

Village of Ballston Spa

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FY2026 Tentative Budget Executive Summary

After spending two years evaluating the performance of our existing budgeting process and reviewing our major needs throughout our Village functions, assets, and buildings, I am proud to put forth the Fiscal Year 2025-2026 ("FY26") Village of Ballston Spa Tentative Budget, which focuses on capital planning, public safety, infrastructure advances, and enhancement of a quality of life that makes our Village of Friends special in the area:

- About \$12.5 million in capital planning (and the funding approach associated with it) is incorporated into this budget, affecting our buildings, sidewalks, parks, pool, firetrucks, and water system;
- It is a fully balanced budget that would raise taxes two percent beyond the State's property tax cap, but which remains *well* below the rate of property value growth being experienced in both the Towns of Milton and Ballston;
- Most salaries and wages for Village staff members, except those for Trustees, the Mayor, and the Police Department (due to the expiration of their contract which will be renegotiated soon) reflect increases by at least 2.5%;
- Funding for the completion of Wiswall Park enhancements, business promotion, arts, community events, additional "Your Speed" signs, and needed vehicles for our Police, Fire Department, and DPW are centerpieces of this FY26 Tentative Budget;
- Water and sewer rates are scheduled for an increase of 6.5% -- 3.25% beyond anticipated inflation -- as we continue to build our sewer fund balance after years of it lagging and we use a water tower reserve account to pay for major renovations on our water towers and their maintenance for the next 30 years;
- Some projects which were budgeted for but not completed in FY25 are reflected in FY26 alongside a rolling over of the budget allocation from 2025 that will end up in our A Fund's Fund Balance to avoid double-taxation for such projects;
- Funding by the Village for both local youth and seniors' programs continues at levels not previously seen prior to my time as Mayor; and
- The Village remains committed to assisting the Ballston Spa Public Library as plans continue to progress for major renovations and fundraising over the next years and is proud to provide additional support through the capital planning approach described below.

TAX LEVY CHANGES

This year, with the variation being seen in equalization rates between the Towns of Milton and Ballston, we encountered a wide variation in the tax rate movements between the property owners at each end of the Village. Specifically, if we had used the New York State property tax cap limits this year, the Village's Town of Milton property owners (based on the 63.00% Milton equalization rate) would have seen about a 2.45% increase in taxes, while the Village's Town of

Ballston property owners (based on the 65.67% equalization rate) would have seen a **drop** in their tax rate by about 0.87%. By exceeding the tax cap for the \$12.5 million capital planning approach, the tax rates increase by 4.5% for Town of Milton taxpayers to \$5.877303 per \$1,000 of assessed value, and by 1.11% for Town of Ballston taxpayers to \$5.638345 per \$1,000.

During the final week of Tentative Budget preparations, I worked directly with Town of Milton Assessor Laura Orminski to see if the Village's property owners are being adversely affected by disproportionate growth in the rest of the Town of Milton. Assessor Orminski provided valid property sales over the last year in the Village, which showed properties on average nearly matched the Milton equalization rate. In other words, the Village's property owners are experiencing great growth in property values based on this analysis. As a result, the tax increases being seen in the Village are far below the actual increases in property values, even inside the Village. For sake of comparison, when the tax rates are recalculated against full property values instead of assessed property values, the rates are at a record low since the Village began utilizing the Towns' Assessors several years ago – specifically at \$3.70 per \$1,000 of full property values in FY26 vs. \$3.93 per \$1,000 of full value in FY25 and \$4.51 per \$1,000 in FY22.

In speaking with Assessor Orminski, I stated that the Village would be looking to the Towns to perform their first full reassessment in nearly 20 years as soon as possible (and simultaneously) to help return the Village's tax rates to parity between the Towns. I will be following up with both Towns on this to hopefully see this come to fruition over the next 24 months.

