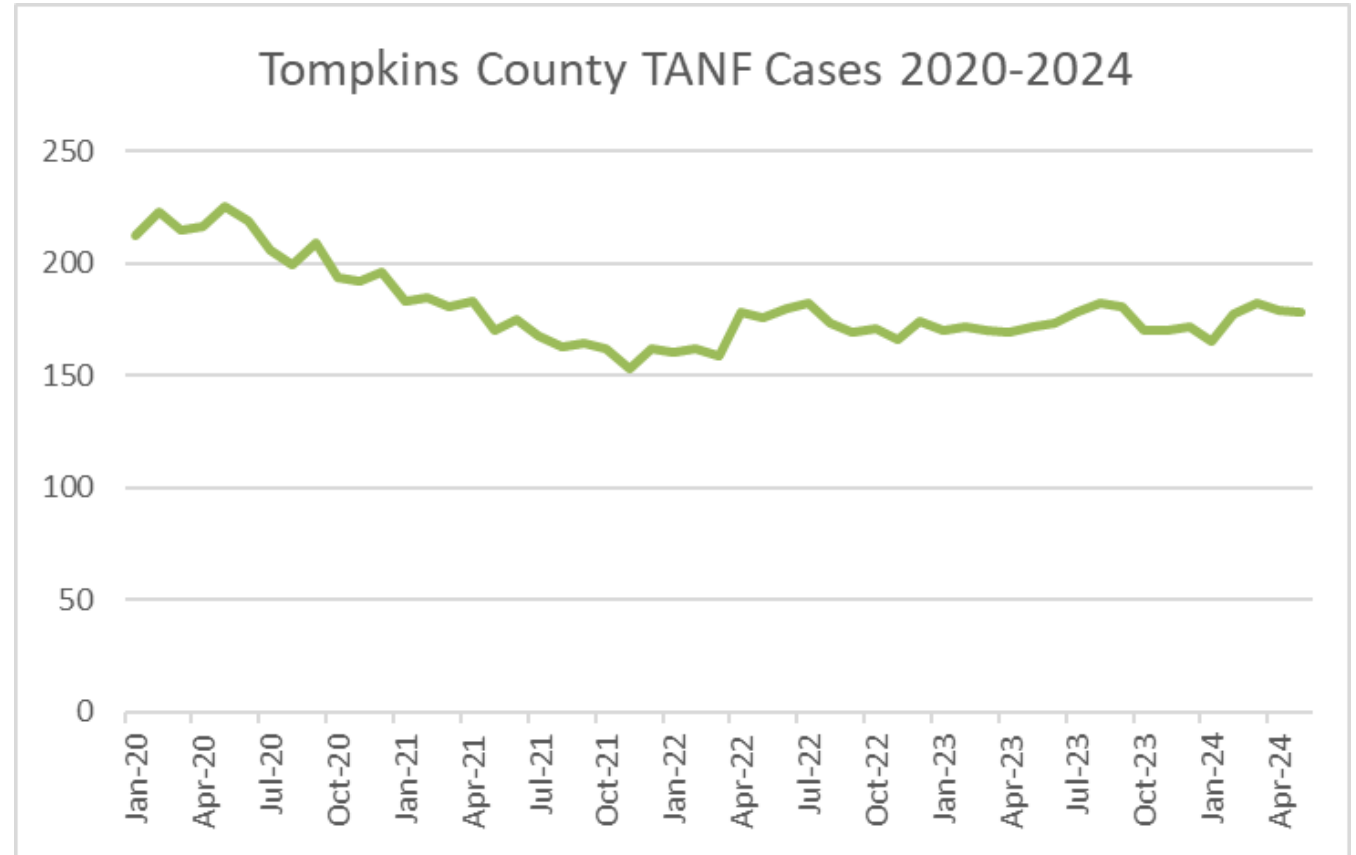


# Indicators of Need

Temporary Assistance (TANF)

100% NYS funded

- Down 19% from January 2020
- Up 3% from last year
- No local cost (or savings)
- 5 year life time benefit



