



Village of Wellsville

Office of the Treasurer

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March 29, 2013

To: Residents of the Village of Wellsville

From: Mayor of Wellsville
Members of the Board of Trustees

Re: 2013 - 2014 Tentative Budget Public Presentation

The Mayor and the Board of Trustees 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 supports those services by establishing revenue sources to be used to finance the proposed services and strategically allocate those resources. As part of this process, the Mayor and the Board of Trustees establish the tax levy and make arrangements for that levy to be collected.

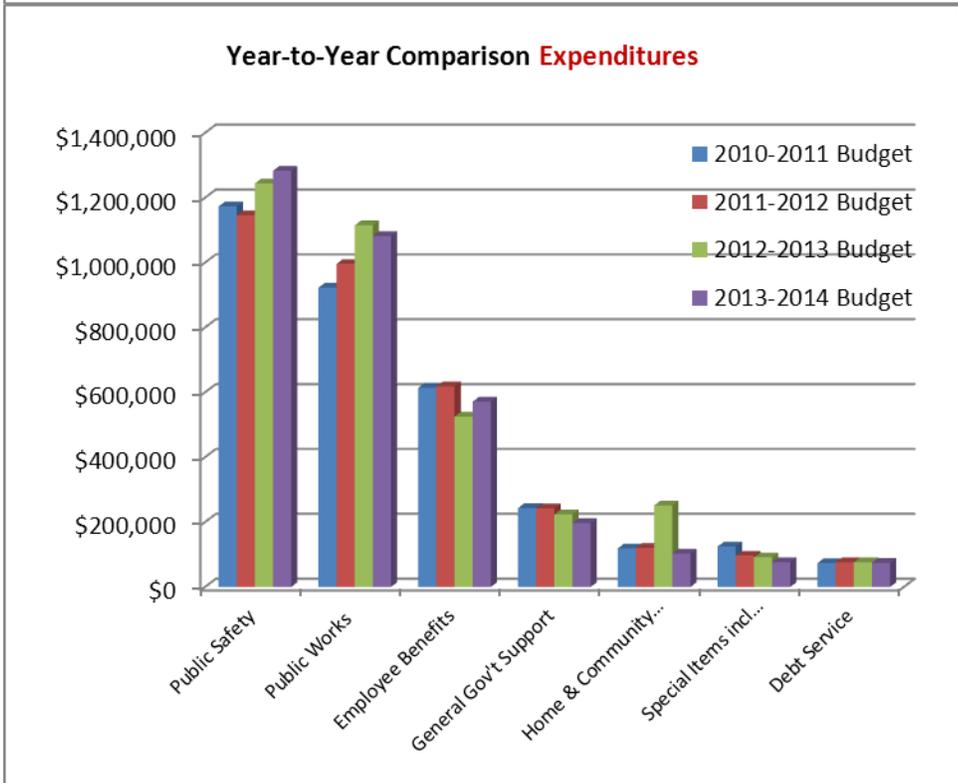
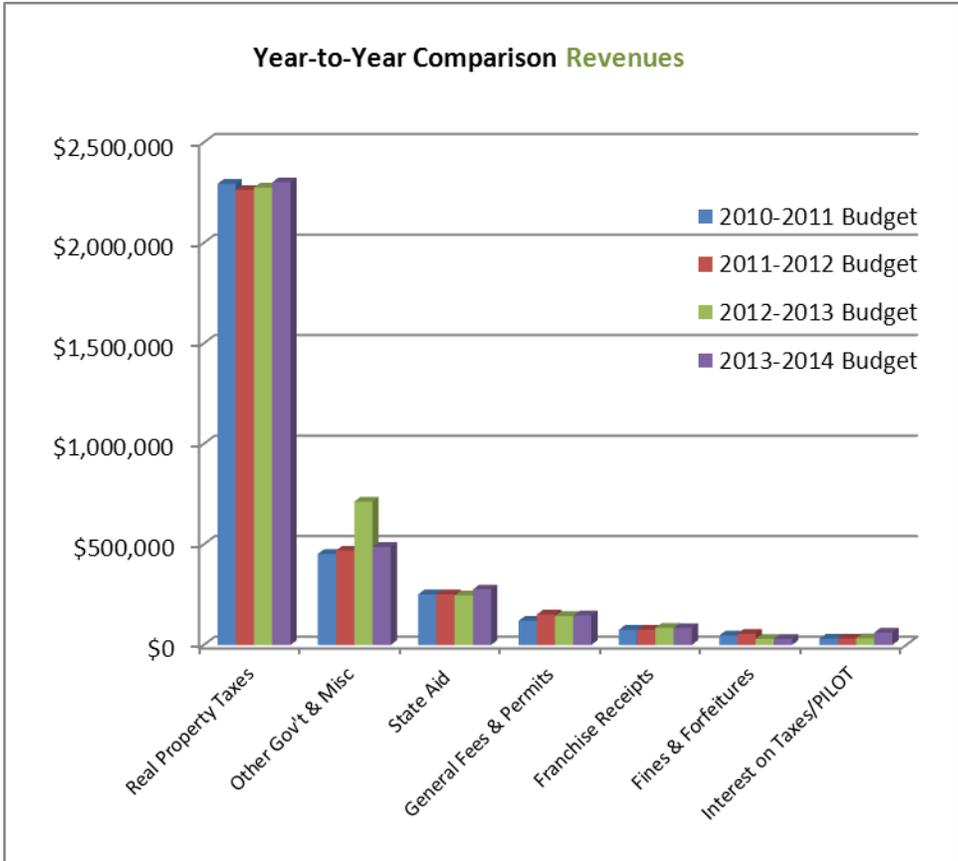
On their behalf, and the staff at the Village who help prepare the estimates and plans that become the municipal budget, I am presenting herein the 2013-2014 Tentative Budget Public Presentation.

