



Town of Berne Local Law #2

Tax Cap

Local Law #2 of 2026 – The 2% Tax Cap & why do I believe it to be necessary?

- What is it?
- Where do I see it on my taxes?
- What does a 2% increase to the budget look like?
- Does the Town have any savings in the bank to avoid an increase?
- Do we have any final numbers yet?
- Are we moving to pass this law tonight?
- Why do I think that 2% might not be enough over-all?
- What have I seen on a line-by-line basis that has prompted this action?
- What are we going to take a hard look at?

What is the law?

- Effective the 2012 budget for the Town of Berne (NY Chapter 97 of the Laws of 2011)
- Every government agency that is controlled by a publicly elected board is limited to an annual increase in taxes. It is governed by the lesser of the two:

A **2% increase** over the previous year for towns (2.5% for NYC)

OR

The increase in **INFLATION**

- If a public agency can not find a way to stay under the threshold, the government agency must pass, by a majority vote of **60% of its members**, a law allowing such exceedance.
- 47% of municipalities in NY pass this legislation annually
- No matter what, we still must have a balanced budget. If it does not pass, leadership would be required to cut programming to match existing revenue and use the existing levy and/or utilize savings to bridge the funding gap.

Where do I see it on my taxes?

- Search “town of berne tax bills”
- Click “Pay your Tax Bill”
- Enter your name – and you found it!
- The scope of this discussion.....

Town & Highway

2% increase: \$579.56 (\$11.36)

5% increase: \$596.61 (\$28.41)

10% increase: \$625.02 (\$56.82)

Description	Tax Levy	Percent Change	Taxable Value	Rate	Tax Amount
County	1173560	2.5000	71800.000	6.84325900	\$491.35
Town and Highway	1380005	68.7000	71800.000	7.91364000	\$568.20
Helderberg amb dist	105200	0.1000	71800.000	0.57256800	\$41.11
Berne fire district	647361	6.3000	71800.000	3.52345300	\$252.98

Total Taxes: \$1,353.64

Estimated State Aid - Type	Amount
County	137280327.00
Town	12894.00

Mail Payments To:

Stephanie Audino

Tax Collector

P. O. Box # 57 Berne NY 12023

What does a 2% tax increase to the budget look like?

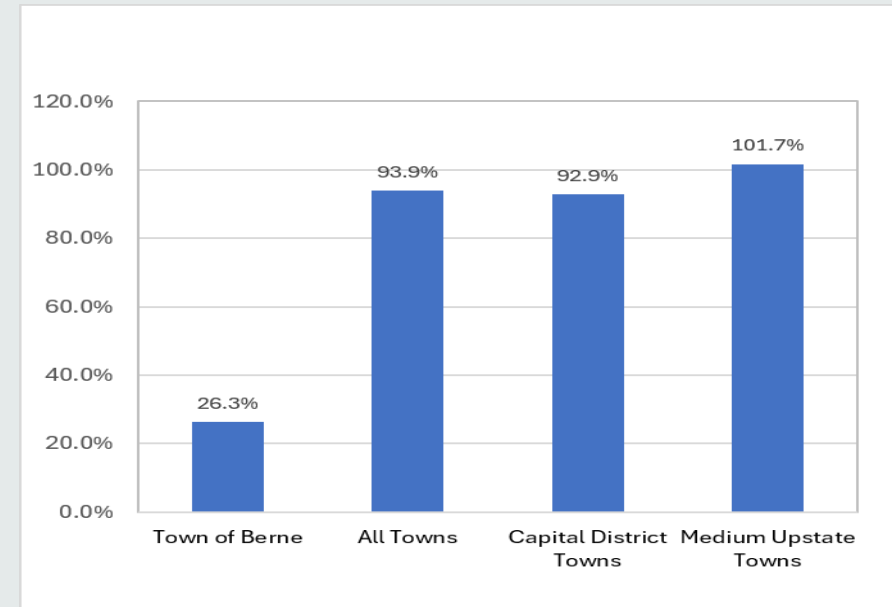
In terms of spending or risk to revenue –

