



# Village of Wellsville

Office of the Treasurer

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April 18, 2020

To: Residents of the Village of Wellsville

From: Mayor of Wellsville  
Members of the Board of Trustees

Re: 2020 – 2021 Tentative Budget Public Presentation

This is the fourth budget presentation under Mayor Shayler's tenure. The new Deputy Mayor is Jeff Monroe. Trustees Jeremy Cole, Ed Fahs & Mike Roeske continue to serve village residents. It is the board's duty to develop policies and enact ordinances and resolutions to ensure the health, safety and welfare of Wellsville residents. One of their most important responsibilities is to adopt an annual budget that provides those services. As part of this process, the Mayor and Board of Trustees establish the tax levy and make arrangements for that levy to be collected.

The board continues its determination to look at the budget critically and reduce the tax rate. **This commitment is reflected in the tentative budget with the new tax rate being slightly lower than last year. The rate is lowered to \$17.34. Lowering the rate is especially difficult because the taxable assessment decreased quite a bit this year. The board believes, if possible, village government should constrain itself during challenging times which they have done this year.**

This 2020-2021 Tentative Budget Public Presentation has been prepared in conjunction with the Finance Committee and approved by the board. As always, village management has assisted in preparing the estimates that become the municipal budget.

As usual, each of our five funds are balanced without the need for additional appropriation from the unassigned fund balances. It is not expected that we will be able to add to our unassigned fund balances at year-end as we project a balanced budget. As usual, for some needs, we are using reserves to offset planned purchases and capital projects per the annually updated Capital Plan.

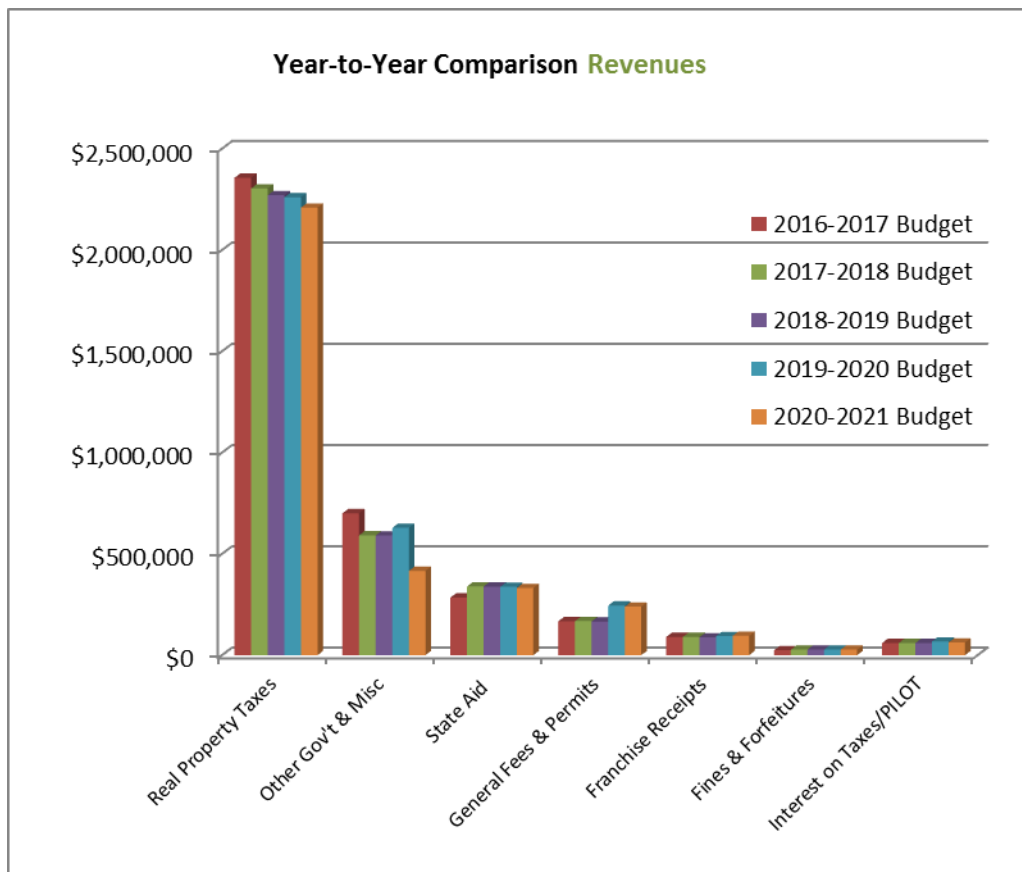
The taxable assessed value dropped this year from \$130,245,533 to \$127,368,041. The budgeted property tax levy for 2020-21 has been set at \$2,208,562, which is \$51,200 lower than last year's tax levy of \$2,259,760 meaning taxes have been cut by 2.3%. **This tax levy is the lowest it has been in twelve years - in 2009-10 the levy was \$2,303,838!**

