

Where Rotterdam Stands

The Town's fiscal condition, the 2027 Tentative Budget, and how we got here

Part A Where the Town stands today

Part B How we got here, and what the 2026 tax rate should have been

Part C Steps the current administration has taken to close the gap

Part D Savings policy, the three-year outlook, and what the Town controls

Figures are drawn from the 2027 Tentative Budget filed with the Town Clerk and the 2026 Adopted Budget.

BEFORE WE BEGIN

This is an information session, not a vote

What this session is

- A plain-language walk-through of the Town's budget numbers
- A chance for Board Members and Budget Staff to ask questions and share comments
- Comments received will be recorded

What it is not

- Not a Town Board meeting
- No votes are taken and no budget decisions are made
- Not a substitute for the public hearing required by law

Who decides

- The Town Board reviews the budget and may change it
- A public hearing is held on the preliminary budget
- The Board must adopt a budget by November 20

HOW TO READ THIS PRESENTATION

Who decided what, and when

● 2024	CSEA labor contract (2024–2027) sets guaranteed raises of 4.0% in 2027
● 2025	Tax levy cut while \$1.27M of savings, the largest draw in five years, balances the budget
● Nov. 2025	Collins administration adopts the 2026 budget
● Jan. 2026	Polimeni administration takes office and inherits the 2026 budget
● Sept. 2026	First budget prepared by this administration: the 2027 Tentative Budget

Lookback flag: any 2026 line more than 10% off its two-year actual average is marked in red.

Labels used on each slide

⚠ WARNING: NOT BEST PRACTICE

A budget decision that does not follow recognized best practice

INHERITED

Decided before January 2026

✓ POLIMENI ADMINISTRATION ACTION

Taken by the current administration, in office about 9 months

NON-DISCRETIONARY

Owed by contract, law, or loan terms, or unavoidable based on history

PART A

Where the Town stands today

What the 2027 Tentative Budget costs, what it means for your tax rate, and how much of it the Town is required to pay.

THE 2027 TENTATIVE BUDGET AT A GLANCE

The homestead Town tax rate would go from \$4.55 to \$6.11 per \$1,000

\$4.55 → \$6.11

2026 Town tax rate → proposed 2027 Town tax rate, per \$1,000 of assessed value (homestead, General + Highway). An increase of \$1.56 per \$1,000.

\$22.3M General Fund spending

Estimated at 80% contractual or required by law

+\$2.72M Increase in General Fund spending

\$2.42M of it is contractual or set by law

\$2.07M Debt payments, all funds

100% contractual; \$645K of 2026 payments had no budget line

\$1.0M Savings used to balance 2027

Smallest share of the budget (4.5%) since at least 2024

WHAT IT MEANS FOR YOUR TAX BILL

The homestead tax rate: \$4.55 in 2026, \$6.11 proposed for 2027

Town General + Highway	2026 tax rate	2027 tax rate	Change per \$1,000	Per \$100,000 assessed
Homestead (most homes)	\$4.55	\$6.11	+\$1.56	+\$156
Non-homestead (commercial)	\$9.37	\$10.68	+\$1.31	+\$131

Reading the rate

\$4.55 is the 2026 Town tax rate. \$6.11 is the proposed 2027 Town tax rate. Both are dollars per \$1,000 of assessed value.

A home assessed at \$150,000 would pay about \$235 more for Town General and Highway services.

Why homeowners carry more

Homes make up the majority of Rotterdam's taxable value, so homeowners pay the majority of the Town levy. Under the State homestead formula, that share shifted further toward homes for 2027.

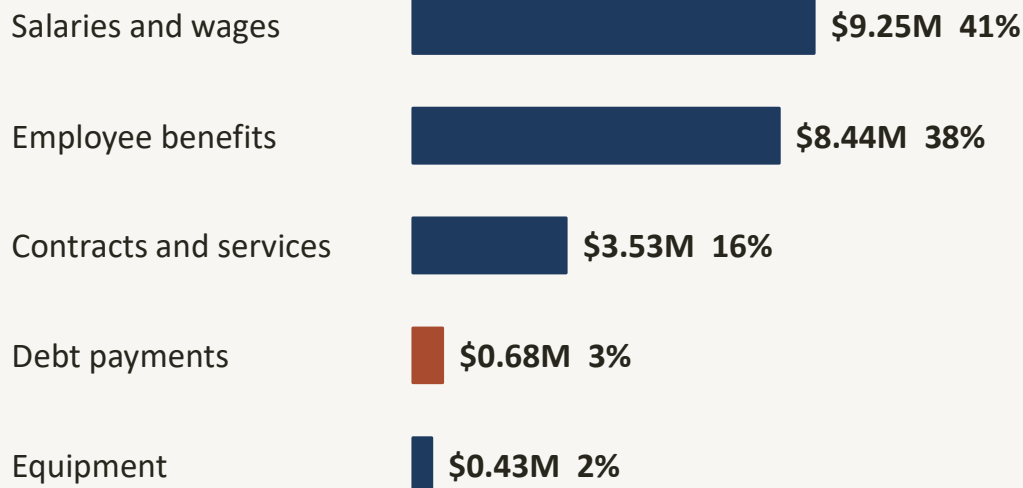
County, school, fire, and special district charges are separate.

INHERITED

NON-DISCRETIONARY

WHERE THE MONEY GOES — 2027 GENERAL FUND

Town Employees and their benefits are 79% of spending, and most of it is set by contract



Benefits: health insurance \$4.25M, police pension \$2.67M, Social Security \$0.71M, other State pension \$0.66M. Rates are set by insurers, the State, and contracts.

INHERITED: CSEA CONTRACT, 2024–2027

Negotiated by the prior administration. Guaranteed raises climb every year:

3.25% → 3.5% → 3.75% → 4.0% in 2027

≈ \$187,000

estimated cost of the 2027 4% raise alone

≈ \$640,000 a year more than 2023 pay levels, and about \$113,000 a year more than steady 3% raises would cost.

Wages owed under the contract are non-discretionary. The current Chief Fiscal Officer (Supervisor) had no role in negotiating it and cannot change it.

WHAT IS DRIVING THE INCREASE

89% of the \$2.72M increase is contractual or required by law

Health insurance	 +\$739k	Premiums; retiree coverage by contract
Police and State pensions	 +\$661k	Bill set by the NYS Retirement System
Police contract wages	 +\$460k	PBA contract pay rates
Debt payments	 +\$308k	Loan terms; catch-up from 2026
Police overtime	 +\$250k	RESTORES an unsupported 46% cut
Patrol vehicles	 +\$285k	Replacement skipped in 2026
Technology contracts	 +\$141k	Restores an underfunded line
All other lines (net)	 -\$126k	Net reduction from cuts

\$2.42M

of the increase is owed by contract, State bill, or loan terms

Debt: +\$308k

General Fund loan payments nearly double, from \$376k to \$684k, because 2026 left scheduled payments out.