<http://otda.ny.gov/resources/caseload/>



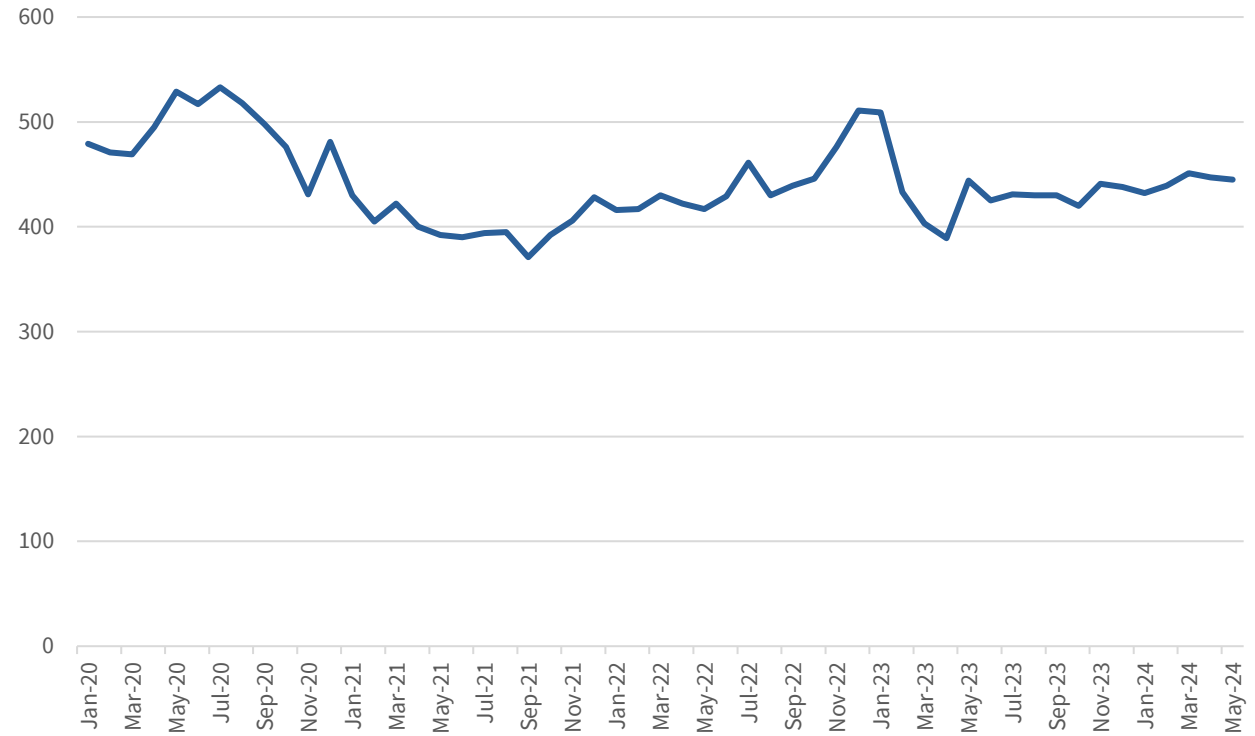
# Indicators of Need

## Safety Net

71% local funding/ 29% NYS

- 7% decrease since January 2020
- .2% increase since last year

Tompkins County Safety Net Cases 2020-2024



<http://otda.ny.gov/resources/caseload/>



# Major Budget Drivers 2025

## Expenditures

Mandates

Labor Costs

Capital Investment

## Revenues

Sales Tax

Other

## Fund Balance & Reserve Status



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# Mandate Increases: Social Services

- EFMAP Enhanced Federal Medicaid Assistance Percentage
  - NYS intercept of Federal reimbursement to Counties
  - 2024 increase in County cost: \$1.25M
  - 2025 additional increase: \$362K
- Child Care
  - 2025 increase in County cost: \$606K
- Safety Net
  - 2025 decrease in County cost: (\$434K)



# Mandate Increases: Whole Health

- Psychiatric Expense
  - \$1M Increase from 2023-2024
  - Gradually increase target by \$300K over next 3 years; utilize tax stabilization reserve (mandate contingency) for overages
  - 2025 Budget impact: \$300K
  