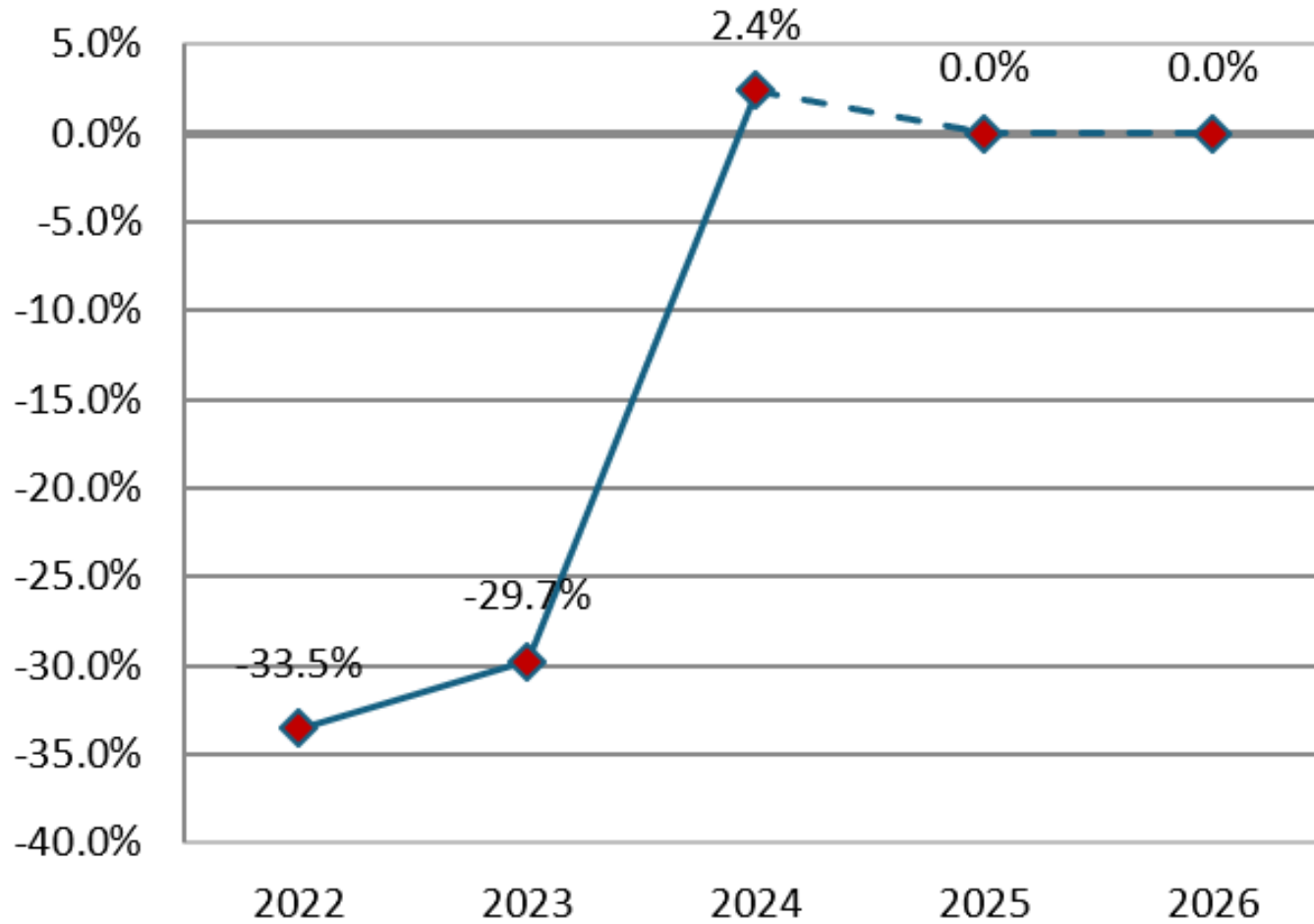
$\$1,380,005 \text{ levy} \times 2\% = \text{\$26,005.10}$

So...the town budget could absorb up to a **\\$26k increase** in costs **OR** **\\$26k loss** in revenue without having this legislation.

Does the Town have any savings in the bank to avoid any increase?