⚠ WARNING Overtime is a restoration, not new spending: cut from \$650,000 (2025 budget) to \$350,000 (2026) with no support in the record. Actuals on lookback: \$559k (2024), \$609k (2025).

WHERE THE MONEY COMES FROM — 2027 GENERAL FUND

Property taxes must now cover revenue the 2026 budget poorly forecasted and never collected

Revenue line	2026 projected	2-yr actual avg.	Over-projected
Court fines	\$500k	\$315k	+59%
Cable franchise fees	\$580k	\$435k	+33%
Mortgage tax	\$1M	\$855k	+17%
Permits	\$82k	\$48k	+70%
These and 5 smaller lines			≈ \$550k

Court fines: a dramatic shortfall

Budgeted at \$500,000 three years running. Actual collections came in 40% short in 2024 and 34% short in 2025. **By September 2026 the Town had received \$166,099, about half of 2025's full-year total.**

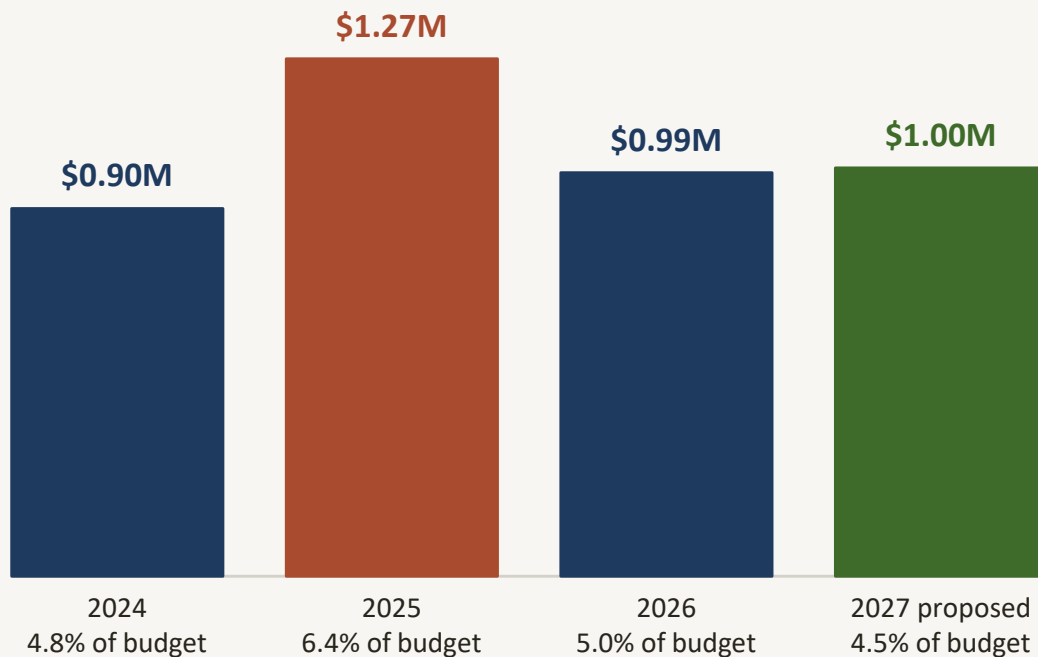
Why the tax share rises from 49% to 54%

1. About \$540,000 of 2026 forecasted revenues never materialized and had to be removed from the 2027 estimates.
2. \$2.42M of contractual and legally required costs grew in the same year.
3. The 2026 shortfalls were covered with one-time savings, which cannot be used again.

Setting revenue at what the Town actually collects is what shifts the load to property taxes. That gap was created in 2026, not 2027.

THE TOWN'S SAVINGS ACCOUNT

The proposed use of savings is in line with past years, and the smallest share of the budget since at least 2024



Every recent budget has used savings

Each administration draws on savings to soften the tax impact on residents. The question is how much, and for what.

–30%

share of the budget paid from savings, 2027 vs. 2025 (6.4% → 4.5%)

After the \$1.0M draw, the 2027 estimate leaves \$4.40M in savings, above the recommended two-month minimum of \$3.72M.

The draw is \$12,000 more than 2026 in dollars, but a smaller share of a larger budget.

BORROWING

The 2026 budget failed to include loan payments the Town was required to make

BAN payments, 2026	Should have budgeted	Actually budgeted	Left out
General Fund (Town-wide)	\$350,806+	\$110,600	\$240,206
Sewer and water districts	\$405,265+	\$0	\$405,265
Total paid by Sept. 2026	\$756,071	\$110,600	\$645,265a

What a BAN is: a short-term loan taken out while a project is completed. Its interest and principal schedule are set when the Town borrows, so **the payments are known in advance**.

If 2026 had properly budgeted these obligations

Adding the ≈ \$750,000 full-year estimate to the 2026 General Fund:

\$4.55 → \$4.79

2026 homestead Town rate per \$1,000

Tax cap: \$750,000 equals 5.3% of the 2026 Town levy, more than 2½ times the 2% allowable growth by itself. Budgeting it honestly would very likely have required a tax cap override.

The consequences

Loan payments must be made; missing one is a default. With no budget line, the payments were covered by moving money from other accounts and from savings, leaving less to absorb anything unexpected, and the full cost now lands in 2027.

PART B

How we got here

Responsible budgets are built by looking back at what things actually cost (forecasting). The 2026 budget did not do that for several bills the Town knew, or should have known, were coming.

AN EXAMPLE FROM EVERYDAY LIFE

Leaving a bill off the list does not make it go away

Imagine a family sitting down in the fall to plan next year's household budget.

The bill	What they knew	What they wrote down
Car loan	\$450 due every month, plus insurance and gas	They budget nothing
Heating	Averaged \$300 a month the last two winters	They budget \$180 a month
Kid's school laptop	Old one is failing; a new one costs about \$800	They budget nothing, and \$0 for repairs
Side income	About \$300 a month the last two years	Plan on making \$500 a month, but don't know how
Savings	Meant for emergencies	Used to make the plan "balance"

The bills arrive anyway. By spring, savings are drained, and next year's budget must pay for everything at once. Whether the plan was wrong on purpose or through carelessness, the family ends up in the same place. You can only put so much on a credit card.

THE SAME PATTERN IN THE 2026 TOWN BUDGET

The 2026 budget adopted by the prior administration made each of these mistakes

⚠ Car loan → **Scheduled debt payments** About \$750,000 in BAN payments not budgeted

⚠ Heating bill → **Police overtime** Budgeted \$350,000 vs. a known \$584,000 two-year average

⚠ School laptop → **Technology (IT)** About \$250,000 short

⚠ Side income → **Revenue estimates** About \$550,000 set above the Town's own track record on revenues without a plan

⚠ Savings → **Fund balance** \$988,000 used to "balance" the budget

WHAT RESPONSIBLE BUDGETING LOOKS LIKE

Looking back before you look forward

- 1 Start with actual results**

Put at least two to three years of actual spending and collections next to every budget line. Flag any line more than 10% off.
- 2 List every required bill**

Debt schedules, labor contracts, pension and insurance bills are known in advance. Budget all of them.
- 3 Estimate revenue from the record**

Set each revenue line based on what it has actually brought in - not the number you need it to be to stay under the tax cap.
- 4 Save savings for one-time needs**

Using savings for recurring costs creates a gap that returns, larger, the next year.
- 5 Plan more than one year ahead**

A multiyear forecast shows whether today's tax rate can support tomorrow's known costs. Just as we use a three-year look back, we also need a three-year budget forecast.

