

Difficulties staying under 2% tax cap

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PENSION from A3

Southold Supervisor Al Krupski Jr. said mounting pension costs, driven by the Tier 6 changes, will make it difficult for the town to stay under the cap.

The town's pension bill for police department employees jumped nearly 10% to \$2.6 million in 2025, data shows, and its cost for municipal workers rose almost 14% to \$2.6 million over the same period.

"Well over half are Tier 6 at this point," he said of the town's workers. "Any time they give something to Tier 6, they're not giving something to towns. It comes out of our pocket."

Few recurring sources

There are few revenue streams governments can tap to cover shortfalls, municipal financial experts told Newsday.

"If it pushes the costs up high enough, it's not surprising that governments may need to turn to higher property tax rate increases," said Ana Champeny, vice president for research at the Citizens Budget Commission. "Otherwise, they would have to reduce services."

Some municipalities started the year by hiking fees and exploring spending cuts. Glen Cove raised the cost of construction permits and parking fees, while Smithtown eyed cuts to its vehicle fleet. In February, the Smithtown council raised fees on some residential and construction-related permits, such as doubling electrical permit fees to \$100, Newsday has reported. In the spring, Islip officials sought an early vote giving the board permission to pierce the cap in the fall. The town board tabled the measure.

In this year's state budget, weeks of negotiations led to further sweeteners, including lowering what employees contribute to their pensions and raising how much overtime factors into the payment.

John Mooney, president of CSEA Long Island Region 1, which represents around 45,000 active and retired workers across Nassau and Suffolk counties, said New York "is facing critical staffing shortages both at the state and



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**Shelter Island Supervisor
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**Southold Town Supervisor
Al Krupski Jr.**

local levels."

"Improving Tier 6 makes these jobs more attractive to qualified candidates and ensures that employees stay in these positions," Mooney said in a statement.

The average pension contribution rate for local governments will drop in the 2027-28 fiscal year from 17.6% to 17.3%. That figure covers workers in the employee pension system. Average contribution rates for workers in a separate Police and Fire Retirement System, or PFRS, will increase from 36.5% to 37.4% of payroll.

Richard Vogel, dean of Farmingdale State College's school of business, said if costs continue to climb, governments may have to adjust hiring practices, like relying more on part-time workers.

"They have all those pressures," Vogel said. "I'm not sure how they address them in the long term, but it is going to create some continuous political tension."

Newsday's Deborah S. Morris and Arielle Martinez contributed to this story.