

2015 Budget Memo from Supervisor Bill Smith

In a public referendum held September 16, 2014, Pittsford voters approved a new expenditure, reflected in the proposed 2015 tax rate, for the Town's Athletic Fields Improvement Project. This project represents a long-overdue repair and upgrade that many residents had requested for years. The Town minimized the expense by coordinating field improvements with the School District's parallel field improvement project, identifying facilities to share, and thereby avoiding unnecessary and duplicative costs. Pittsford's youth sports teams, adult sports associations and recreational organizations across the Town all supported the field improvements. Ultimately, so did the voters of Pittsford.

To pay for the Fields project approved by the public and in light of mandated expenses imposed on the Town and costs incident to them, the proposed budget would add to the tax bill of the owner of a house of average value (\$272,500) in Pittsford an additional \$62.00 per year.

The Town property tax rate in 2014 has been \$2.71 per thousand dollars of assessed value. Paying for the Fields Project and costs driven by mandates in 2015 place that rate at \$2.94.

Of the total additional \$0.23 on the tax rate, the referendum-approved portion accounts for approximately 74%, or \$0.17. By structuring payments on the athletic field project to begin in 2015 rather than the following year, we have reduced interest costs on the bonds.

The remaining six cents (\$0.06) out of the additional \$0.23 represents mandated expenses and costs consequent to them. These include primarily the increase in the State minimum wage and wage-scale adjustments driven by it and mandated contributions to the employee retirement system. The Town has kept wages and benefits for its employees sufficiently modest that a rise in minimum wage makes significant impact on our budget. An increase in health-care premiums of 12% for 2015 contributes also to this component of the tax rate. The Town government has mitigated substantially the impact of health care costs by increasing employee contributions in the two most recent years and by obtaining coverage through the Finger Lakes Municipal Health Insurance Trust, created at the initiative of the Town of Pittsford.

Other than the voter-approved portion, the addition to the tax rate falls under the numerical limit set by the property tax cap.

Breakdown of \$0.23 on the Town Tax Rate

The \$0.23 addition to the tax rate represents costs that are either voter approved or consequent to mandates.

| | |
|---|--------|
| Referendum-Approved Field Project | \$0.17 |
| Costs Consequent to Mandates | 0.06 |
| Rate Increase Outside of Fields Project and Costs Consequent to Mandates | 0.00 |
| <u>TOTAL</u> | \$0.23 |

The entire remainder of the budget, the portion over which we have complete practical discretion, funds all of the services provided by Town government. The proposed 2015 budget keeps all of these programs and services intact and maintains their quality, without any addition to the Town tax rate.

This reflects our commitment to maintaining the quality of public services in Pittsford. It includes our Pittsford Community Library, the 900 recreation programs we offer each year, our public festivals such as Positively Pittsford and the Food Truck Rodeo and Music Fest, our events for families and children including the Family Halloween Fest, the Sweetheart Dance and the Family Outdoor Movie Nights. It includes leaf pickup, yard debris removal, snowplowing, maintaining more than 100 miles of town roads, tending and keeping up over 1,300 acres of parkland and open space and over 27 miles of recreational trails and access ways, operating a Senior Citizens Center that offers meaningful programs to seniors every weekday. It covers all of the other Town services we depend upon.

We're able to maintain these services without additional recourse to taxes through savings such as the \$684,000 in saving realized earlier this year by refinancing the Library bonds. We've done it by focusing on increased productivity and on quality improvement. We have made greater use of certain highly-skilled employees for particular tasks. This, in turn, reduces dependence on hiring outside contractors, particularly for construction projects.

Effect of the proposed 2015 Budget by Household

| <u>Assessed Value of House</u> | <u>Additional Cost per Year</u> |
|----------------------------------|---------------------------------|
| \$140,000 | \$32.00 |
| 272,500 (average assessed value) | 62.00 |
| 500,000 | 114.00 |

The proposed 2015 tax rate will keep Town taxes collected, for the eighth consecutive year, substantially below what they would be if they had followed the rate of inflation for that period.

I appreciate the fine work of our Department Heads and especially Finance Director Greg Duane that resulted in the budget proposed herewith. They share our awareness of the cumulative tax burden on residents by all the different taxing authorities in addition to the Town. We keep the Town burden at the minimum consistent with continuing the quality of service that Pittsford residents expect and deserve.