OTHER REVENUE NOTES

With a slowdown in the rise of Saratoga County Sales Tax revenue, the approach taken this year was highly conservative related to sales tax revenue. However, during FY25, we were able to perform two functions that helped offset this risk, specific to our health insurance costs: 1) we audited all retirees to ensure they were on the proper plan – specifically, we moved several that qualified for Medicare Part D to that plan, saving about 60% per person moved; and 2) we worked with our union-represented employees to adopt the Teamsters' Health Care plan. All told, FY26 expenses for premium categories dropped by about \$100,000.

For water rates, I am again proposing a system-wide increase above 3.25% anticipated inflation (6.5% overall), in order to create proper funding for the water tower renovations and future maintenance (described further below). This excess over inflation, along with the amount earmarked in FY25 over and above anticipated inflation, will be moved to the reserve account for water towers. These increases above inflation will likely cease at such time that the Mill Town Centre project begins providing water revenue to the Village.

Similarly, I will again propose a sewer rate increase of the same percentage. We have worked hard to replenish our sewer account's fund balance since I became Mayor. When I took office in early 2022, that fund balance stood at around \$76,000. We project that it will end FY25 at around \$304,000. This is crucial, as some of our most problematic infrastructure involves our sanitary sewer system. We need to ensure we have funds ready to both provide emergency fixes and to plan for the future. We have not used tax revenue in the Sewer Fund since I became Mayor, meaning sewer revenue is fully funding the sewer system in this manner.

However, along with the universal increases described above for water and sewer rates, in-Village residents might notice a major change to our rate system for their rates if changes I am proposing are adopted. As noted last year, the storm sewer system was placed in the Sewer Fund in contrast to most guidance provided over the years. It is time to move storm sewers into the proper place – the A (General) Fund. To do so, though, we have to ensure we are properly funding the A Fund with money that would have otherwise been paid into the G (Sewer Fund). To cover this, I will be proposing a 15% drop in sewer rates (after the 6.5% increase), and a 7.5% increase in water rates (after the 6.5% increase) for in-Village users only to offset the sewer rate drop. This means our sanitary sewer funding inside our G Fund will be better protected from unusual charges for storm sewers moving forward.

We continue to seek grant opportunities and are hoping for an increase to CHIPS funding for road paving in New York State's Budget this year. For now, we have used last year's figures for our CHIPS lines until more is known.

Finally, with respect to the Fire Department's lines, we have worked closely with our Fire Chiefs to ensure we have proper funding to help pay for the incoming Pumper Truck ordered in late 2022 and the upcoming Ladder (Aerial) Truck that will likely take three years for delivery (estimated in 2028). These two trucks total about \$3.5 million, and thanks to a large increase by the Town of Ballston in fire protection revenues (a 12% jump to about \$1.12 per \$1,000 of protected assessed value), we were able to formulate strategies to ensure the Village could provide sufficient funding to make these crucial trucks a reality. We continue to work with the Town of Milton following their increase of about 1% in rate (to about \$0.97 per \$1,000 of protected assessed value), to ensure there is proper equity in fire protection support by the three municipalities that rely on the BSFD for primary protection. We have requested that the Town of Milton provide sufficient funding to both help cover inflation related to normal operations and to allow the Village to finally offer our volunteer firefighters a Length of Service Award Program ("LOSAP") to encourage enrollment, participation, and longevity in the BSFD – a LOSAP comparable to the one that has been funded entirely by the Town of Milton for the Rock City Falls Fire District. We look forward to finally coming to a longer-term resolution with the Towns for fire protection to ensure these revenues can be more easily budgeted annually without constant concerns.

I will close this section by including that the following amounts would be rolled from the A Fund's fund balance into the revenue line for the FY26 Tentative Budget: 1) Pool Floor Rollover of \$25,000; 2) Sidewalk Rollover of \$65,000; 3) Events Rollover of \$5,000; 4) Parks Rollover of \$47,500 (from the Woods Hollow sale for Wiswall Park renovations); and 5) Village Hall Renovations of \$50,000. In addition, \$17,500 is being moved from the fund balance to cover the needs by moving storm sewer lines to the A Fund, and \$52,500 is being moved from the fund balance to ease the Village into the policy of guaranteeing \$105,000 or more per year for the Fire Department, whether used for building improvements or not. This totals \$262,500 of fund balance commitment to the A Fund budget, which is half of what was proposed in FY25.