- Mandate Contingent fund increased by \$330,000



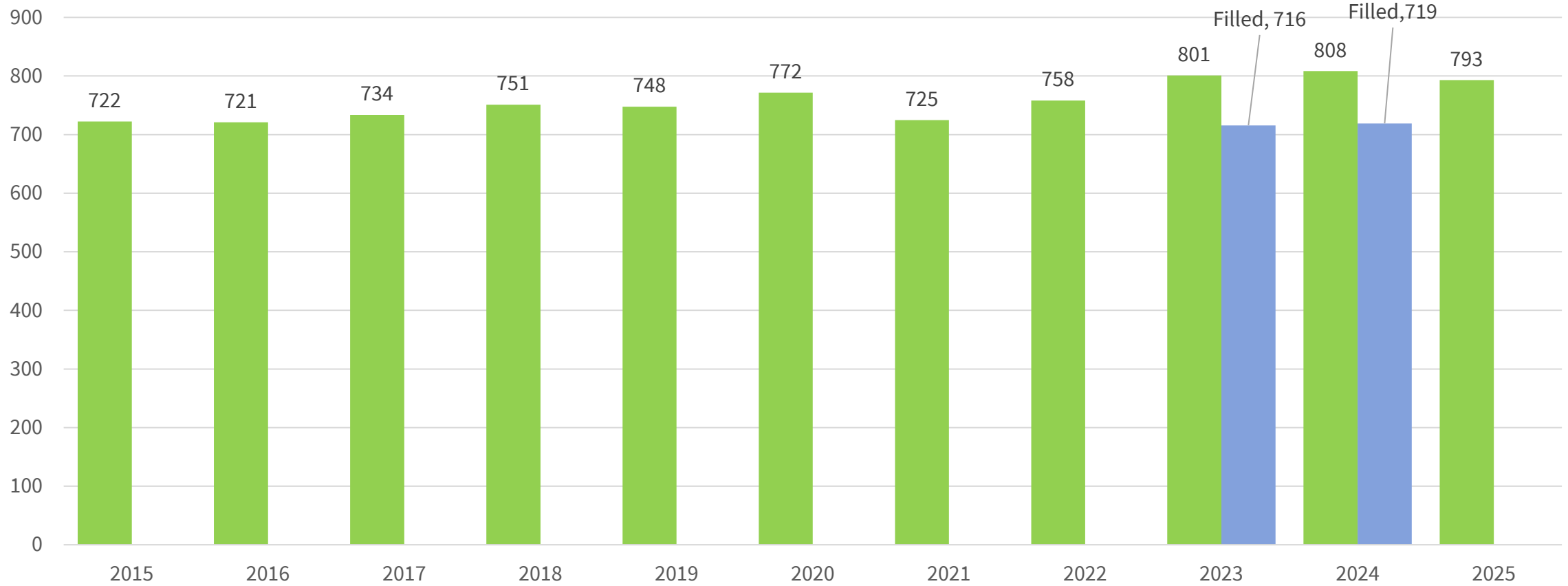
# Labor Costs

- All contracts in place for 2025
  - Management/confidential employees: resolution this month
- Compensation analysis adjustments incorporated throughout workforce
- Salary costs to increase by \$2.6M
- Fringe costs to increase by \$1.1M
  - 14% increase in health insurance rates
  - 6% estimated growth in NYS pension contributions





# County Employee Budget FTE



# Vacancy Factor (Local \$)

- 2024 Budget: 2% or \$792K
- 2025 Budget: 5% or \$2.7M



# Capital Program

## Included in 2025:

- Airport various projects
- Center of Government
- Emergency Response radio replacement
- ITS infrastructure and maintenance
- Public Safety building- schematic design
- RMM infrastructure upgrades

## Further Discussion Required:

- Broadband
- Emergency Shelter
- Facilities- restoration
- Green Facilities
- Green Fleet
- Highway Machinery