- As of 9/4/26, the sum of all town accounts is: **\$1,005,692.10**
- In an hour, \$150,918.59 in payables will be authorized for the month of August alone
- BST has estimated that the General Fund will have approximately **\$10,000** in cash assets and the Highway Fund will have approximately **\$550,000** in cash assets at the close of 2026
- By way of comparison, a town this size should approximate \$3.5m in cash assets (93% of annual operating costs)
- In summary, we do not have much, if any room to maneuver





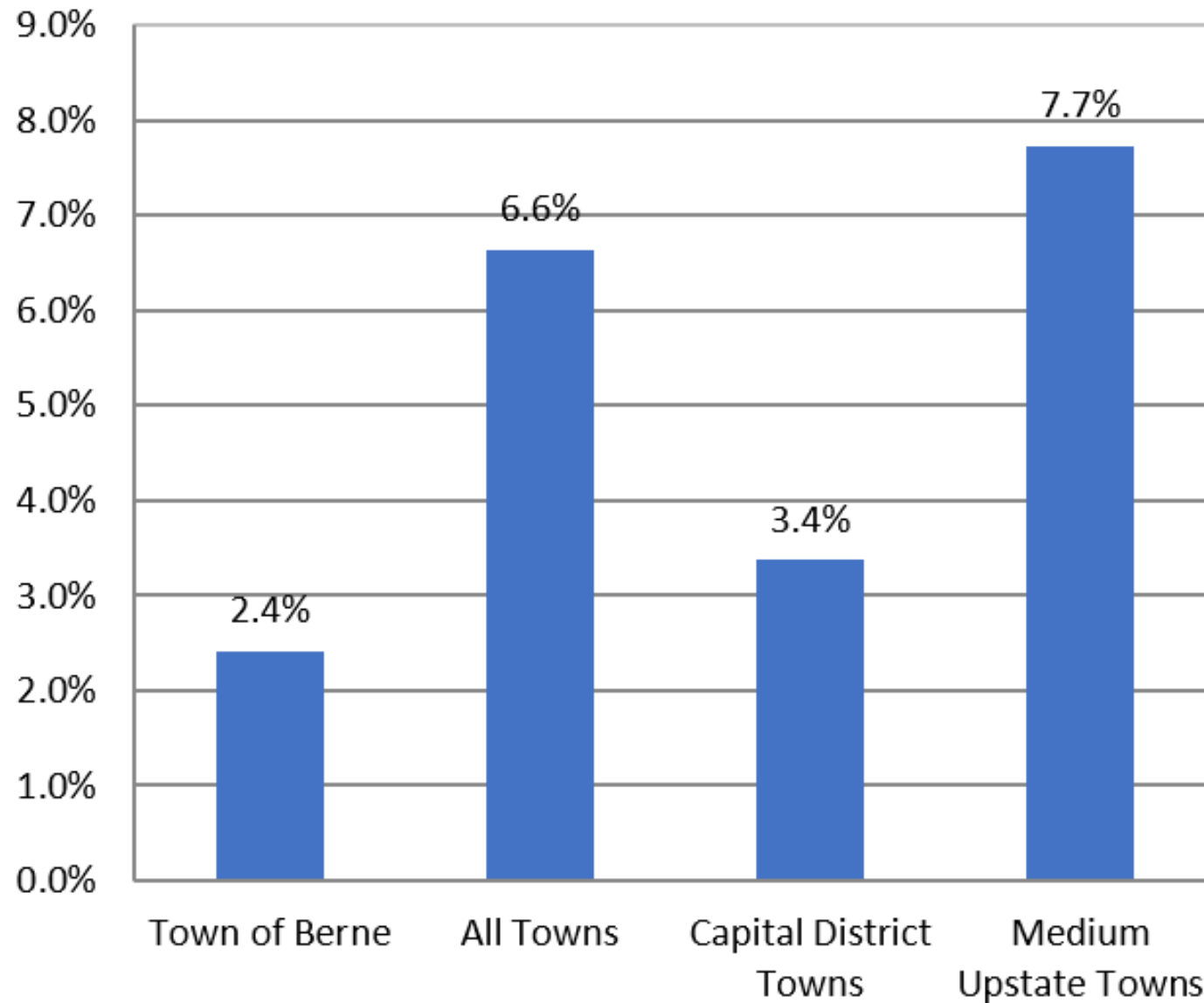
Town of Berne

Deficit spending stopped in 2024

Operating Surplus (Deficit) per NYS Comptroller

NOTE – 2025 still under review

Operating Surplus (Deficit) / Gross Expenditures



Town of Berne

2024 Surplus vs other towns

Town of Berne

History of Taxes and Inflation

Year	Rate per \$1000	Land Tax Rate	Annual CPI	Rate per \$1000 at CPI
2012	4.814	1.48%	2.1	
2013	4.820	0.12%	1.5	4.915
2014	4.796	-0.50%	1.6	4.989
2015	4.743	-1.11%	1	5.069
2016	4.659	-1.77%	1.3	5.119
2017	4.501	-3.39%	2.1	5.186
2018	4.320	-4.02%	2.4	5.295
2019	4.319	-0.02%	1.8	5.422
2020	4.167	-3.52%	1.2	5.519
2021	3.614	-13.27%	4.7	5.586
2022	0.493	-86.36%	8	5.848
2023	0.540	9.53%	4.1	6.316
2024	4.609	753.52%	1	6.575
2025	4.701	2.00%	2	6.641
2026	7.914	68.30%	4.6	6.774

Do we have final
2027 numbers
yet?

Not yet.....



Do we have final budget yet?

No – not yet. And here's one of the big questions!!

Our share of **sales tax** from the state of NY....REVENUE

We were warned by the County months ago that we **MAY** have to prepare for a 5% drop in sales tax revenue.

How much is that to us?

\$1.3m in revenue x 5% = POSSIBLE \$65,000 loss in revenue.