In summary, each of our five funds are balanced without the need for additional appropriation from the unassigned fund balances. It is also not expected that we will be able to add to our unassigned fund balances at year-end. The tax levy is budgeted at \$2,301,600, which is \$26,784 more than last year, or only 1.18% higher (and \$38,501 under the \$2,340,101 village tax levy allowed by the NYS Tax Cap Law). The assessed value decreased \$396,778 to \$112,329,495 so the tax rate will be 1.54% higher at \$20.49 versus \$20.18 last year.

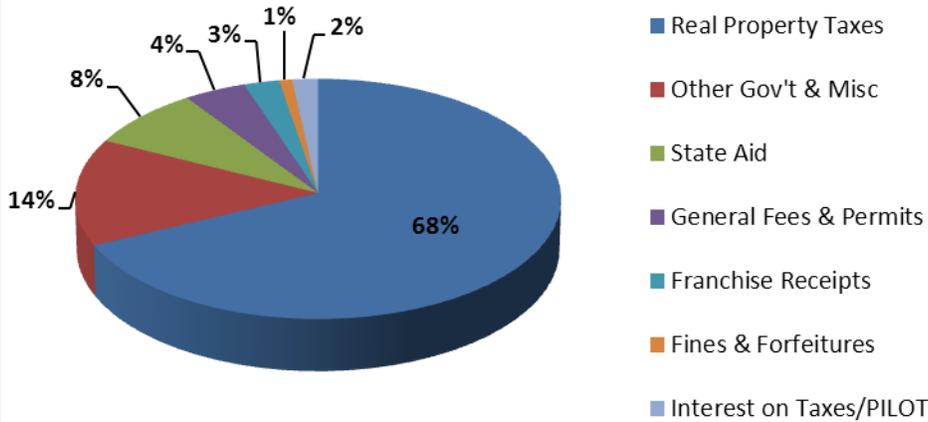
We are disclosing some statistics regarding tax exempt properties: The total assessed valuation that is exempt from village taxation is \$68,925,543 of the assessed total of \$181,255,038 (\$218,379,564 Equalized Assessed Value), leaving the \$112,329,495 taxable valuation. This tax exempt value represents 38.03% of the total valuation.

The total General Fund revenues are estimated at \$3,387,156. This year there are no prior period revenues which is why this total is lower than last year. Total General Fund expenditures are likewise projected to be \$3,387,156. Expenditures in most categories are similar to what was budgeted for 2012-2013, however, the pension contribution required by NYS is projected to be so much higher that some other categories had to be estimated at lower amounts, such as the Contingency Fund, leaving less room for error in the upcoming year.

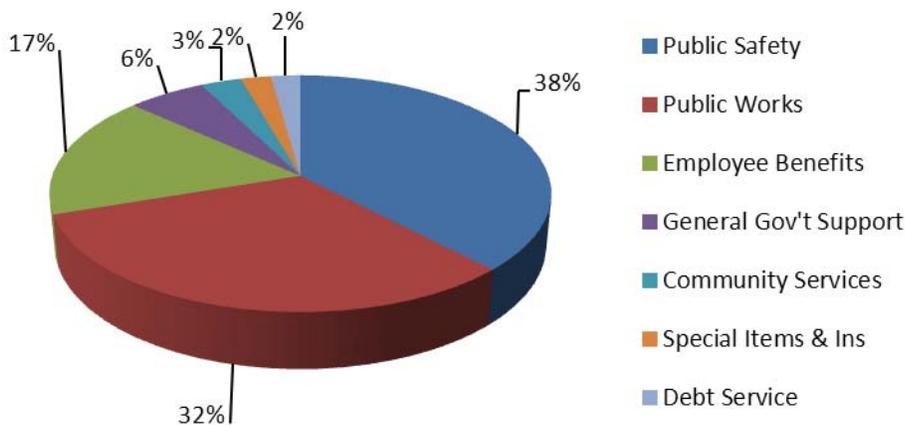
The following charts provide some comparison budget data for the General Fund:



2013-2014 Budget Revenues



2013-2014 Budget Expenditures



The total Water Fund revenues are estimated at \$1,110,300, which is about \$27,000 higher than estimated in 2012-2013, Sewer revenues are projected to be \$796,400, which is close to \$30,000 higher than last year and the Refuse Fund revenues are slated to be 287,400 which is about \$22,000 more than last year. To balance these funds Sewer charges will need to be increased by 3.5% and the monthly garbage collection fee which is budgeted to increase from \$11.50 to \$12.50, or \$12 per year.

We have again updated our long-term planning into the budget process. 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 to identify and plan for capital needs.

This year the biggest budget challenge is the required increases in the contribution percentage by the NYS Retirement System. The reduction in total assessed valuation again this year also adds to the tax rate increase. Like last year we got an early start on budget preparations and the heads of administrative units submitted their estimates to the Budget Officer in January. The Mayor and the Board of Trustees would like to thank the Village staff for their participation in this year's process, their continued acknowledgement of the budget challenges we face and their continued efforts to conserve resources where possible.

Sincerely,

Earl F. Johnson
Village Treasurer