# Major Budget Drivers 2025

## Expenditures

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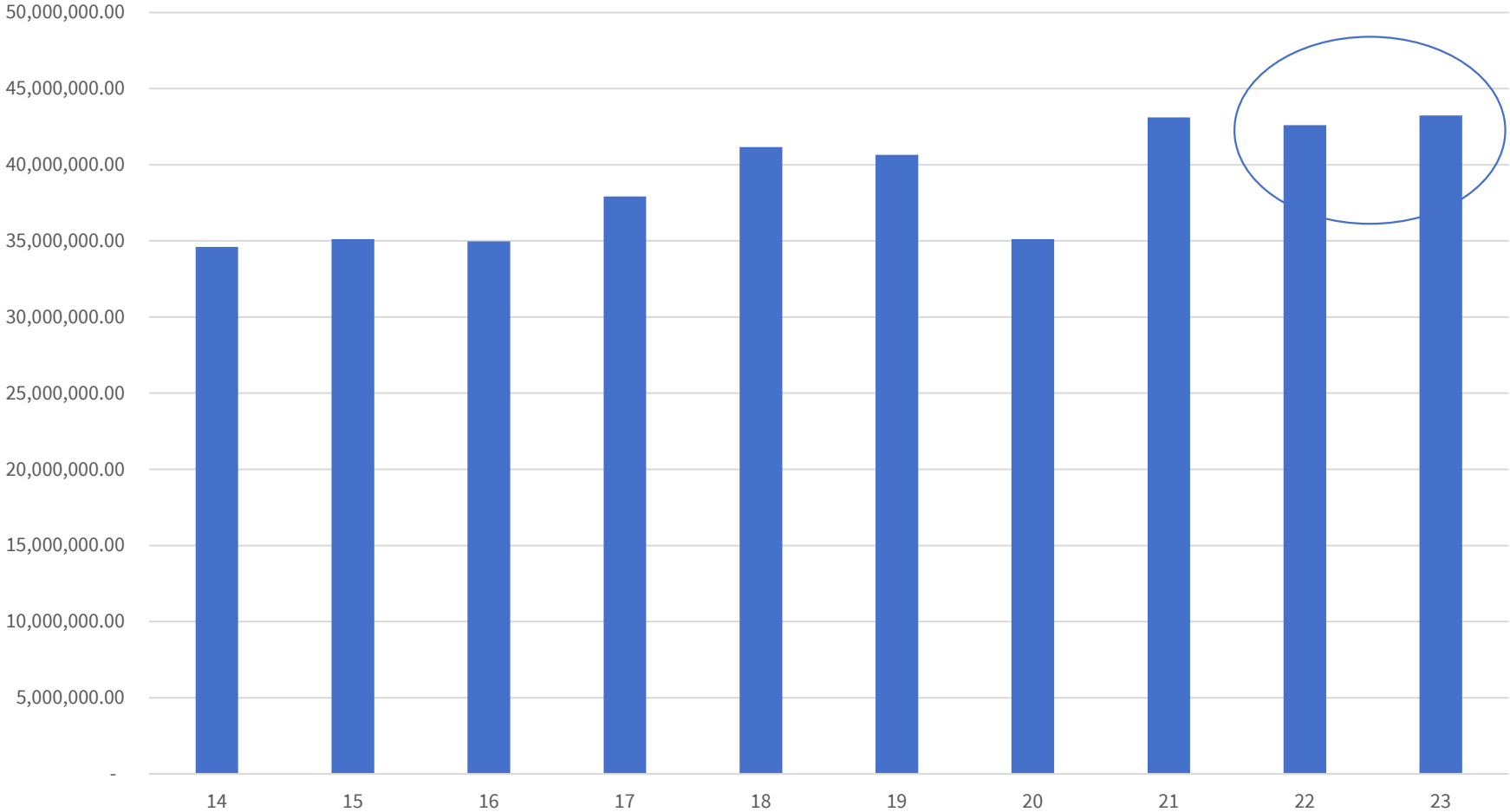
Other