One item that hurts us in our share of sales tax.....declining population. In 2025, it dropped 3%.

However, a strong economy (and war with Iran) this year yielded a **4.6% rate of inflation, so sales taxes were up**

Stay tuned on sales tax revenue and it's impact – it drives both the spending plan and tax rate. Our team is on it!

Are we moving to pass this law tonight?

It's not on the agenda – a board member could make a motion to pass the law if desired

There is no rush to pass this law.

We are here to listen and hopefully you are too.

It has to be passed prior to the adoption of the budget IF we are going to exceed 2% or higher than the rate of inflation

By law, the budget has to be adopted by 11/20 every year

Why do I think that 2% might not be enough over all?

Just humor me for one second here – this is why I'm a little worried.....

This year, we all saw prices increase...looks like by 4.6% by the end of 2026.

The projections to get through 2027 are another 2.5%.

I did the math.....

With all the inflation, and assuming sales tax REVENUE remains flat....

The town would need another \$99,567 in taxes or program cuts to keep up

That is a 6.7% tax increase

What have I seen on a line-to-line basis that prompted this action?

Have a solid number to share

Albany County Sheriff ALS/BLS Contract

2026 Rate:	\$262,509
2027 Rate:	<u>\$274,599</u>
	\$12,035 increase

4.6% increase in program cost

*Not complaining about the service nor the price increase
(it's what I mentioned before – 4.6% across the board)*

*Remember I said our budget could only go up by \$26,000
at 2%?It's nearly half of the max levy.*

What else have I seen on a line-to-line basis that prompted this action?