The Village tax cap for 2020-21 is 1.78% and the adjusted allowable tax levy limit is \$2,334,688 meaning the proposed \$17.34 tax rate is \$.99 under the rate allowed by law of \$18.33. **In other words, the Village tax rate is 5.4% lower than allowed under the tax cap, or \$126,127 lower than property tax revenue the Village was authorized to collect this year.**

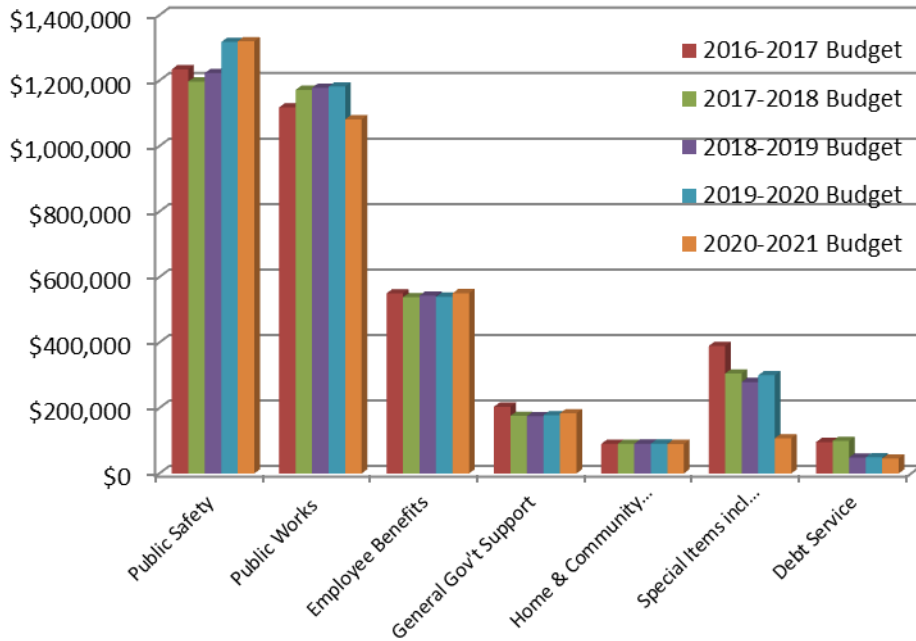
We annually provide some information regarding tax exempt properties: The total assessed valuation that is exempt from Village taxation is \$52,549,066 of the assessed total of \$179,917,107, leaving the \$127,368,401 taxable valuation. The tax exempt total remained similar although the tax exempt percentage of the total Village valuation dropped with the overall assessment becoming 29.2%.

The total General Fund revenues are estimated at \$3,379,272. This year we expect to use no money from reserves to purchase equipment and fund projects; the overall budget is roughly \$275,000 lower than last year. Total General Fund expenditures are likewise projected to be \$3,379,272. Expenditures in most categories are similar to what was budgeted for 2019-2020 without \$194,000 coming from reserves as in last year’s budget.

