

2025-2026 General Fund Budget

Key Assumptions and Highlights

- The tax levy in the tentative budget is an increase of \$220,118; or 5.99% increase. The impact results in an increase of approximately \$115 to the average property tax bill.
- Tax rates per thousand are increasing for the Town of Milo by \$0.75, and decreasing for the Towns of Jerusalem and Benton by \$2.84 and \$0.02, respectively. A lowering of the equalization rate for Milo from 100% to 91% and Benton from 80% to 77%, and increase in equalization rate for Jerusalem from 85% to 100% alters the apportionment of taxes between the towns.
- Capital plans for Village Hall and Firehouse facilities were developed in 2022 and a bond resolution was approved totaling \$624,000 for building improvements and \$594,000 for building alterations. The combined debt payment once rolled to long term financing is estimated to be \$201k annually. Funds were borrowed on a Bond Anticipation Note (BAN) and were utilized for the following improvements:
 - Village Hall roof, cooling tower, and generator \$761,801
 - Firehouse roof, HVAC, and various improvements \$278,520
 - Police Department Improvements \$31,158
 - Unspent Funds slated for potential Fire Department or Municipal Barns projects \$146,521. Any funds not utilized will be used to paydown the BAN prior to rolling to long term bond.
- The tentative budget includes the appropriation of \$221,000 from the General fund unassigned fund balance. Fund balance is defined as the cumulative profit or loss of the fund since the beginning of time. While use of a portion of fund balance is recommended this year, it should not be relied upon as a recurring option to balance the budget and should be utilized only after a thorough analysis of fund balance.
 - In 2024, Yates County approved sales tax sharing with the Villages and Towns in the amount of \$856k, with Penn Yan's share being \$174k. In 2025, this distribution was reduced 52% to \$411k with Penn Yan's share being \$84k, a reduction of \$90k. Yates County has not committed this as a recurring revenue stream and therefore it should not be counted on to supplement future budgets and is not incorporated into budgeted revenues for the upcoming year.
 - In 2024-25 fiscal year, the Village has received additional one-time revenue sources totaling \$97,000.
 - The Village Board has decided to utilize the revenue outlined above as a one-time source of funding to offset the tax levy increase for 2025-26.

- The budget incorporates the use of \$42,250 from the Police Equipment reserve to offset the cost of replacing two vehicles this budget year in the Police Department. Sedans are no longer available and replacements will be Dodge Durango's unless alternative options become available. One vehicle is being replaced on the standard vehicle rotation and the second vehicle for replacement is the Investigator's 2002 Chevy Impala.
- The budget incorporates the use of \$30,771 of unspent funds \$5,771 and interest earned \$25,000 on debt service proceeds.
- An addition of \$38,000 is being added to the DPW Equipment Reserve to fund the down payment and mitigate the impact of financing of the following pieces of equipment over a 10-to-15-year term: \$150,000 Stake body, \$90,154 Backhoe, and \$360,000 Street Sweeper. It has been decided to combine all the aging equipment replacement needs at this time into one financing for a longer term instead of 5 years. The Village will continue to pursue the most cost-effective options to purchase these items to minimize the future impact of financing. This will bring the DPW Equipment Reserve to approximately \$88k. Without receiving grant funding to mitigate the cost of the street sweeper, the anticipated annual debt service payment with a 15-year term will increase \$54k instead of \$38k.
- An addition to the fire equipment reserve of \$125,000 is planned in this year's budget, which will bring this reserve account to approximately \$620K. It is critical to continue to build up this reserve to assist with future funding for purchases of new fire apparatus for the Fire Department of which the costs are continuing to increase exponentially and current reserve funding is not sufficient to support the current replacement schedule. In October 2022 a bond resolution was approved and Purchase Order issued to order a new ladder truck in the amount of \$1,805,693. Anticipated delivery time is November 2025 and the estimated annual debt payment will be \$130,000.
- An addition to the Police Equipment reserve of \$10,000 is incorporated to begin planning ahead to offset the future cost of replacing multiple vehicles in one year and large equipment purchases that need to be made in future years.
- Expenditures for Information Technology, Equipment, and Cybersecurity needs have increased approximately \$8k this year.
 - To continue our Cybersecurity efforts, AuthPoint Multi-Factor Authentication will be purchased through our newly installed Watchguard Routers and configured by SCT Computers to accommodate Multi-Factor Authentication on all desktops and emails as part of our Cybersecurity capital plan. Managed Services will also be updated to Malware Bytes Endpoint Detection and Response at the recommendation of SCT Computers which is an increase from \$10/month per device to \$15/month per device. These measures are needed at the recommendation of our IT/IS Professionals for increased security in the digital

environment that we are operating more in on a daily basis and is beginning to be required for several cloud-based software platforms that we are not utilizing more frequently. The total estimated cost of these upgrades is \$20k split amongst all the funds, with \$10k being allocated to the General Fund.