SPENDING HIGHLIGHTS

During the Budget process, we again worked with our departments to spot overspending that may have occurred in FY25 to ensure we have better projections for FY26 or, if possible, to restrain spending moving forward. We again used the following principles to guide these discussions: 1) identifying over-spending or under-spending as of 1/31/2025; 2) discussing extra funding needed to cover issues like inflation causing premature exhaustion of budget funds; and 3) consideration of potential one-time spending needs either still to come at the end of FY25 or planned for FY26. This again is why projections do not always reflect just 50 percent more than the 1/31/2025 actual numbers.

As I flagged in FY25, we continue to see large increases in retirement benefit costs (due to much higher rates) and State mandates (such as new stormwater management reporting and monitoring requirements). Those costs continue to far outpace the likely tax cap rates over the next few years. The fact that the Tentative Budget was balanced without unusual fund balance usage and prior to the capital planning proposal was no small feat, but savings in other categories helped offset these increases for the upcoming year. As I stated verbatim in 2025, "The Board needs to recognize that benefit expenses and unfunded mandates are creating huge hurdles for most New York municipalities, and Ballston Spa is not immune to these challenges."

We also are on the verge of entering negotiations with our Police Union. Like last year with our DPW (Teamsters) negotiations pending, budgeting for a large unknown payroll effect is a challenge. Again, as I stated last year, "I am hopeful that we might have more clarity over the next few weeks about where these negotiations are heading, but obviously we may need to cut funding from certain programs or risk our General Fund's Fund Balance if we have larger exposure than what we can afford to spend."

With minimum wage again increasing on January 1, 2025, minimum wage effects created by State law continue to force us to make changes to many of our pay rates, but overall, all salaries and hourly wages were increased by at least 2.5%, with the exception of the Board of Trustees and the Mayor. The increases were larger for Court staff, Library staff, our

Crossing Guards, and a couple other isolated cases due to what department heads and I felt were improper rates when comparing the realities of job descriptions, comparable positions outside the Village, and/or minimum wage effects. For the third year, I am again proposing no pay raise for the Mayor or the Board of Trustees, as we need to show by example that we are more concerned about funding community-based programs than we are about our own minor raises.

The Village's Culture & Recreation budget section reflects a robust amount of growth as momentum continues for community and outdoor activities for youth, seniors, and everyone in between. Due to the continued generosity of our community, we were able to budget a little less this year for events without sacrificing any events. Again, our Committee on the Arts has worked to potentially secure several Saratoga Arts grants for this calendar year – we are encouraged that we will be able to continue providing more concerts and arts programs in FY26.

Wiswall Park renovations will be completed before the end of FY26, with a Fall 2025 resumption of work following a pause around June 1, 2025, of Phase 1. This work will continue to be funded by the Woods Hollow sale, as legislation approved by the State requires us to reinvest those proceeds into our parks. We will also be repaving the Kelley Park parking lot this year and will begin planning for both Kelley and Iron Spring Park (discussed further below).

This year's Tentative Budget also focuses squarely on safety, with \$25,000 earmarked in the Police Contractual line for seven or eight "Your Speed" signs – by popular demand, we want to place these on more streets to help curb the dangerous speeding residents frequently bring to our attention. We will likely place two around Malta Avenue Elementary School along with potential school zone speed cameras in the future. In addition, \$10,000 is also earmarked in the Police Contractual line for our share of a \$100,000 study to be performed related to a potential Village-wide drop in speed limit from 30 to 25 miles per hour. The Capital Region Transportation Council approved our UPWP grant application for \$90,000 in funding toward this work, which will take place over the next 20 months. We continue to try to balance the desire to keep Village streets friendly while focusing on safety measures that will not modify the streets in ways that many people would object to in various zones. With the overall success of the stop signs on Hyde Blvd. for pedestrian safety in that area, we are encouraged that we can help continue subtle safety measures to protect everyone in our Village.