THE 2026 LOOKBACK SCORECARD

Twelve lines in the 2026 budget fail the 10% lookback test

Budget line	Type	2024 actual	2025 actual	2026 budget	vs. 2025	Flag
Police overtime	Contract	\$559k	\$609k	\$350k	-43%	⚠
IT support contracts	Contract	\$276k	\$199k	\$70k	-65%	⚠
Retiree health insurance	Contract	\$1.484M	\$1.737M	\$1.525M	-12%	⚠
Workers' compensation	Legal Mandate	\$157k	\$204k	\$146k	-28%	⚠
Police retirement payouts	Contract	\$0	\$159k	\$120k	-25%	⚠
Civilian retirement payouts	Contract	\$0	\$59k	\$0	-100%	⚠
Patrol vehicle replacement	Public Safety need	\$65k*	\$170k*	\$0	-100%	⚠
Highway equipment	Infrastructure need	n/a	\$249k	\$150k	-40%	⚠
Court fines (revenue)	Revenue	\$299k	\$330k	\$500k	+52%	⚠
Franchise fees (revenue)	Revenue	\$453k	\$416k	\$580k	+39%	⚠
Mortgage tax (revenue)	Revenue	\$867k	\$844k	\$1M	+18%	⚠
Permits (revenue)	Revenue	\$42k	\$54k	\$82k	+52%	⚠

Flag rule: a cost budgeted more than 10% below the prior year's actual, or a revenue projected more than 10% above it, with no written explanation. Debt payments are shown separately; they are fixed by loan schedules.

* Physical vehicles were paid for through grants not Town expenditures

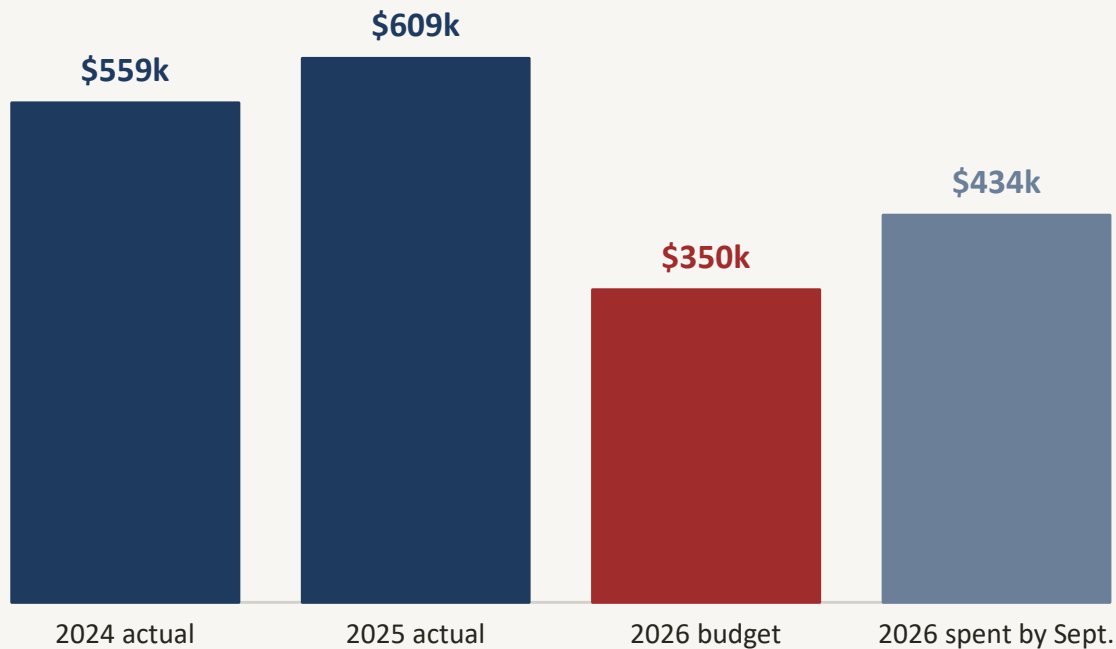
⚠ WARNING: NOT BEST PRACTICE

INHERITED

NON-DISCRETIONARY

LOOKBACK TEST: POLICE OVERTIME

Police overtime was budgeted 40% below its average cost



-40%

2026 budget vs. the two-year average of \$584,000, a gap of about \$235,000

The 2025 budget had \$650,000. The 2026 budget cut it by 46%, with nothing in the record to support the cut.

Non-discretionary: the police contract sets minimum staffing for every shift. When an officer is out, someone must be called in. Additionally, any investigations must also be paid for to ensure public safety.

When the 2026 budget was adopted, 2025 overtime had already reached \$417,943, more than the \$350,000 set for all of 2026.

LOOKBACK TEST: DEBT PAYMENTS

Leaving loan payments out of the 2026 budget did not make them go away

Payment	2026 budget	Paid by Sept.
Police/court building BAN interest	\$0	\$190,000
January BAN principal (General)	\$0	\$50,000
Sewer District 2 BAN	\$0	\$104,191
Sewer District 7 BAN	\$0	\$105,108
Water District 5 BAN	\$0	\$195,966
Paid with no budget line	\$0	\$645,265

Consequences of not budgeting

A missed loan payment is a default that damages the Town's credit and raises future borrowing costs. So the bills were paid, from other accounts and from savings.