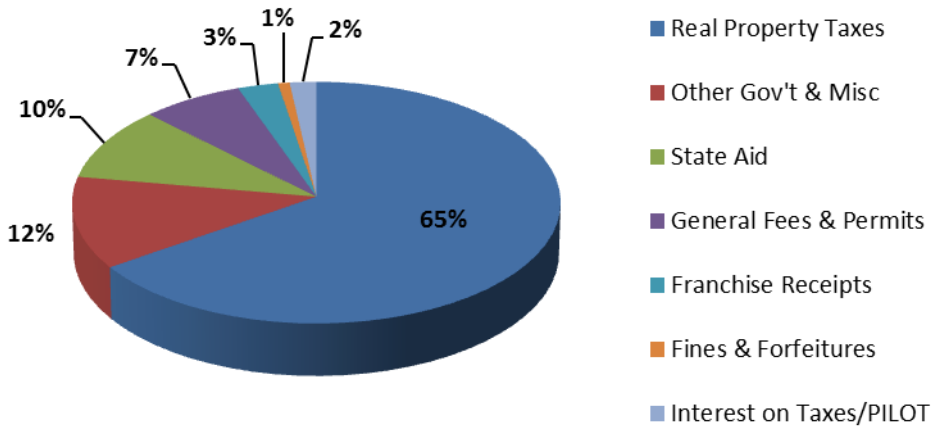
The following charts provide some comparison budget data for the General Fund:



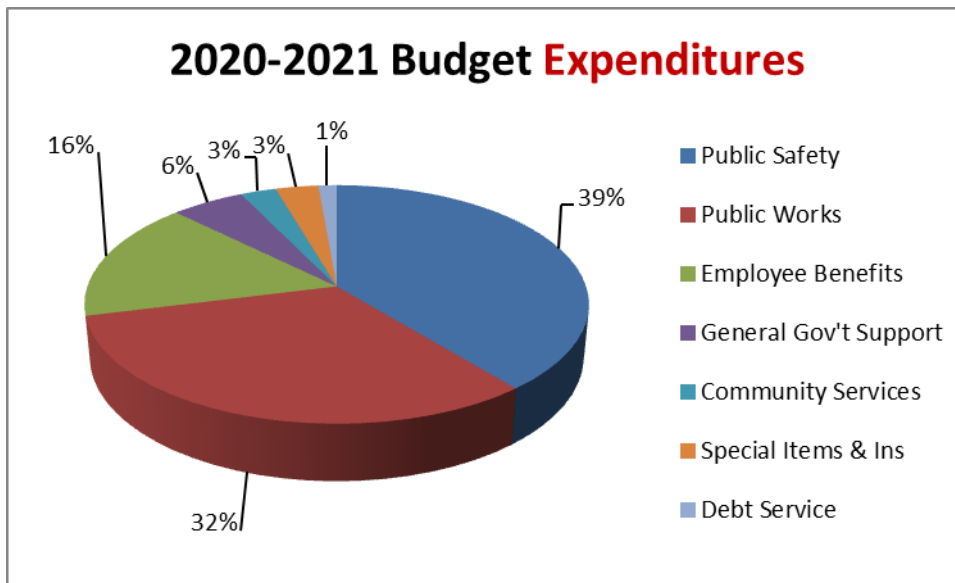
### Year-to-Year Comparison Expenditures



### 2020-2021 Budget Revenues



## 2020-2021 Budget Expenditures



The total Water Fund revenues are estimated to be lower than last year at \$974,000. The Water Fund Fees are expected to remain unchanged. Sewer revenues are projected to also be lower at \$652,000 and the fees will remain the same even though the large capital project is expected to begin later this next year which will reduce revenues. Refuse Fund revenues are projected to be \$360,600 and the fees will be increased to \$16.00 for the coming year and next year to keep that fund in balance.

We have updated our long-term capital planning as part of the budget process as usual. Even though not yet required by NYS law, we believe long-term capital planning is very important to our budgeting process and these working documents help identify when major capital needs will be required. One of the many impacts of the Property Tax Levy Cap Law is that adding debt without exceeding the cap becomes very difficult. It requires better timing and/or a commitment to build reserves and self-finance capital needs using those reserves. These long-term planning documents include: a Fund Balance Policy and Reserve Balances spreadsheet, which outline the allocation of funds in light of new accounting rules and to ensure the Village maintains adequate fund balances and reserves; a Strategic Financial Plan that develops longer-term strategies so that the Village is able to provide the service mix desired by the community with the lowest possible tax levy and fees (while maintaining a solid financial foundation); and a Capital Purchase Plan spreadsheet that looks five to eight years out in the future to identify and plan for capital needs.

The Mayor and Board of Trustees would like to thank the Village staff for their participation in this year's process and their acknowledgement of the budget challenges we face, especially with new uncertainties, and their successful efforts to reduce the property tax rate for the Village of Wellsville residents for 2020-21.

Sincerely,

Earl F. Johnson  
Village Treasurer