SIDEWALKS

In FY25, the Village finally made a modification to sidewalk repair/replacement/installation reimbursement rates, offering 50% of the cost back to property owners who voluntarily comply, up to \$4,000 per property. This was part one of a two-part approach I proposed in 2023, and we continue to place adequate funding in sidewalk expense lines to ensure we are prepared for an influx of reimbursements. However, in order to show compliance with our Village's ADA plan from 2024, we need tools to help us encourage sidewalk repairs/replacements/installation on streets with sidewalks for those who can't afford the other 50% before we endeavor to pave streets each year (we have an 11-year plan for paving all streets). That tool is a revolving loan program that the Village would fund and place on a taxpayer's property tax bill each year for 10-12 years with reasonable interest applied annually. This program is similar to those seen in Cortland and Watervliet, and it ensures that the hefty cost of sidewalk replacement, which remains the adjacent property-owner's responsibility, is not debilitating fiscally for those who are on fixed or low incomes. See more on this topic below in the Capital Planning section.

CAPITAL PLANNING

After analyzing the Village's needs for building repairs/replacement, infrastructure concerns, fire truck needs, and issues that are continuously raised by residents over the last year with the help of our consultants, such as LaBella Engineering, Studio A Architects, Laberge Engineering, Vander Molen Fire, and others, it is clear that we need to begin planning for a three-year approach to help address several of the needs of our Village. In order to determine a fiscally plausible way of handling this, we have discussed the potential of a \$12.5 million capital plan with our accountants at Local Government Support Services and our financial advisor at Fiscal Advisors & Marketing, Inc. – with use of bond anticipation notes and eventual long-term debt, the Village is in a position to use respectful annual property tax increases of 2 to 2.5% per year for 5 to 6 years to afford all of the items.

To show this, here is the breakdown of anticipated costs and mechanisms to pay for them:

Total Capital Plan (See Items Below):	\$12,500,000
Fund Balance Usage:	2,500,000
Water Tower Money from Rates:	1,750,000
Truck Debt Reserve by Village & BSFD:	3,500,000
Sidewalk Loan Pool from Fund Bal.:	- 500,000

Remaining Needs:	\$ 4,250,000

We are told frequently that the New York State Comptroller is not in favor of municipalities maintaining fund balances of a large percentage compared to their annual budgets. As a result, our over \$5 million fund balance can be utilized partially to help offset the need for long-term debt. In addition, we have already crafted a 30-year plan using water rates to revitalize and maintain our three water towers. Our work with the Fire Department and the Town of Ballston will help the Village cover the excess debt needed to pay for these expensive trucks. Finally, the Sidewalk Loan Pool would always be a receivable for the Village via tax bills, with interest being paid to help fortify the funding and cover administrative expenses.

That leaves about \$4,250,000 of needed money to cover the remainder of the capital plan needs. In a worst-case scenario, the Village would have to achieve this funding through property taxes over likely 25 years (up to 30 years potentially). At 4.25% interest annually, payments at 25 years would be \$276,240 per year – which would be achieved over six years of 2 to 2.5% tax increases that would be placed in a capital reserve fund like this year’s proposed \$40,866. Yet, the Village has access potentially to several grants (such as a recently announced NYS Park grant that I asked our Park & Tree Board and Studio A to work on for Kelley Park and Iron Spring Park upgrades). We also may have a less-expensive Court renovation if we perform a sale/leaseback of 30 Bath Street. In other words, the Village will do everything possible to help lower the “Remaining Needs” by seeking grant assistance, legislative assistance, and using smart fiscal devices to reduce taxpayer exposure. Finally, redevelopment of one or all of the Village’s current major “blight” sites (the former Angelica, Maplewood Manor, and Rickett’s sites) would help provide additional tax base that would offset potential tax rate increases.

Here is a list of the projects contemplated in the \$12.5 million capital plan described above:

\$4,000,000 DPW

Anticipated Timeframe: Spring 2026 to Spring 2027

We anticipate the building to cost about \$3.5 million to replace, plus another \$500,000 to demolish the existing structure. There may be a need to pay rent for the use of another facility -- however, we will determine that with our Town partners in terms of how we will proceed. The plan is to use \$1.5 million of Fund Balance to reduce the loan size related to this, especially since this is likely to be one of the first major projects we proceed with.