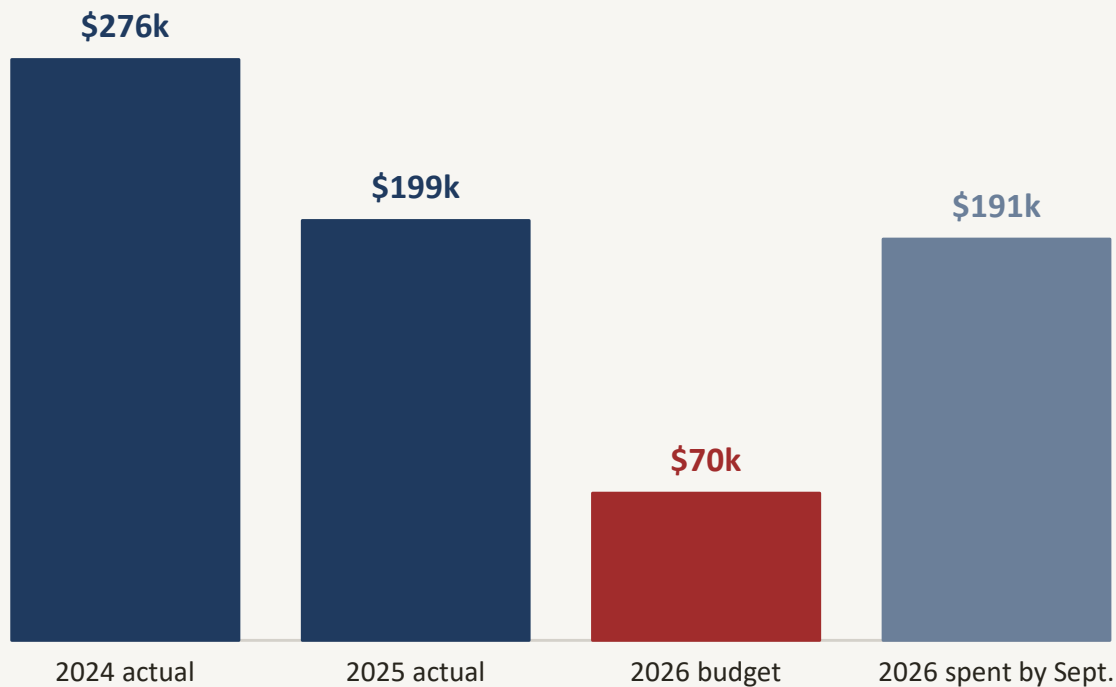
✓ What the Polimeni administration had to do

- Made every loan payment as it came due, even though the budget it inherited had no money set aside for them
- Found the money mid-year by holding positions open and moving funds between accounts
- Built every scheduled payment into the 2027 budget: \$970,000 in BAN payments across all funds, including the first \$60,000 of police/court building principal
- Brought in new revenues by adopting fire and maintenance inspection program mandated by NYS.

What was not paid for last year must be paid for this year, on top of this year's own bills.

LOOKBACK TEST: TECHNOLOGY

Technology support was budgeted 71% below its average cost



-71%

2026 budget of \$70,000 vs. a two-year average of about \$238,000. Town finance estimates the full-year shortfall at about \$250,000.

Non-discretionary as a practical matter: these service contracts keep the Town's financial, tax collection, and records systems running and secure.

By September the Town had already spent \$190,594, nearly 2.7 times the budget. The 2027 budget restores the line to \$225,000. Still under the 2024 expense, but with anticipated cost savings being built in.

LOOKBACK TEST: OTHER REQUIRED COSTS

Contract, insurance, and replacement costs are due and owed, not optional

Cost	Why it is non-discretionary	2025 actual	2026 budget	2026 by Sept.
Retiree health insurance	Contractual	\$1.737M	\$1.525M	\$1.397M
Workers' compensation	Required by law	\$204k	\$146k	\$233k
Police retirement payouts	Contractual	\$159k	\$120k	\$169k
Civilian retirement payouts	Contractual	\$59k	\$0	\$94k
Patrol vehicle replacement	Practical: fails lookback	\$170k	\$0	\$47k
Highway equipment	Practical: fails lookback	\$249k	\$150k	\$649k

⚠ WARNING When a budget does not fund a bill that is owed, the bill is still paid. The money comes from other accounts or from savings mid-year, and the full amount lands in the next budget. In 2026, several of these lines had already passed their full-year budget by September.

LOOKBACK TEST: REVENUE ESTIMATES

Revenues were inflated above the Town's own track record, with no explanation of where revenues would come from

Revenue line	2024 actual	2025 actual	2026 budget	By Sept. 2026
Court fines and fees	\$299k	\$330k	\$500k	\$166k
Cable franchise fees	\$453k	\$416k	\$580k	Not posted
Mortgage tax	\$867k	\$844k	\$1M	\$569k
Permits	\$42k	\$54k	\$82k	\$35k

✓ Real revenue, with a plan

\$529,000

from DPW Inspections, fire safety and property maintenance inspections - by September 2026, against a \$370,000 budget

The fire and maintenance inspection program in particular is a direct action of Supervisor Polimeni, as the Town's chief fiscal officer. That new revenue helped cover the damage from bills the 2026 budget did not fund.

⚠ WARNING ≈ **\$550,000 in inflated forecasting above prior years.** A revenue estimate with no history behind it and no plan to raise it is not a forecast; it is a number that makes the budget look balanced. Without it, the 2026 levy would have been about 3.9% higher, nearly twice the 2% tax cap growth by itself.

USING SAVINGS TO HOLD DOWN TAXES

In 2025, the Administration used \$1.27 million of savings to cut the tax levy, the largest draw in five years

-\$286k

**General Fund property tax levy,
2024 to 2025**

\$9.42M lowered to \$9.14M

\$1.27M

Savings used to balance 2025

6.4% of the budget, the highest share
2024–2027

\$1.0M

Savings proposed for 2027

4.5% of the budget, the lowest share
2024–2027

What a proper reserve looks like

Keep at least two months of spending in savings (about \$3.72M for 2027), and use savings for one-time needs. Every administration draws some savings to ease the impact on residents; the risk is relying on them for recurring costs.

⚠ WARNING

Cutting the tax levy while using more savings is like paying today's bills with money from a piggy bank.

It may lower taxes now, but the savings will eventually run out. When that happens, the town is forced to raise taxes by even more to pay its bills.

PART B, CONTINUED

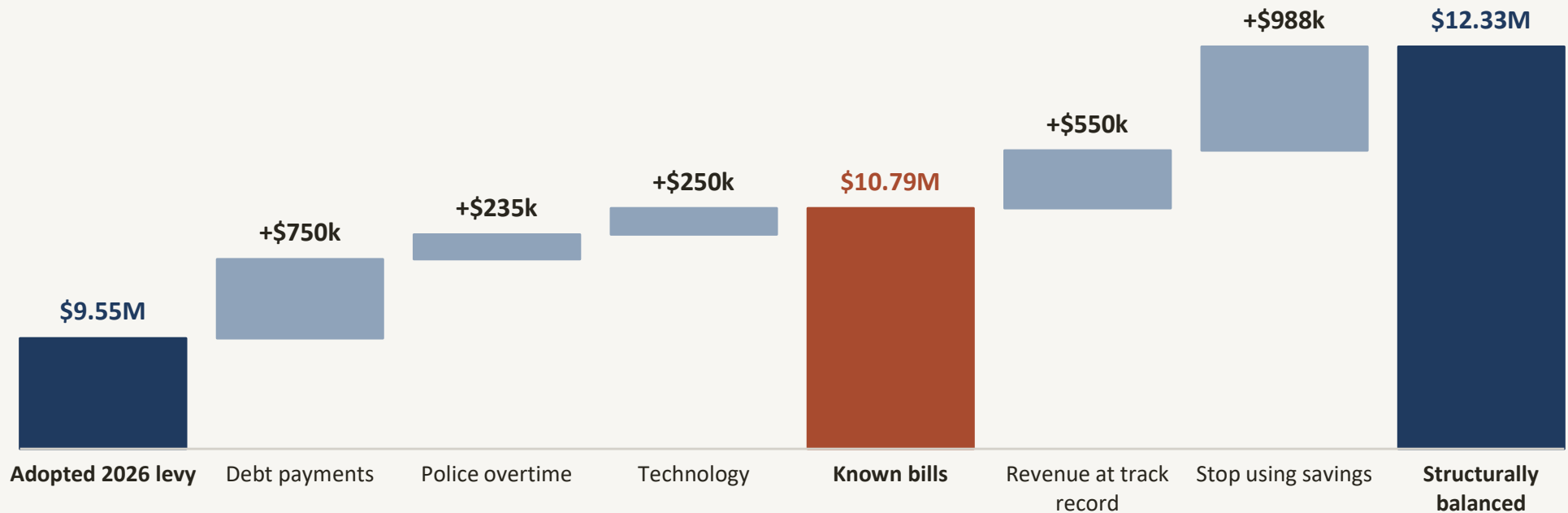
What the 2026 tax rate should have been

Learning from the Collins administration's budget - Rebuilding the 2026 budget using the costs and revenues the Town knew about when it was adopted.