## Fund Balance & Reserve Status

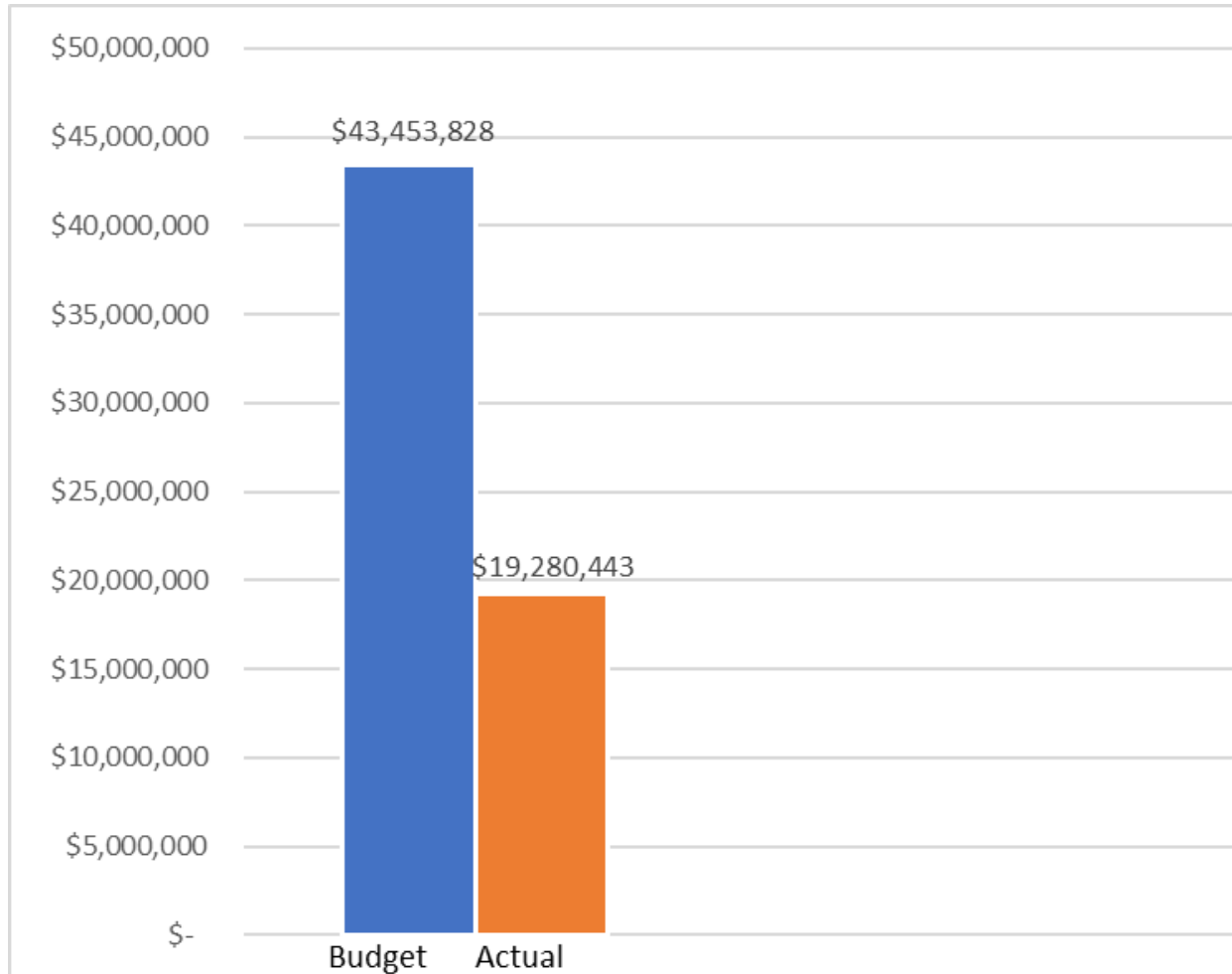


# Sales Tax

1.5% increase in sales tax from 2022-2023



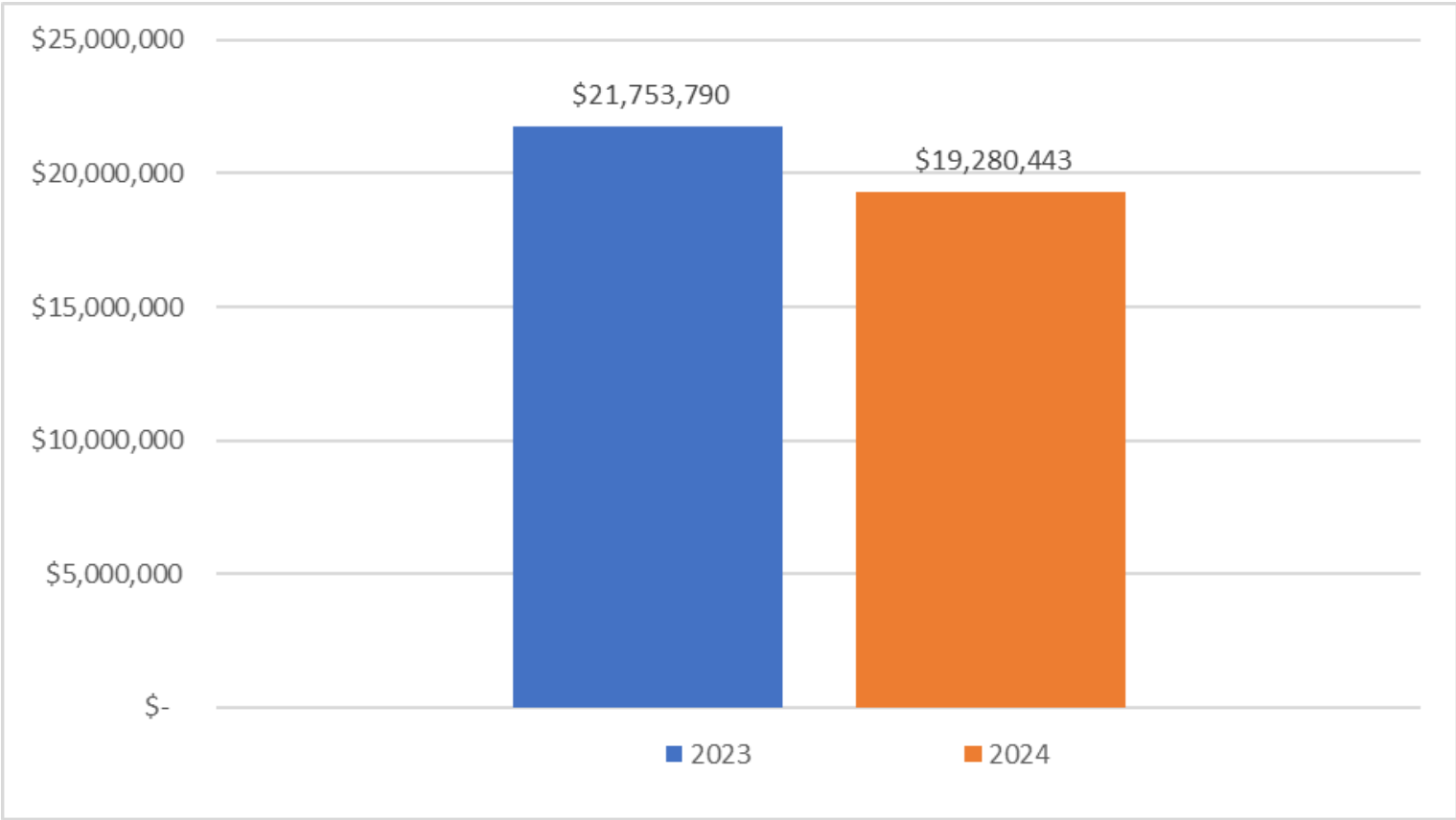
# Jan-June Sales Tax Revenues 2024



- 1<sup>st</sup> and 2<sup>nd</sup> Q 2024 actual to budgeted revenues at 44.4%
- \$2.4M behind budget for 50% of year



# Jan-Jun Sales Tax Revenues 2023 vs 2024



2024 sales tax revenues lag behind 2023 by \$2.5M



# Sales Tax (Local \$)

- 2025 Budget: 2023 actual sales tax receipts: \$43.2M
- Slightly lower than 2024 budgeted amount: \$43.4M





# Other Revenue

- Casino Revenue: flat \$2.1M
- Interest Income: increase from \$1M to \$2.3M
- Recycling & Materials Management: Solid Waste annual fee increase of \$2, from \$80 to \$82.