\$3,500,000 Fire Trucks

Anticipated Timeframe: Summer 2025 and Summer 2028

Our Ballston Spa Fire Department has been dealing with major repair costs over the past few years due to the outdated nature of some current trucks, including a Pumper Truck and our Ladder (Aerial) Truck. The Pumper Truck is on order

and will be paid for through a USDA loan (about \$935,000) -- it is scheduled to be delivered this Summer. However, the ladder truck will cost approximately \$2.6 million and will likely need a three-year lead time for delivery. The good news is that the Village is working with the Fire Department directly to ensure the Village is providing sufficient funding, along with the Town of Ballston, for additional debt service that might be needed. We are still working with the Town of Milton to ensure they can assist in other areas to ensure the BSFD's budget for day-to-day operations remains intact and a potential retirement fund can become a reality. We are already ensuring that there will be money for payments of the ladder truck available to provide extra protection, and the Village is working to guarantee the Fire Department \$105,000 annually (increased by inflation) for building improvements and truck reserves (for any portion not spent on building improvements).

\$1,750,000 John St. Tower plus Two Other Water Tower Renovations

Anticipated Timeframe: John St. Interior, April & May 2025; Exterior, Fall 2025 or Spring 2026; Rowland St. & Colonial Hills Towers, 2026 to 2027

Over the next two years, we will be ensuring our three water towers will be operational for years to come, starting with the renovation of the John St. Tower. That tower will cost over \$1,000,000 alone for renovations to be done in two phases to enable us to install a 180-foot-tall monopole to house the cellular equipment currently on the tower. Once the John St. Tower interior and then exterior renovations are complete, we will work to resurface the interiors of the Colonial Hills and Rowland Street Towers. The funding for this work is part of the 30-year maintenance plan put together last year, in which water rates will increase beyond inflation to create reserve funds for debt related to the renovations and maintenance plans for the three towers. A request to increase water and sewer rates by 6.5% will coincide with this year's budget (3.25% in excess of expected inflation). Such increases in excess of expected inflation will cease if/when the Mill Town Centre project comes online with the Village as the water provider for those 500+ residential units.

\$1,000,000 Sidewalk Loan Pool/Reimbursement

Anticipated Timeframe: Five Years (April 2026 to March 2031)

As part of the plan to utilize the Village's 11-year paving schedule to work with property owners to repair deteriorated sidewalks or install sidewalks in neighborhoods that have them, we need to make sure we have the financial resources in place to provide the 50% reimbursements we approved in 2024, and to be able to offer the other 50% as revolving loans that would be placed on residents' tax bills (with a reasonable interest rate over 10-12 years). This would be in addition to any benefits received from Congressman Tonko's advocacy for the Village and the CHPE potential community benefit for Hyde Blvd. and East High St. As an example of the potential needs, assuming 30% of existing sidewalks on most streets (on average) are in need of replacement/major repairs, we estimate that we will pave about 2.3 miles of Village streets in 2026. However, some of those streets do not have existing sidewalks. In doing the math, about 3,250 linear feet, or about 16,250 square feet of sidewalk would need to be repaired/replaced/installed. We estimate the reimbursement to be about \$121,875 and the potential loan needs to be about \$100,000. The Village will reflect about \$150,000 in the Fiscal Year 2026 budget, some of which may roll over into next year. As such, the actual unbudgeted need is likely closer to \$850,000, with the loan pool being a piece of the Fund Balance (about \$400,000 anticipated in the first five years).

\$750,000 Village Hall

Anticipated Timeframe: Multiple Phases (Summer 2025, Likely Through Fall 2027)

There are several phases of renovations needed at our Village Office building at 66 Front Street. Over this Summer, we are planning to get the retaining wall repairs and underground vault infill projects done. In addition, we are attempting to get the exterior visible walls repainted over the next year. We are looking to renovate the first floor to take better advantage of space needs in the heart of our executive operations center. Finally, we will endeavor to make the upper floors operational again -- this will require an ADA plan (addition of an elevator, for instance) to become a reality. The first phases are already budgeted in the Fiscal Year 2025 and 2026 budgets (about \$100,000 anticipated). The additional work could vary and would require either grants or loans.

