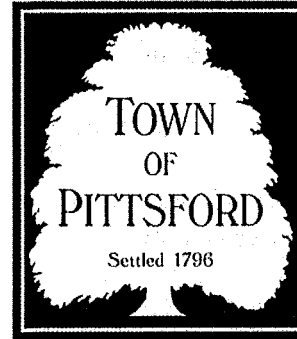


MEMORANDUM

To: Town Board
From: W.A. Smith
Date: October 28, 2016
Re: Proposed Town Budget for 2017



You will find attached a proposed budget for the Town of Pittsford for 2017.

In a public referendum held October 18, 2016, Pittsford voters approved borrowing \$9.3 million to upgrade, remodel and expand the Town's Spiegel Community Center. This borrowing and expenditure is reflected in the proposed 2017 tax rate. The project represents a long-overdue improvement. Voters supported it by a margin of more than 2 to 1.

To pay for the Community Center project as approved by the public, the budget for 2017 would add \$69.08 to the tax bill of the owner of a house of average assessed value (\$276,338). In addition, to pay for mandated expenses imposed on the Town and for costs consequent to them, the proposed budget would add to the tax bill of the owner of a house of average assessed value an additional \$46.98. To accommodate increases in the costs of providing services at current levels into 2017, the cost to the average home would add \$2.76 to the average home's tax bill. Cumulatively, these items add \$118.82 to the tax bill to average home in 2017.

The Town property tax rate in 2016 has been \$2.98 per thousand dollars of assessed value. Paying for the Community Center, for costs driven by mandates and consequent to them, and for increases in costs to continue municipal services at current levels add \$0.43, bringing the rate per thousand to \$3.41 for 2017.

Of the additional \$0.43 on the tax rate, the referendum-approved portion accounts for approximately 58%, or \$0.25. By structuring payments on the Community Center project to begin in 2017 rather than the following year, we have reduced interest costs on the bonds.

Seventeen cents (\$0.17) out of the additional \$0.43 represents mandated expenses and costs consequent to them. These include primarily the increase in the State minimum wage and wage-scale adjustments consequent to it, and increased mandatory contributions to social security and workers compensation insurances. The Town has kept wages and benefits for its employees sufficiently modest that a rise in minimum wage significantly affects our budget. An increase in health-care premiums of 6.1% for 2017 contributes also to this component of the tax rate. The Town government has mitigated substantially the impact of health care costs by obtaining coverage through the Finger Lakes Municipal Health Insurance Trust. This trust was created at the initiative of the Town of Pittsford.

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

Breakdown of \$0.43 on the Town Tax Rate

Of the \$0.43 addition to the tax rate, \$0.42 represents costs that are either voter approved or consequent to mandates.

Referendum-Approved Community Center Project	\$0.25
Costs Consequent to Mandates	0.17
Rate Increase Outside of Community Center Project and Costs Consequent to Mandates	0.01
<u>TOTAL</u>	\$0.43

The portion of the budget over which we have complete practical discretion funds all of the services provided by Town government. The proposed 2017 budget keeps all of these programs and services intact and maintains their quality, with an addition of a penny to the Town tax rate.

This derives from 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 Paddle & Pour and the Food Truck and Music Fest, the Summer Canalside Concerts, our events for families and children including the Family Halloween Fest, the Sweetheart Dance, Childrens’ Concerts and the Family Outdoor Movie Nights. It includes leaf pickup, weekly 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 on which we depend.

Effect of the proposed 2017 Budget by Household

<u>Assessed Value of House</u>	<u>Additional Cost per Year</u>
\$140,000	\$ 60.20
276,338 (average assessed value)	118.82
500,000	215.00

The proposed 2017 tax rate will hold Town taxes, for yet another year, at less than 8 cents out of every dollar Pittsford residents pay in property tax.

I appreciate the fine work of our Department Heads, especially that of 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.

Enc.

Cc: Greg Duane
Department Heads

