

**VILLAGE OF AVOCA
3 CHASE STREET
AVOCA, NY 14809**

April 1, 2026

BUDGET MESSAGE

The Avoca Village Board of Trustees will be increasing the tax rate to \$9.48 per thousand. The overall Tax Levy will be \$318,180.00, up from \$312,227.50, which is an **increase of \$5,952.50**. The reason for the increase in proposed budget are the contractual salary increases for employees, increases in insurance and legal rates, as well as the other increases to fuel, electric and other daily operational items. However, due to the large increases in electric and heating, in both the current budget and the proposed 2026-2027 budget, other areas of the budget were decreased by the Board of Trustees in order to maintain the 2% New York State tax cap.

The proposed tax rate for the 2026-2027 budget is proposed at \$9.48 per thousand in assessed value. This tax levy keeps the Village under the 2 percent NYS tax cap amount outlined by the New York State Comptroller's Office at **1.91%** over the current budget. Outlined below are the historic rates per thousand for the previous 10 years.

Historically the rates have been:

2017-2018	12.58 per thousand
2018-2019	12.52 per thousand
2019-2020	12.65 per thousand
2020-2021	12.95 per thousand
2021-2022	12.57 per thousand
2022-2023	12.99 per thousand
2023-2024	13.17 per thousand
2024-2025	12.40 per thousand
2025-2026	9.34 per thousand
2026-2027	9.48 per thousand

For example, the proposed tax rate would mean a \$14.00 increase in your Village taxes if your home or property is assessed at \$100,000.00.

In order to remain below the 2% New York State Property tax cap, below are the accounts that were eliminated or had reduced funding from the previous 2025-2026 adopted budget:

<u>ACCOUNT:</u>	<u>2025-2026</u>	<u>2026-2027</u>
Mayor Consultation Line	\$1,000	\$0
Deputy Clerk Salary	\$3,500	\$2,000
General Contingency	\$8,500	\$4,000
General Reserves	\$8,000	\$7,000
Sidewalk Reserves	\$9,000	\$7,000
C&R Recreation Projects	\$16,000	\$10,000
Shade Trees	\$1,000	\$0
Employee Benefit – S/S	\$16,000	\$11,000

The cuts outlined above resulted in a \$21,500 reduction from the preliminary 2026-2027 budget. In order to get under the 2% tax cap, it is also proposed to make a portion of the Street Department backhoe payment of \$6,000 out of the Street Department Equipment Reserves.

A general summation of the changes in expenses and revenues as they relate to the 2025-2026 proposed General budget would appear as follows:

1. All Electric and Heating Line Items were increased by 25% over the current year's actual cost.
2. Salaries for employees were calculated at an increase of 3%.
3. Insurance increases for employees were calculated at just under 7%
4. Line items were reduced as outlined above.
5. Other line items, such as postage and salt were also increased according to yearly estimates.

A comparison to the 2025-2026 Budget would appear as follows:

	<u>2025-2026</u>	<u>2026-2027</u>
Total Appropriations	713,406	1,155,230
Less: Estimated Revenues	<u>317,178</u>	<u>837,050</u>
Total to be Raised by Taxes	312,227	318,180
Tax Base	33,446,291	33,574,275
Rate per Thousand	<u>9.34</u>	<u>9.48</u>
Tax Levy	312,227	318,180

This increase in appropriations is elevated due to the East Avenue Construction Project (\$500,000), the Water Engineering Study (\$38,400) and the anticipated Solar Project payment (\$10,000), for a total of \$548,400, of which \$538,400 is Grant funded.

Below, I have listed our tax base (taxable property) for the last 5 years

2022-2023	24,608,052
2023-2024	24,677,927
2024-2025	24,665,623
2025-2026	33,446,291 (Due to Property Reassessment)
2026-2027	33,574,275

The Village continues with the East Avenue Culvert Project over Salmon Creek with funding through the BridgeNY Grant Program for the increased cost of \$1,637,000. Additional funding was secured through NYS DOT above the original award of \$1.25 million due to the estimated increase in construction costs. The culvert replacement construction timeline is still tentatively scheduled for the summer of 2026. While this project is 100% funded by the state, the Village continues to make the initial payments and then submit those payments for reimbursement. This process is offset in the revenue and expense portions of the budget, but the Village is responsible for interest for the project funds. The original \$100,000 intra-department loan from the water department in 2025-2026 will be replaced with a short-term construction loan of \$500,000 to the general fund, with an anticipated interest payment of \$6,900 when the note comes due at the end of the next fiscal year.