# Major Budget Drivers 2025

## Expenditures

Mandates

Labor Costs

Capital Investment

## Revenues

Sales Tax

Other

## Fund Balance & Reserve Status



# Fund Balance Status

- End of 2023 Total Unassigned Fund Balance: \$60,932,193
- Policy 05-04: Fund Balances: updated December 19, 2023
  - 25% of prior year's actual expenditures

2023 Expenditures	\$195,085,051
Target Fund Balance: (25% of 2023 Actual Expenditures)	\$48,771,263
Unassigned Fund Balance Remaining for use	\$12,160,930

*Note: actual expenditures grew by \$13.9M between 2022 and 2023: 8% growth*



# Establishing & Funding Designated Reserves

- Resolution 2024-6: Establishing Reserve Funds (1/16/2024)
  - Capital
  - Self-Insurance
  - Worker's Compensation
  - Unemployment
- Moved \$12,634,639 from unassigned fund balance to reserve accounts



# Fund Balance Available for use in 2025

Unassigned Fund Balance  
Remaining for use: \$12,160,903

Moved to Reserve Accounts:  
\$12,634,639

Unassigned Fund Balance for  
use in 2025:  
(\$473,709)

Target Fund Balance (25%): \$48,771,263

Unassigned Fund Balance  
Remaining: \$48,297,554

24.76%



# 2025 as Transitional Year

- The practice of funding 1x OTRs, multi-year OTRs and capital projects through fund balance cannot continue in 2025 and beyond and stay within Fund Balance Policy
- County Administration has identified capital projects that can be funded for 1 year using Debt Service Reserve in 2025
- The use of Debt Service Reserve will free up \$3M within tax levy target to pay for one-time and multi-year OTRs in 2025 budget



# A Tale of 2 Budgets

- 2% levy increase/ 5% cut budget
  - Limited number of staff restorations possible
  - Annual increases in software and other contracts a common theme
- 4.34% levy increase= Recommended budget
  - Includes all restorations under the 2% increase/5% cut scenario
  - Includes partial funding of several Capital projects previously funded with one-time/ARPA funds
  - Includes additional staffing restorations; software costs



# 2025 Over Target Requests (million)

	One-time	Target	Total
Requested	\$9.9M	\$6.4M	\$16.3M
Recommended	\$3.0M	\$1.9m	\$4.9M
Difference	\$6.9M	\$4.5M	\$11.4M





# Strategic Plan and 2025 Budget

Tompkins County's priorities:

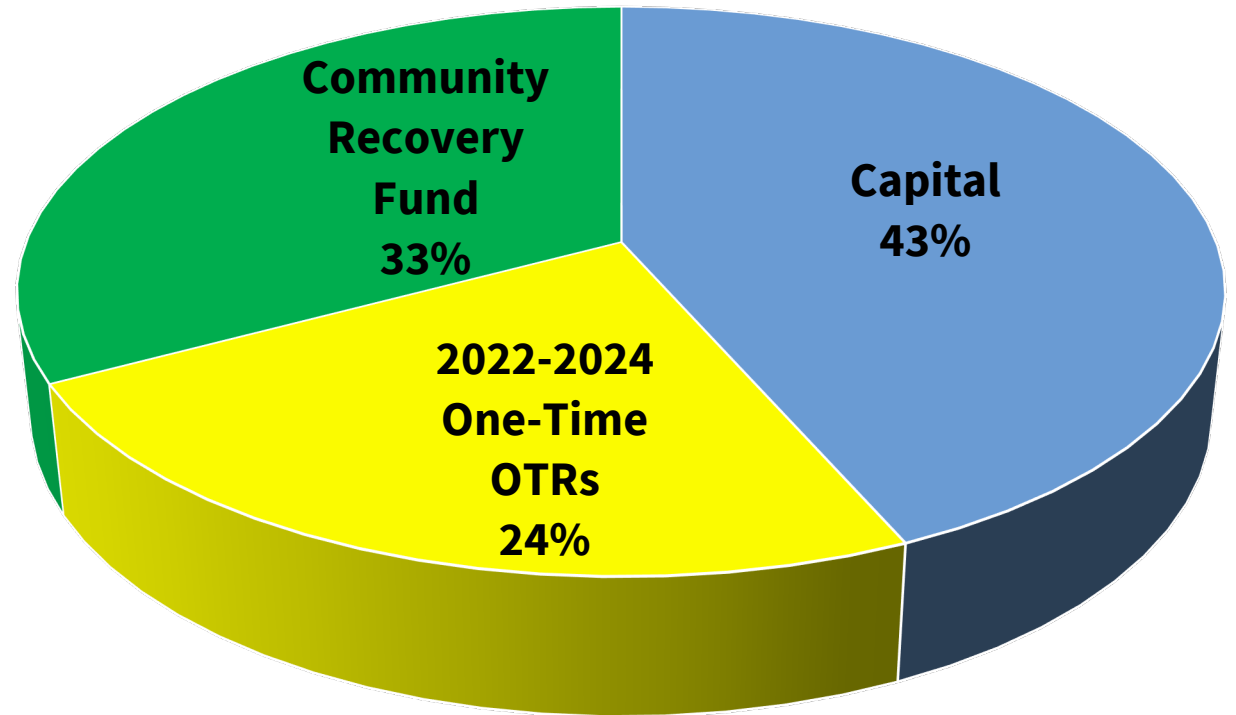
- Organizational Excellence
- Equitable Service Delivery
- Health and Safety
- Climate Change Mitigation and Resiliency
- Economic Opportunity and Quality of Life



# Status of ARPA

## \$19.8M

- \$8.6M toward capital projects
- \$6.5M toward Community Recovery Fund
- \$4.7M expended in one-time OTRs in 2022-2024



# 2025 Risks/Challenges/Opportunities



# ITH Airport

- 2025 budget marks 3<sup>rd</sup> and final year of funding to finance debt and balance operating budget (\$642K)
- ITH Strategic Business/Recovery Plan
- Consideration of Closure/Repurposing Customs Facility
- SCASD Grant to regain air service
- Revenue savings from direct staffing vs contracting in 2025



# Additional Risks/Challenges In & Beyond 2025

- Positions supported with one-time funding
- Capital Projects-- need to build additional support/capacity under tax levy
- Continued need to increase capacity for mandated Psychiatric Expenses
- Emergency shelter needs



# Tax Cap

## 2025 Tax Cap Calculated at 4.45% (\$2.4M) based on:

- Inflationary factor of 2% (limited to lesser of 2% or the Consumer Price Index).
- Sales tax credit offsets to towns
- Tax base growth factor for past 6 years
- Increase in PILOT revenue

Cap will change based on actual mid-year inflation and sales tax credit estimate

## Explanations

- Tax base growth factor or “new lumber”: amount of new tax base added by new construction
- Inflation comes from State: Lesser of 2% or CPI prior
- Sales tax credit is based on actual sales tax receipts mid-year



# Summary

- Recommended 4.34% levy increase
- Tax Cap= 4.45%

Levy Increased/ Decreased by:	Impact on Levy	Impact on Homeowner
12.8% (Requested)	\$6,817,582	\$255
<b>4.3% (Recommended)</b>	<b>\$2,317,827</b>	<b>\$138</b>
2% Directed	\$1,054,638	\$105

**2024 median home value = \$300,000**

**2023 median home value = \$249,000**

**2024 tax levy = \$53,445,119**

**2025 recommended tax levy = \$55,762,946**

**Each 1% tax levy increase equivalent to \$534,451**



***Questions?***



**Administration**

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**9/3/2024**