REBUILDING THE 2026 GENERAL FUND LEVY

Under proper budgeting, the Collins administration's 2026 taxes needed to raise at least \$1.4 million more

Bars start at \$8.5M so the additions are visible.



The 2027 General Fund tax levy is \$12.16M, slightly below the \$12.33M a structurally balanced 2026 budget needed. **Known bills alone meant a 2026 homestead Town rate of at least \$4.95, not \$4.55.**

Source: Town of Rotterdam 2027 Tentative Budget (filed Sept. 2026); [2026 Adopted Budget](#); Town Comptroller estimates (debt, IT)

THE CORRECTED 2026 TAX RATE

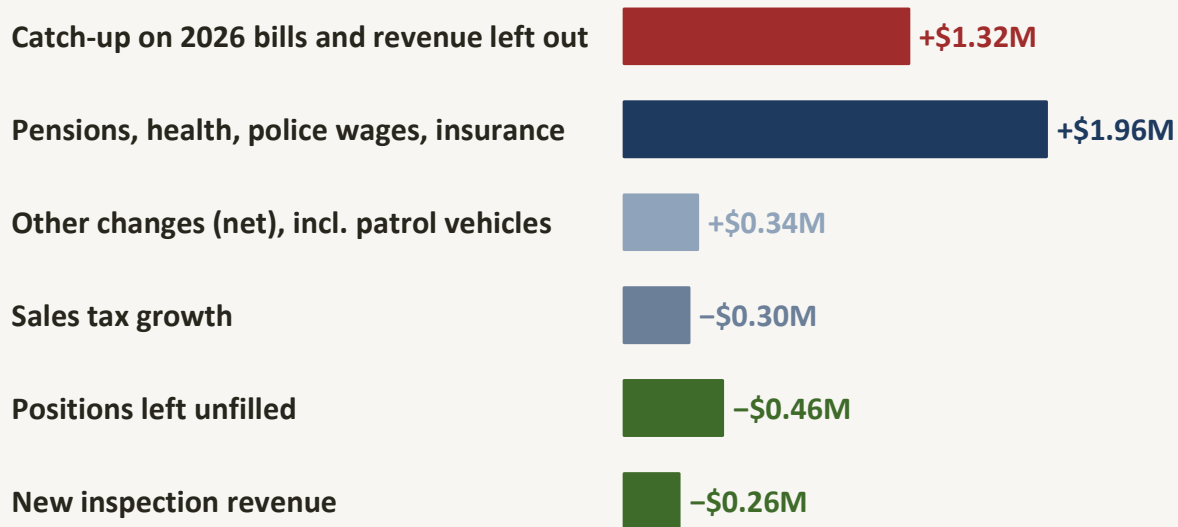
The 2026 homestead Town rate should have been at least \$4.95, not \$4.55 – and exceeded the tax cap, but less impact

Town rate per \$1,000 (General + Highway)	Adopted 2026	With known bills	+ realistic revenue	+ no savings used
Homestead rate	\$4.55	\$4.95	\$5.13	\$5.45
Non-homestead rate	\$9.37	\$10.19	\$10.56	\$11.22
Added to the 2026 levy	—	+8.8%	+12.7%	+19.8%
Within the 2% tax cap?	Adopted as within	No: override	No: override	No: override
Step up to \$6.11 in 2027	+\$1.56	+\$1.16	+\$0.98	+\$0.66

⚠ WARNING Putting it off compounds the damage. Staying under the cap in 2026 required leaving out bills and overstating revenue. Those costs did not go away: they were paid from savings in 2026, and now land in 2027 on top of the new pension, health, and contract increases.

WHY THERE IS STILL AN INCREASE

Even with a correct 2026 budget, 2027 costs set by the State, insurers, and contracts would still rise



= **+\$2.61M** increase in the 2027 General Fund levy

Would taxes have risen anyway?

Yes, but by much less. About \$1.96M of growth in pensions, health insurance, and contract wages would have arrived no matter who was in office. None of it was within the current Supervisor's control.

The \$1.32M catch-up exists only because the 2026 budget left bills out.

Unfilled positions and the new inspection programs cut \$0.71M, holding the 2027 homestead rate about 24 cents per \$1,000 lower than it would otherwise be.

PART C

Steps taken by the Polimeni administration

In about 9 months in office, and before asking residents for more, the administration cut department budgets, left positions unfilled, and started new inspection programs that bring in revenue.

MITIGATION AT A GLANCE

In 10 months, the Polimeni administration took three steps to shrink the gap

≈ \$457k

Positions not filled or not funded

Vacant and unfunded General Fund positions in the 2027 Tentative Budget

+\$255k

Inspection revenues budgeted

DPW inspections, and Fire safety and property maintenance inspections: \$625k budgeted for 2027 vs. \$370k in 2026

-\$472k

Department budgets reduced

15 General Fund departments and accounts cut from their 2026 levels

✓ **POLIMENI ADMINISTRATION** These actions reduced the 2027 increase. They could not offset about \$2.4 million of contractual and legally required growth, plus \$1.3 million of catch-up on bills the 2026 budget left out. Some unfilled positions sit inside the reduced departments, so the three figures overlap in part.