The transfer station –

Simple math –

900 tons per year goes to Rapp Road x \$122 per ton = \$109,800 expenditure

2026 Budget for waste disposal:

\$80,000

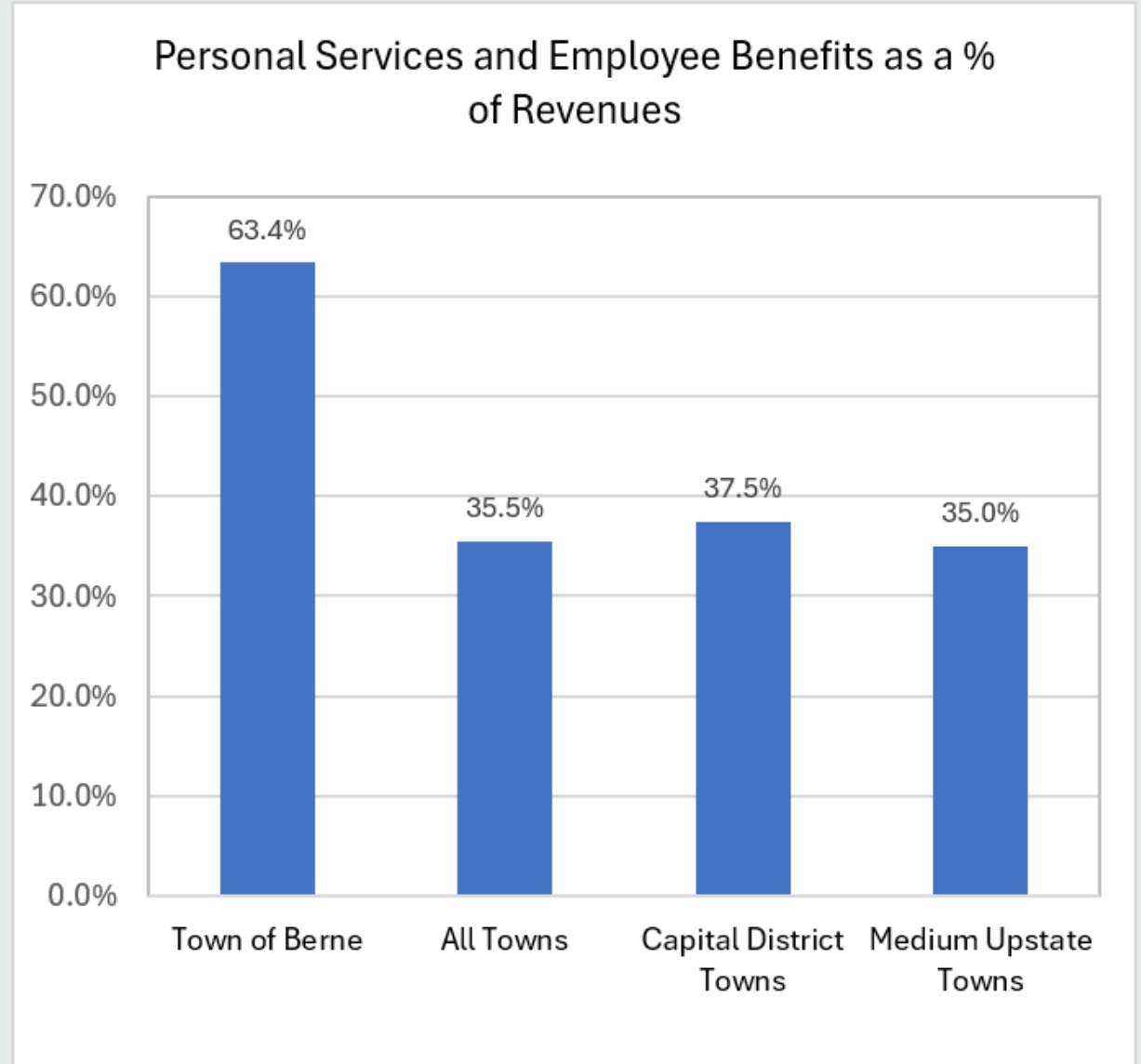
\$29,800 deficit

Again, 2% increase in taxes yields \$26,000 in funding.....that's a 2.16% increase right there!

What are we going to take a hard look at in 2027?

Which is it? Are the town's revenues too low? Our personal costs too high? The side-effect of using fund balance?

As an aside, another unknown: the CBA contract expires 12/31/26



What are we going to take a hard look at in 2027 ?

What does the town want to do?

- Cost to operate the transfer station: \$228,811
- Revenue from the transfer station: (\$9,697)
- Total Cost **\$219,114**

Areas of concern:

- Is everyone a town resident?
- Do we want to continue this way?
- The tip fees we pay will be going up to \$185 per ton in 2028 (34% increase in fees)
- The cost represents 16% of the tax levy now
- Not suggesting we take away services or benefits. Only we do so with open eyes and understand the costs

Summary

This is not the end. Only the beginning

There are enough budgetary indicators to show us that 2% will not be adequate but by the same time, not near what has been experienced in the past. Nothing is written in stone!

No, the board has not seen the budget, so program cuts have not been contemplated. Those will be discussed at the workshops

As a community, we have our work cut out for us, trying to live within the constraints of a tight budget, keeping staff motivated, providing the services, all with a shifting world economy and little or no financial reserve.

What's Next?

Who has the floor?

Public Comments – We want to give everyone a chance to speak

- If we need to schedule a second hearing, we can do that
- First up – the town board – and remember – we are impacted by the decisions that are made as well.
- Hopefully you signed up & I'll call on you in order -
- Please keep your comments to 3 minutes.
- If you can, please elect one person to represent a group, if you all share the same opinion or outlook.
- You will have ample opportunity to talk about a program or item at a workshop! Once I recognize someone, please be respectful, it's their time to speak.
- Thank you!