The Village continues to place money in our established reserve funds. The Village Board has established funds for Village Street Maintenance and Equipment, Sidewalk Maintenance and the Cemetery Reserve for improvements and replacement to many of the foundations in the cemeteries. The Village also continued with the Cultural and Recreational line item in the budget to enhance and update our current open air public spaces located within the Village. The previous two years for this line items have resulted in the replacement of the infield at Hees Park and a large portion of the new Gazebo construction at Gazebo Park, but these funds have not been utilized for this current year and were calculated to offset the fund balance for the proposed

budget. As stated above, some of these line items were reduced for the current proposed budget in order to maintain the New York State 2% property cap. The Board is also continuing to search and explore further grant opportunities that the Village may qualify for other improvement to the village infrastructure.

The Village Board continue to explore and work on plans for other improvements within the Village for the best use of taxpayer funds. Sidewalk replacement and sidewalk extensions are at the forefront of this discussion for the coming summer months with additional funds being placed into sidewalk reserve funds. The Village also recently purchased a new leaf box for use this spring and fall in leaf removal.

While the Village increase in anticipated revenues due to the overall New York State aid for street repairs, the overall budget increase is due to the daily cost of operations outlined above. The Culvert Project anticipated revenue is offset by the expenses associated with the grant process for the Salmon Creek Culvert Replacement Project.

Also, during the previous Fiscal year, the Village established sub-accounts in NYCLASS for all Village Reserve Accounts, which is turn yielded greater interest accumulation, depending on the principal amount is each account. This process has shown to be greatly beneficial, so the Village also placed tax revenue for a portion of the year, as well as other CDs into separate sub-accounts in NYCLASS for the greater return in interest on the reserve funds. The NYCLASS account is a municipal-only savings / investment account which yields higher interest rate returns than the previous savings accounts these funds were held in for the prior budget year.

WATER DEPARTMENT

The Avoca Village Board has determined the water rates will remain \$7.00 per thousand gallons for the beginning of the 2026-2027 fiscal year, however with the increase cost of the electricity and chemicals used to supply Village residents with water, this rate per thousand will be under review by the Village Board in the coming months with a potential increase being implemented on the current rate.

The service fee will continue to be \$10.00 per unit per quarter. The funds collected for this fee will be placed in the reserve funds or used for major water equipment purchases.

A repair reserve fund was established in June of 2009 to offset cost of future major repairs to the wells. The Village will be adding a minimum of \$5,000.00 to this reserve fund again this year. We have also established a Water Equipment Repair and Maintenance Reserve and the Village will be adding a minimum of \$15,000.00 to this reserve fund, for a total of \$20,000.00 annually being added to the water department reserves.

The Village Water Department has been working on replacing water meters since October 2020. Along with this process, the Village purchased a new Water Meter Reader this year as part of the upgrade to our water meter and reader system. This purchase was funded through our reserves. The new system allows the water department to monitor water usage more closely. We are able to detect leaks or excessive water usage quicker, allowing for repairs to occur sooner. The Village also has in place the water main leak detectors that listen for water leaks to identify major water leaks to stop water loss in a more efficient manner.

The Village was recently awarded \$38,400 from a Grant application under the CDBG Program. This Water Engineering Study of the current water system was awarded to HUNT Engineering as the current water system is now over 25 years old. The Water Engineering Study is scheduled to take place in the summer of 2026 and after the results are analyzed, the Village will apply for a \$1.5 million dollar grant for upgrades and maintenance to the current water system.

The Village is also investing the Water Department reserve funds in the NYCLASS account as outlined for the General Budget for a greater return on interest than the current savings account. Through the intra-department loan to the East Avenue Culvert Project, interest in the amount of \$5,500 will be paid to the Water Department from the General Fund at the end of May in 2026.

We are continuing to offset some of our street and water department labor, insurance and fuel costs in the General Funds through the Water Department. Up to 25% of these costs are paid for through the water department fund. The Village is currently tracking labor time each pay period for an accurate accounting of time spent by street and water department employees for street, water and cemetery daily activities.

Your Village Board welcomes your comments and suggestions concerning the 2026-2027 proposed Village Budget at the Village Budget Hearing scheduled for April 9, 2026 at 7:00 PM.

Jill Cermak
Village Budget Officer