STEP 1: POSITIONS NOT FILLED

Positions were left vacant or unfunded rather than filled

Position	2026 budget	2027 tentative
Account Clerk (Comptroller)	\$51,535	\$0
Account Clerk (Highway Supt. office)	\$50,855	\$0
Cleaner/Laborer (Parks)	\$50,270	\$0
Town Engineer (staff position)	\$50,000	\$0
Paralegal, part-time (Law)	\$50,000	\$0
Confidential Secretary (DPW)	\$54,315	\$10,890
Account Clerk (Assessor)	\$54,395	\$27,000
Other part-time and stipend lines (7)	\$83,170	\$0
General Fund total reduction		≈ -\$457k

Held open during 2026

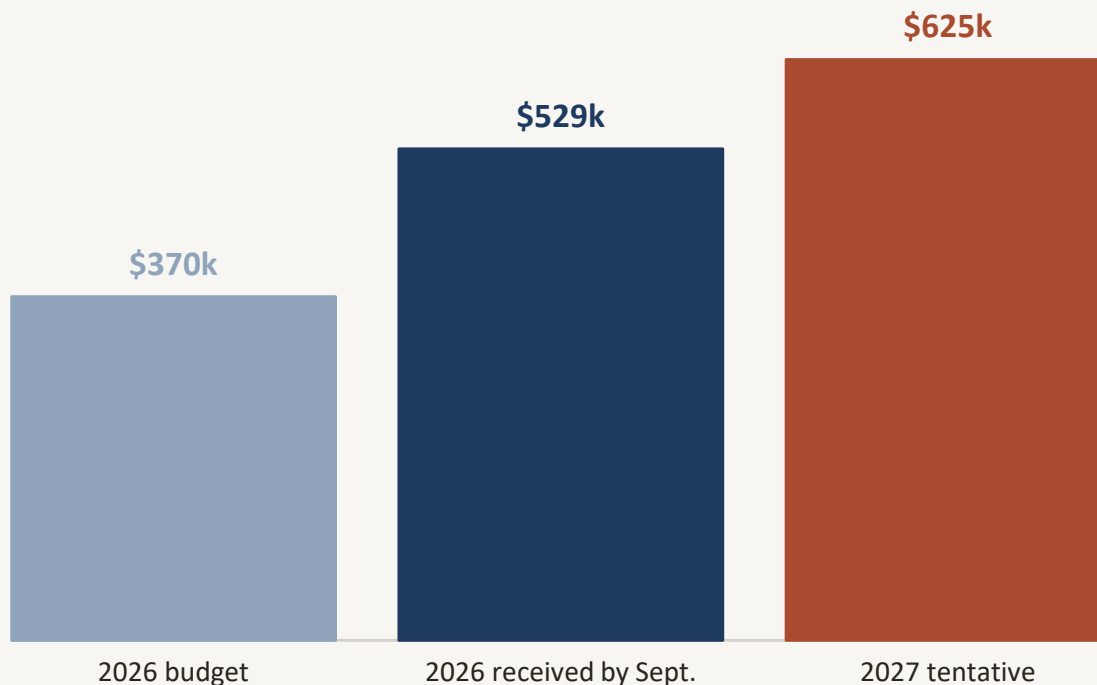
Several positions budgeted for 2026 were not filled, with \$0 spent through September:

- Town Engineer (\$50,000)
- Parks Cleaner/Laborer (\$50,270)
- Senior Tax Clerk (\$46,525)
- Water District Skilled Laborer (\$54,365)

Leaving jobs open saves money but can slow services. These are choices the Town can revisit as finances recover.

STEP 2: NEW INSPECTION PROGRAMS

Inspection programs started by the Polimeni administration bring in new revenue



A direct action of the Supervisor

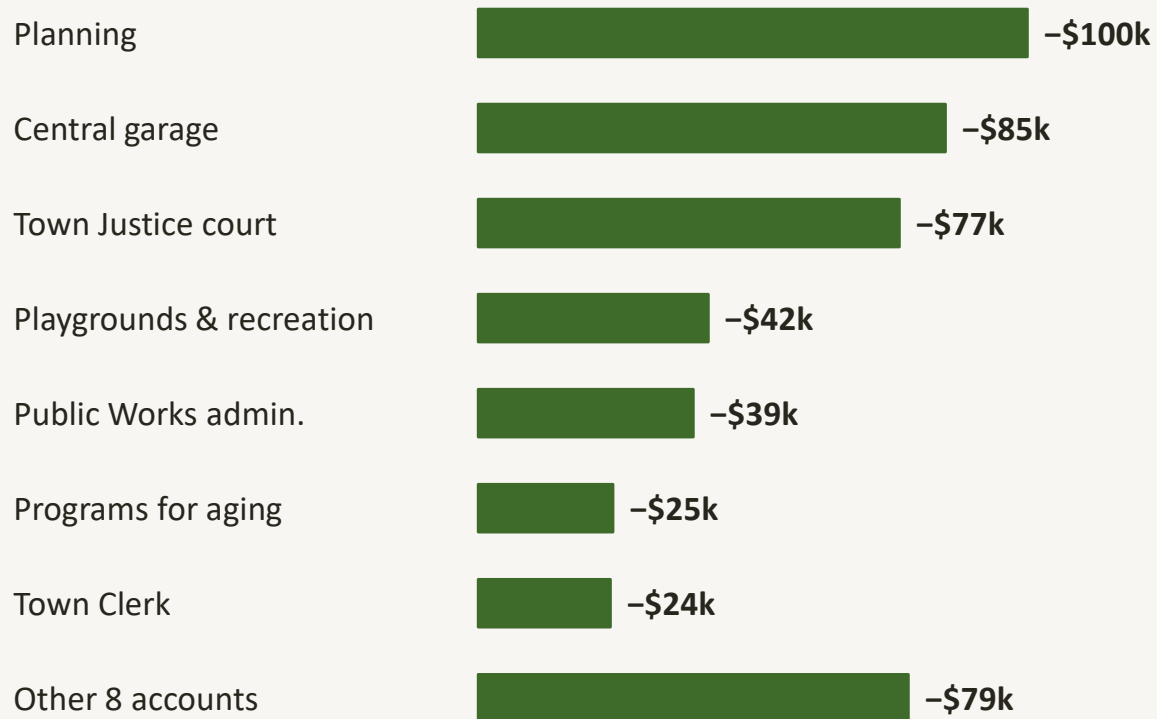
As chief fiscal officer, Supervisor Polimeni put in place new fire safety and property maintenance inspections that have been mandated by NYS but never implemented. By September, the new fire inspection line alone had brought in \$188,325 that was not in the 2026 budget.

The 2027 budget counts \$625,000 — below the 2026 pace — so the estimate is built on actual collections, not hope.

Keeping residents **safe** while bringing in additional revenues.

STEP 3: DEPARTMENT REDUCTIONS

The Polimeni administration cut fifteen General Fund accounts by \$472,000



Why it wasn't enough

Health insurance alone rises \$739,000 in 2027 — more than all of these department cuts combined.

Cuts to day-to-day operations have limits: the areas that are growing fastest are set by the State, by contract, or by loan terms.

PART D

Savings, costs, and the road ahead

A recommended savings policy, why taxes had to rise in 2026, 2027, and 2028, and which costs the Town can actually control.