- In addition to continued cybersecurity improvements, additional Adobe Pro and Teams subscriptions are budgeted for staff to utilize adobe and collaborate more efficiently as we are continuing to move towards a more electronic environment with less paper.
- Overall expenditures for Wages and Benefits have increased \$215k.
 - An increase in Salaries, Wages and FICA taxes make up \$126k of the increase:
 - The budget does not incorporate a wage increase for Mayor/Trustees/MUB.
 - The budget for salaries reflects a 5%-6% increase for members of the PBA, as per their collective bargaining agreement.
 - The budget for salaries reflects a 3.5% increase for members of the CSEA, as per their collective bargaining agreement.
 - Non-union and permanent part time personnel shall receive the same wage increase as members of the CSEA, unless otherwise negotiated.
 - The minimum wage increased from \$15/hour to \$15.50/hour effective 12/31/24. Seasonal laborer hourly rates were adjusted last year and will remain the same for the upcoming season at \$16/hour for new and \$17/hour for returning employees, due to the increasing difficulty in maintaining seasonal help throughout the entire season to support the ongoing maintenance of our parks and cemetery.
 - Overall, health and dental costs are decreasing \$9k due to the transition to the Bronze 4 high-deductible plan and decrease in HRA anticipated utilization rate:
 - An increase in healthcare costs effective 1/1/2026 is budgeted at 15% increase for premiums and 6% increase for maximum deductible, consistent with three-year average of historical increases.
 - The HRA utilization rate is assumed to be 50% for the upcoming fiscal year. The initial estimates from healthcare brokers were 60% utilization based on industry standards. After the initial year transition to the High-Deductible plan coupled with the HRA in 2024, we are comfortable reducing the utilization rate to 50% for the upcoming fiscal year. Contingency will be incorporated into the Fund Balance to mitigate future risk of over-utilization.
 - An increase in dental costs effective 1/1/2026 is budgeted at 3%, consistent with three-year average of historical increases.
 - Other benefits are increasing \$98k including the following:

- New York State retirement costs are up \$82K, due to an increase in contribution rates established by the NYS pension fund and increased wages. Police Retirement rates are up an average 4% from prior year ranging from 28.5%-36.7% of wages and State Retirement rates are up an average 1.5% from prior year ranging from 12.7%-19.5% of wages.
 - Funding of the Fire Department LOSAP account is \$5K higher than last year, based on minimum recommended contribution suggested by VFIS.
 - Workers Compensation is increasing \$10k based on the actual budget adopted by Yates County for 2025.
 - Disability Insurance is decreasing \$5k based on cost savings realized from changing carriers.
 - Unemployment costs are up \$6k based on actual historical costs being realized for seasonal laborers.
- Costs for general property and liability insurance are projected to increase 8% over last years' actual costs based on historical increases, resulting in a \$24k increase and \$8k allocated to the General Fund.

Significant Revenue Changes

- Excluding increases in CDBG Pass-Through Grant Funding for PY Diner and Transportation Funding, total revenue is decreasing of \$39K or 2% from the previous budget, with the following key contributors:
 - Increases
 - Based on estimated historical 2-year average projected interest rates, budgeted Interest Revenues are increasing \$45k
 - Miscellaneous revenues, including taxes on utilities, franchise payments, safety inspections, are expected to increase \$9k
 - Revenues derived from reimbursements from other Funds and Intermunicipal Agreements are increasing \$32k, reflecting higher rental charges to the Municipal Utility budgets for building maintenance and increased invoices for School Resource Officer and Fire Contracts based on increased budget expenditures for those services.
 - Revenue from the Consolidated Highway Improvement Program (CHIPS) and other similar NYS funded programs is projected to remain flat with prior year actual funding. The tentative paving plan totals \$623k plus \$34k micro paving. This utilizes all of the anticipated 4/1/25 NYS funding and a portion of 4/1/26 NYS funding. This results in an increase to revenues of \$322k which is directly offset by expenditures in the paving plan of the Streets Maintenance budget.

