

2027 Proposed Budget Explanation

The budget in one sentence

The 2027 budget is designed to fund the District's actual ongoing costs, strengthen long-term capital planning, maintain enough working cash to operate responsibly, and reduce the need for unusually large budget adjustments in future years.

The big picture

The Barnard Fire District's 2027 Proposed Budget totals \$9,757,212. The budget is built around the cost of providing fire and emergency services today while also preparing for future apparatus, equipment, facility, and cash-flow needs. The largest cost is people: payroll and employee benefits total \$7,780,400, or about 80% of the entire budget.

The budget also recognizes that a financially stable fire district cannot look only at the next twelve months. It must set aside money for major capital needs, maintain sufficient cash to operate before tax receipts arrive, and provide a reasonable contingency for costs that cannot be predicted exactly when the budget is adopted.

Total Budget	Tax Levy	Planned Fund Balance Use
\$9,757,212	\$9,412,212	\$150,000

Payroll and benefits

Payroll is budgeted at \$4,527,134. The budget is based on the District's current staffing, contractual wage obligations, expected step increases, and a reasonable estimate of overtime. There is very little extra cushion built into the payroll line. If the District experiences an unusually expensive year because of injuries, extended absences, storms, or other staffing pressures, the intent is to address that through the contingency appropriation rather than hiding extra margin throughout individual payroll accounts.

Employee benefits add another \$3,253,266. The largest benefit costs are New York State retirement at \$1,498,111 and health insurance at \$1,269,830. FICA taxes are budgeted at \$346,325, workers' compensation at \$130,000, and other employee benefits at \$9,000.

Day-to-day operating costs

Contractual expenses are budgeted at \$778,950. This is the broad category that pays for the normal non-payroll costs of operating the District: vehicle maintenance and fuel, utilities and building maintenance, firefighter equipment and supplies, training, insurance, professional services, technology, and general administrative costs.

Capital planning: paying for tomorrow as well as today

The 2027 budget provides \$232,487 for equipment and capital outlay that is expected to be spent during the year and another \$268,498 to fund the District's capital reserve. Together, the multiyear capital plan receives \$500,985 in the 2027 budget.

The purpose of this approach is to smooth the cost of large purchases over time. Fire apparatus, major equipment, and facility projects can be too expensive to absorb in a single year without creating a sharp tax increase or requiring additional borrowing. Saving toward those needs each year allows the District to plan ahead and makes future capital costs more predictable.

Why reserve funding matters

New York State accounting guidance describes reserve funds as a tool for planning for major capital outlays and reducing the need to rely on borrowing or unusually large amounts of current-year funding when those purchases occur.

Debt service

The District's existing bond requires \$145,000 of principal and \$79,800 of interest in 2027, for total debt service of \$224,800. This payment is relatively stable from year to year and is not a major driver of the 2027 increase.

Contingency: a visible cushion instead of hidden cushions

The Proposed Budget includes \$350,000 for contingency. This is not money the District expects to spend simply because it is in the budget. It is a clearly identified source of budget authority for costs that cannot be predicted precisely in advance.

If overtime is higher than expected, a major repair becomes necessary, or another lawful operating expense exceeds its appropriation, the Board can formally transfer money from contingency to the appropriate budget line. This makes the reason for the additional spending visible to the Board and the public instead of placing precautionary amounts throughout many individual accounts.

If contingency is not needed, the money remains with the District at year-end and becomes part of fund balance. In practical budget-planning terms, that allows unused contingency to help support the following year rather than requiring the taxpayers to recreate the full amount from scratch.

Maintaining enough cash to operate

The budget also includes \$122,077 identified as the additional amount needed to support the District's beginning cash position for 2028. The District must begin the year with enough cash to pay payroll, benefits, utilities, debt service, and other bills before the District receives its tax money from the Town.

This amount is therefore not an operating expense in the same sense as payroll or utilities. It is part of maintaining sufficient working cash so the District can operate continuously and responsibly from one year into the next.

How the 2027 budget is paid for

Outside of property taxes, the District estimates \$150,000 of interest earnings and \$45,000 of payments in lieu of taxes (PILOT). The proposed property-tax levy is \$9,412,212.

The budget also intentionally uses \$150,000 of fund balance accumulated in a prior year. That is why the budget shows a \$150,000 budgeted deficit. It does not mean the District plans to spend money it does not have. The year-end fund balance estimate specifically assigns \$150,000 to cover that planned use, leaving an estimated \$1,450,000 in unrestricted, unassigned fund balance and \$600,000 in restricted reserves at year-end 2026.

Understanding the 2027 tax levy increase

The 2027 property-tax levy of \$9,412,212 is an increase of approximately 19.1% over the 2026 levy of \$7,900,119. That is a significant one-year increase, and it deserves context.

The 2027 increase does not mean that the District's normal operating costs suddenly increased by the same percentage. The 2026 budget relied heavily on money already accumulated by the District, including appropriated reserves and fund balance, as well as one-time revenue from the sale of equipment. Those sources reduced the amount that had to be raised through property taxes in 2026, but they cannot be repeated at the same level every year.