RECOMMENDED FUND BALANCE POLICY

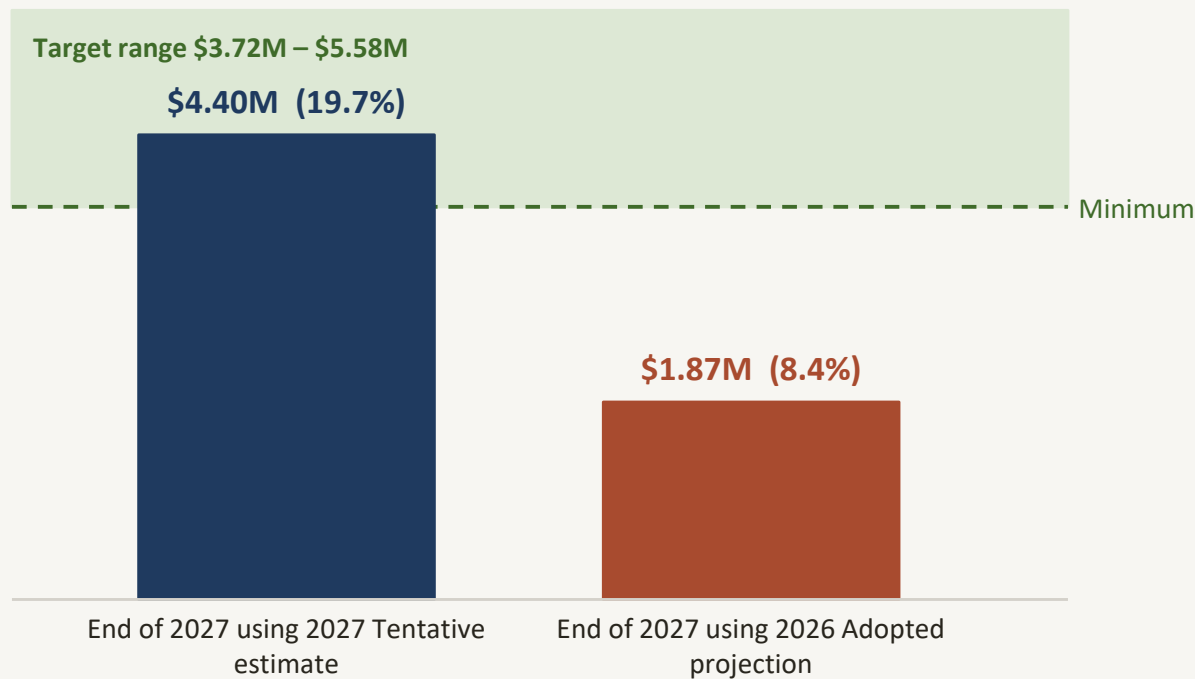
Keep two to three months of spending in savings — and use savings only for one-time needs

Parameter	Rule	General Fund (2027)
Minimum	Two months of operating spending (16.7%)	\$3.72M
Target range	16.7% to 25% of operating spending	\$3.72M – \$5.58M
Above 25%	Excess used for one-time costs, capital, reserves, or tax relief	Over \$5.58M
Below minimum	Written plan to restore the minimum within three years; no new draws for recurring costs	Under \$3.72M
Use of savings	One-time needs only — never ongoing salaries or operating costs	Board policy

The same percentages applied to the \$6.73M Highway Fund give a range of \$1.12M – \$1.68M; the Highway Fund balance is estimated at \$1.02M, slightly below the minimum.

HOW THE TOWN MEASURES UP

Whether savings are in the safe range depends on which estimate is confirmed



Why two numbers

The 2026 Adopted Budget projected \$2.87M at the end of 2026. The 2027 Tentative Budget estimates \$5.40M for the same date.

After the \$1.0M draw proposed for 2027, the Town is either inside the target range or well below the minimum. The audit will settle it.

WHY TAXES HAD TO RISE THREE YEARS RUNNING

Last year, this year, and next year all face the same pressures

2026 - last year

Collins budget: should have risen

- About \$1.4M of known bills left out: debt, police overtime, IT
- \$988,000 of savings used to cover recurring costs
- Pension and health costs already climbing
- \$550,000 in Inflated Revenues

Corrected Town rate: at least 4.95%, not the 4.55% adopted

2027 - this year

Catch-up plus new growth

- Catch-up on the 2026 bills that were left out
- Health insurance +\$739k; pensions +\$661k
- Debt +\$308k; CSEA & Police contract wages +\$615k

Offset in part by vacancies, inspection revenue, and department cuts

2028 - next year

Pressure continues

- The \$1.0M of savings used in 2027 must be replaced or drawn again
- Pension, health, and contract costs keep growing
- Short-term loans must be paid down on schedule

Non-discretionary costs continue to rise

LOOKING AHEAD TO 2028

Next year starts about \$1.7 million behind – how the 2026 Budget mistakes contribute to future problems

2028 planning item	Assumption	Amount
Replace 2027 one-time savings	Not recurring revenue	+\$1 m
Health insurance	+7%, recent trend	+\$297k
Salaries and wages	+3% contract increases	+\$277k
Pension contributions	+5%	+\$166k
Sales tax growth	+2%	-\$84k
Estimated 2028 gap	Before debt paydown	≈ \$1.66M

Planning estimate for illustration only; not a budget which is adopted each year. Assumptions should be replaced with actual contract, premium, and pension figures as they are known.