- Federal Aid for Capital Projects is budgeted at \$180k for the Community Development Block Grant awarded through the Village for Penn Yan Diner, which is fully offset by \$180k increase in expenditures for pass-through of economic development funds.
 - Decreases
 - PILOT revenue is down \$86K primarily due to the re-assessment last year changing equalization rates resulting in the PILOT budget being over-estimated, as well as the incremental 10% of assessed value that the PILOTs typically increase by each year.
 - Anticipated revenues for Fines and Forfeitures are down \$12k based on historical revenues realized.
 - The Village signed an Intermunicipal Agreement signed in 2013 with Yates County to share Village Occupancy Tax revenues based on a formula beginning in 2016 through 2030 for the Village to undertake 15-year infrastructure improvements. In 2026 the payment obligation by the County reduces by 50% for the remaining 5 years of payments. The impact of this reduction results in approximately \$41k less occupancy tax revenues for the Village, which has an impact on the levy of 1.1%.
 - Budgeted revenues for Youth Funding and Lifeguards are reduced approximately \$18k from last year. In 2024, Yates County authorized \$15k in their budget to be allocated to the Village in support of the summer recreation program and \$17k to support staffing lifeguards at Indian Pines and Red Jacket Parks. No additional allocation for Penn Yan was included in the 2025 County budget resulting in Penn Yan's allocation approved by the Youth Board totaling \$10k, a reduction of \$5k. Additionally, since the County approved a separate allocation in the 2025 budget for Penn Yan summer recreation program, Penn Yan was not allotted any allocation from the Youth Board distribution of funding resulting in the budget coming in \$6k less than anticipated. In 2025, the adopted Yates County budget included pre-2024 funding levels for lifeguards with Penn Yan allocated \$10k, a reduction of \$7k.

Significant Cost Changes by Cost Center

- Clerk-Treasurer (1325) costs have increased \$15K, primarily due to an increase in personal services and costs for fiscal advisors and bond counsel to prepare bond resolution and off-cycle borrowing to finance Streets Department equipment.
- Elections (1450) costs have increased by \$6k due to a regularly scheduled Village Election to be held in March 2026.
- General Administration (1610) costs have decreased \$6k primarily due to phone system replacement in prior year budget.
- Village Facilities (1620) costs have decreased by \$7K. This is driven by a decrease in personal services as there has been a reduction in overtime.
- Oliver House (1623) costs have decreased by \$6k primarily due to upgrading the electric service of \$5k included in prior year budget.
- Police Department (3120) costs are increasing \$117K due to the following primary factors:
 - Personal Services costs are up \$86k, driven by negotiated raises of 5%-6% for full time personnel.
 - Equipment charges are up \$29k due to the need to purchase two vehicles this year, with one being offset by utilizing police equipment reserves.
- Fire Department (3410) costs are increasing \$7k primarily due to an increase of \$4k in vehicle repairs to reflect actual expenditures that are currently being realized.
- Safety Inspections (3620) costs have increased \$9k due the need for the Code Office to purchase a subscription to code software in the amount of \$8k per year that will be utilized to more efficiently manage the Code Office operation, communications, and records.
- Street Administration (5010) costs are up \$10k due to increase in personal services.
- Street maintenance (5110) costs are up \$346k due to the following factors:
 - Personal services are up \$8k due to negotiated raises.
 - Equipment costs are up \$35K, due to equipment purchase of one pickup truck. DPW will be pursuing all options, including pre-owned, to mitigate the cost of the truck while still fulfilling the needs of the department. If cost saving measure are found, savings will be transferred to the DPW equipment reserve to save for funding of future equipment needs that are imminent.
 - Micro paving costs of \$34k are entirely offset by PAVE NY revenues and are slightly down from last year.
 - Contractual costs are down \$21k due to performing street striping in house \$15k and prior year tree inventory completed \$5k.
 - Paving costs total approximately \$623k. These are costs are almost entirely offset by CHIPS revenues, with the exception of Hamilton Street totaling \$6k, and are up \$328k from last year.
- Parks & Recreation (7140) costs are increasing \$9K.
 - Personal services costs are increasing \$7k based on negotiated wages.

- Economic Development costs total \$180k which are fully offset by a Community Development Block Grant that was awarded to the Village for subrecipient Penn Yan Diner.
- Costs for the Cemetery (8810) budget are increasing \$10K.
 - Personal services costs are increasing \$5k as a result of negotiated raises and part-time labor being allocated more to the cemetery based on historical actual data.
 - Equipment costs are up \$4k due to the anticipated replacement of (1) mower net of trade-in \$7k and the purchase of one salter \$5k to mount on the Gator for salting sidewalks and cemetery roads.
- Long term debt costs (9710) are increasing \$3K in total, with higher principal payments of \$10K and lower interest costs of \$7K. This is the year of bond payments on the New Village Office. This payment will be offset in future years by Building Improvements and Building Alterations that have been completed and will go to long term bond in 2026.
- Short term debt costs (9730) for BANs have increased \$20K due to an increase in interest and principal payments on the BAN for Facility Improvements and Alterations. This increase is offset by interest earnings on BAN proceeds being utilized to offset the debt service payment. The principal payment is the minimum required payment allowable for the BAN renewal, not the suggested payment which would be \$58k more.