Another important factor in the 2027 increase is personnel cost. New collective bargaining agreements have been negotiated with the District's unions, and those agreements include salary increases that are higher than the District has traditionally experienced. Because payroll and employee benefits make up about 80% of the entire budget, increases in negotiated compensation have a significant effect on the overall budget and property-tax levy. These are recurring costs that will continue into future years, rather than one-time expenses that disappear after 2027.

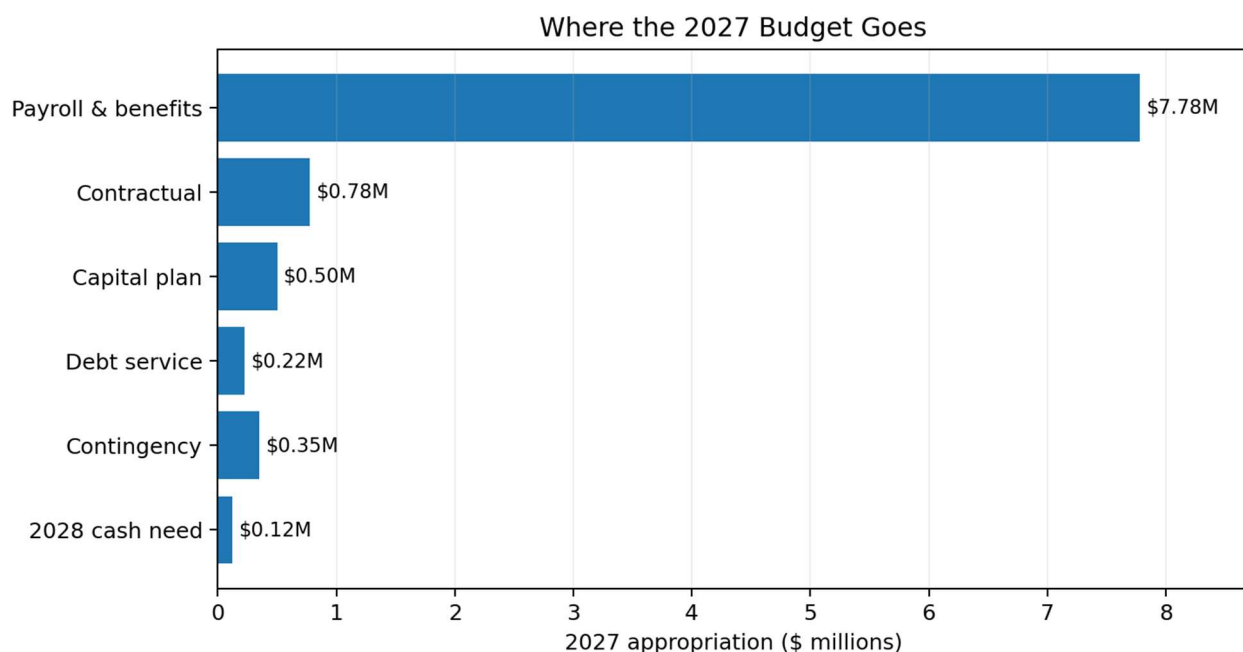
At the same time, the 2027 budget begins addressing several items intended to make future budgets more stable: a more deliberate multiyear capital plan, a clearly identified contingency appropriation, and the cash needed to begin the following year at an appropriate level.

The larger adjustment is concentrated in 2027

The current three-year financial plan shows the levy increase falling to approximately 6.7% in 2028 and 6.6% in 2029. Those future figures are estimates, not promises: payroll, retirement rates, health insurance, interest earnings, and other costs will continue to change. The important point is that the current plan does not assume another increase anywhere near 2027's level.

In other words, the 2027 budget is intended to address the larger structural adjustment now rather than postponing costs and creating another unusually large increase in the next budget year.

Where the 2027 budget goes



The chart reinforces the central point of the budget: most District spending is the cost of staffing and employee benefits. Capital planning, contractual costs, debt service, contingency, and the additional cash needed for 2028 make up the balance.

The overall goal

The 2027 Proposed Budget is about more than paying next year's bills. It attempts to accurately fund the people and services required to operate the District, maintain a transparent cushion for unexpected expenses, preserve enough working cash to operate from one year to the next, and systematically save toward future apparatus, equipment, and facility needs.

The goal is to move away from a cycle in which one-time revenues or accumulated money are repeatedly used to suppress the property-tax levy in one year, only to create a larger financial problem in a later year. The result is a difficult increase in 2027, but one that is paired with a multiyear financial plan designed to bring the anticipated increases in the following years back into a considerably lower and more predictable range.

In plain language

The 2027 budget is trying to pay the true ongoing cost of operating the District today while also beginning to pay for tomorrow, rather than leaving those costs for a future Board and future taxpayers.