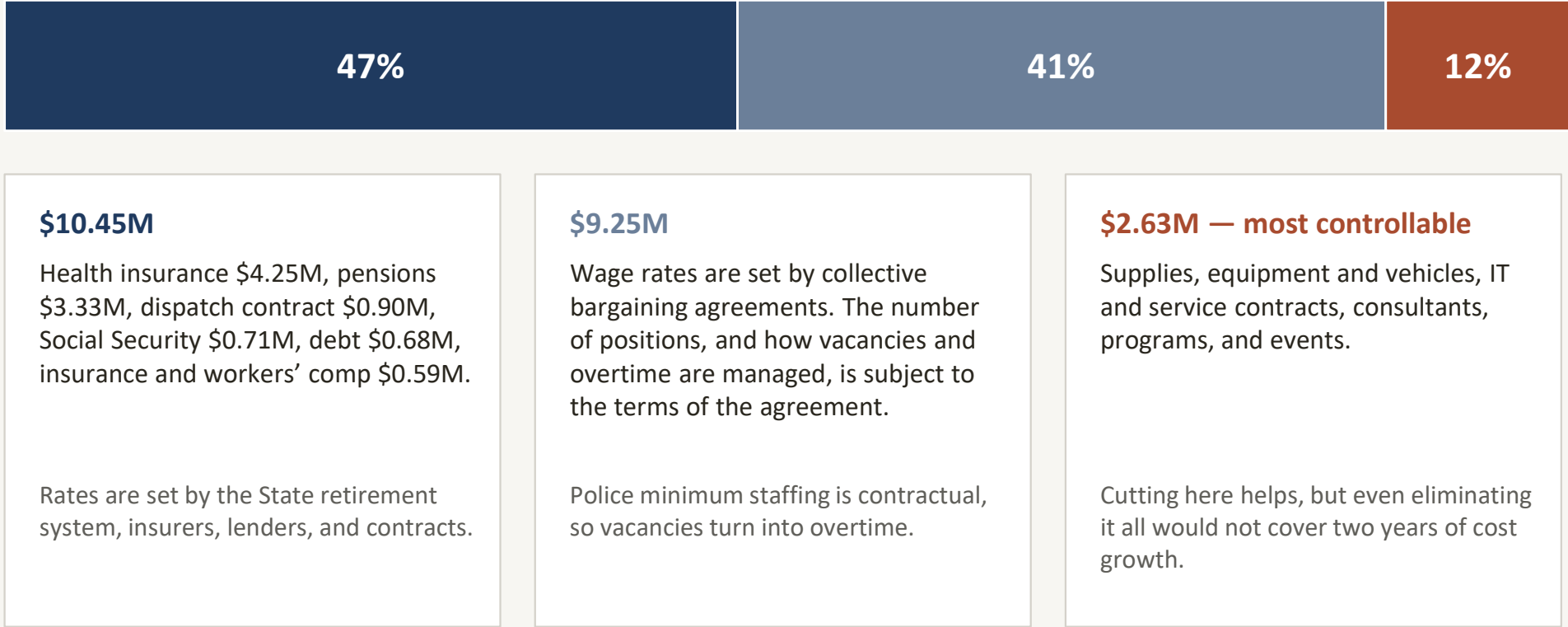
What that means

- If \$1.0M of savings is used again: about 5% — but savings keep shrinking.

The goal of a multiyear plan is to close this gap in steps, instead of one large jump.

WHAT DRIVES COSTS — AND WHAT THE TOWN CONTROLS

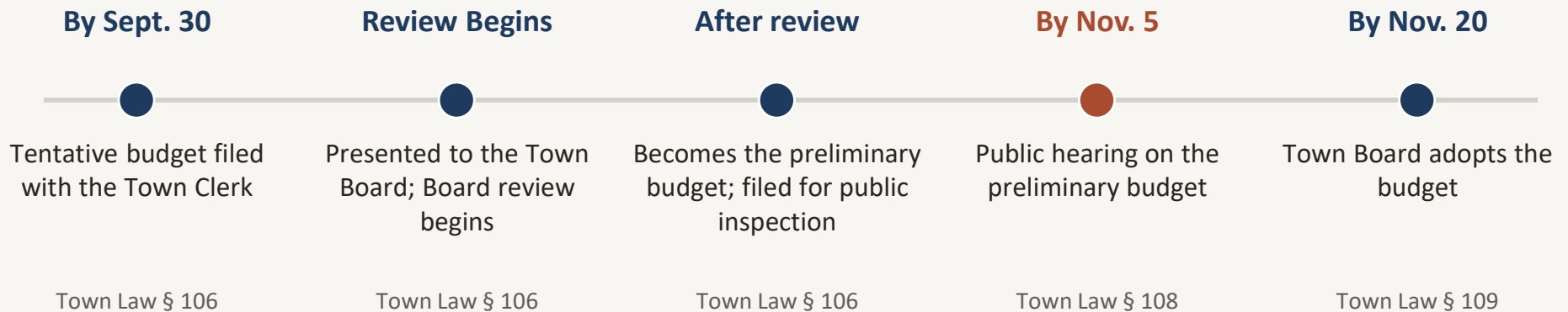
88% of the General Fund is set by contract or law; only 12% is discretionary



Source: Town of Rotterdam 2027 Tentative Budget (filed Sept. 2026), General Fund appropriations

WHAT HAPPENS NEXT

The budget calendar and how you can take part



How to take part

- Review the budget at the Town Clerk's office or on the Town website
- Attend at the budget workshops and November public hearing, or submit written comments to the Town Clerk
- A levy above the state tax cap needs a local law passed by 60% of the Board's total voting power (GML § 3-c)

WHERE THE TOWN CAN ACT

Each major cost has a different level of local control

Cost or revenue	Controllable?	What the Town can do
Pension contributions	No	Budget the State's bill in full every year
Existing debt payments	No	Budget every scheduled payment; decide carefully on new borrowing
Health insurance	Limited	Plan design and employee share through collective bargaining
Police overtime	Partly	Minimum staffing is contractual; adding more officers and scheduling may reduce overtime
Salaries and positions	Partly	Wage rates by contract; the number of positions is a Town decision
IT, equipment, vehicles	Yes	Scope contracts, bid competitively, and plan replacements on a schedule
Use of savings	Yes	Adopt and follow a fund balance policy
Fees and inspections	Yes	Set fees to cover program costs; seek shared-service reimbursement

GOING FORWARD: ROTTERDAM FISCAL ACCOUNTABILITY INITIATIVE

Eight safeguards so this does not happen again, no matter who is elected

Fiscal Impact Statement

- 1** Written Comptroller analysis before any material change: a cut of \$25,000+ or more than 10% on a line.

Required Obligations Schedule

- 2** Every debt, BAN, labor contract, insurance, and pension payment listed; cutting below it requires a written funding source.

Revenue Certification

- 3** Each major revenue estimate backed by three years of collections and the Comptroller's recommended figure.

Three-year financial plan

- 4** Rolling forecast of levies, tax cap capacity, debt, reserves, and major costs; cost shifting is identified.

Fund balance policy

- 5** Written minimum reserve for each fund; one-time money used only for one-time purposes.

Public Budget Amendment Log

- 6** Each material change shows the amount, sponsor, reason, Comptroller finding, and every member's vote.

Monthly financial reports

- 7** Budget vs. actual, year-end projections, and accounts at risk, reported to the Board and posted for residents.

Board fiscal training

- 8** Municipal finance training, such as State Comptroller programs, in each member's first year and annually after.

The takeaway

If the 2026 budget had included the bills the Town knew were coming, we would not be where we are now.

What was not paid for last year must be paid for this year, on top of this year's pension, health insurance, and contract increases, none of which the Town can choose to skip.

Honest budgets start with a look back at what things actually cost. That is the standard going forward.

Town Board & Budget Staff Discussions

SOURCES

Where these numbers come from

- Town of Rotterdam, 2027 Tentative Budget, filed with the Town Clerk, September 2026 (available at the Town Clerk's office)
- [Town of Rotterdam, 2026 Adopted Budget](#)
- Agreement between the Town of Rotterdam and CSEA, January 1, 2024 – December 31, 2027
- [NYS Office of the State Comptroller, Understanding the Budget Process](#)
- [NYS Office of the State Comptroller, Multiyear Financial Planning](#)
- [NYS Office of the State Comptroller, Town of Harrison – Budgeting Practices \(2018M-142\)](#)
- [NYS Office of the State Comptroller, Tax Cap Remains at 2% for 2026 \(July 15, 2025\)](#)
- [Government Finance Officers Association, Fund Balance Guidelines for the General Fund](#)
- [NYS Office of the State Comptroller, Developing an Effective Fund Balance Policy](#)
- [NYS Dept. of Taxation and Finance, The Property Tax Cap guidelines](#)
- [New York General Municipal Law § 3-c; Town Law §§ 106, 108, 109](#)
- Debt (\$750,000) and IT (\$250,000) full-year figures and CSEA payroll estimate: Town Comptroller / Town finance estimates

Disclaimer: This presentation was subject to corrections and confirmation by the Town comptroller