\$500,000 Court

Anticipated Timeframe: Fall 2025 to Spring 2026

Renovations of the entire first floor of 30 Bath St. will be costly. The intent is to convert the floor to a dual courtroom and meeting space, with technology for both being pre-installed. The former Police Department space would be converted into, among other things, Court offices and Jury Room. The floor would be made ADA compliant, including the public bathroom. A sale/leaseback approach is being considered to potentially lower the potential cost of the project. Rent may be necessary for the interim period while the Court and Clerks would need to relocate during reconstruction.

\$500,000 Library Construction Costs (Future Phase Funds)

Anticipated Timeframe: Fall 2025 to Spring 2028

Phase 1A of our Village Library is well on its way to being completed, adding a great reading room/conference room and much more to the Library. However, there are additional phases upcoming, including some major attic work that will be prioritized. While our Library Board and the Friends of the Library have done an astoundingly great job at fundraising and at obtaining grants, some of both of those components may dry up moving forward. We are ensuring that with this funding (alongside continued fundraising and potential grants) that the Library can continue their renovations to ensure better ADA compliance and overall functioning.

\$375,000 Kelley Park and Iron Spring Park

Anticipated Timeframe: Spring 2026 to Fall 2027

After we complete Wiswall Park's major renovations, funded by the sale of Woods Hollow, we will need to turn our attention to two other popular Village parks. In Iron Spring Park, we need to focus on safety near the creek and preserving the Iron Spring building and fountain area. In Kelley Park, we need to update the existing playground and work on updating the pavilion area. In addition, we will add panic buttons throughout Kelley Park due to the lack of visibility it often has. Finally, we will focus on better lighting and pathways throughout Kelley Park to enhance both usefulness and safety of the Park. We have received several suggestions for other features in both parks, and we would like to work on some of these.

\$125,000 Pool Surface

Anticipated Timeframe: Fall 2026

For several years, the surface of the Village Pool has been in dire need of full resurfacing. We are reflecting about \$37,500 in the Fiscal Year 2026 budget for this, \$25,000 of which has rolled over from prior years. However, in the interest of ensuring the cost of the project is scaled properly, the anticipation is to perform a full resurfacing in the Fall of 2026. While we are asking both the Towns to assist us with funding related to this, this project needs to be performed somewhat soon -- it could move to Fall 2025 if funding is located or if we can't avoid performing the work beyond this year.

Again, the intent will be to finish most of these projects within the next three years to show our community tangible results from the tax dollars that would be involved in these projects. We know that nobody likes to pay additional taxes, but it is clear from the above list that the breadth of projects involved touch the lives of virtually every taxpayer in our Village. These are the projects residents raise frequently, and it is time to undertake them for the betterment of our Village as soon as possible.

CONCLUSION

Our fiscal health after a majority of Fiscal Year 2025 being completed remains strong, but we are well aware of economic headwinds that could present challenges, many of which are described above. Yet, with the interest rate environment again becoming somewhat more favorable, we need to take the opportunity to ensure we have our area's safety, functionality, reputation, and visual appeal completely within our focus and rectify areas which we have long struggled to improve.

Thanks to especially the moves taken at the end of Mayor Romano's time as Mayor and the fiscal conservatism employed by Mayor Woolbright after him, we are in a position to attack these important projects in a manner that would be respectful of the challenges our area taxpayers already face. The fact remains that property value growth has far-exceeded tax increases in this decade in our Village, and that is a trend that will likely continue for most of the decade. With a combination of overall budget conservatism and hard work to secure additional funding from multiple new sources, we are in a tremendous position to ensure Ballston Spa will continue to improve and thrive – and the Tentative Budget sets the stage for this important moment faced by our Village. Thank you.

- Mayor Frank S. Rossi, II