



Village of Wellsville

Office of the Treasurer

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March 29, 2016

To: Residents of the Village of Wellsville

From: Mayor of Wellsville
Members of the Board of Trustees

Re: Tax Collection History Presentation

We are sharing some additional information this budget season because there have been some questions regarding tax collection history. Periodically, it is a good exercise to review budget data over time and this letter provides a snapshot of actual tax dollars collected over the past two Mayoral terms.

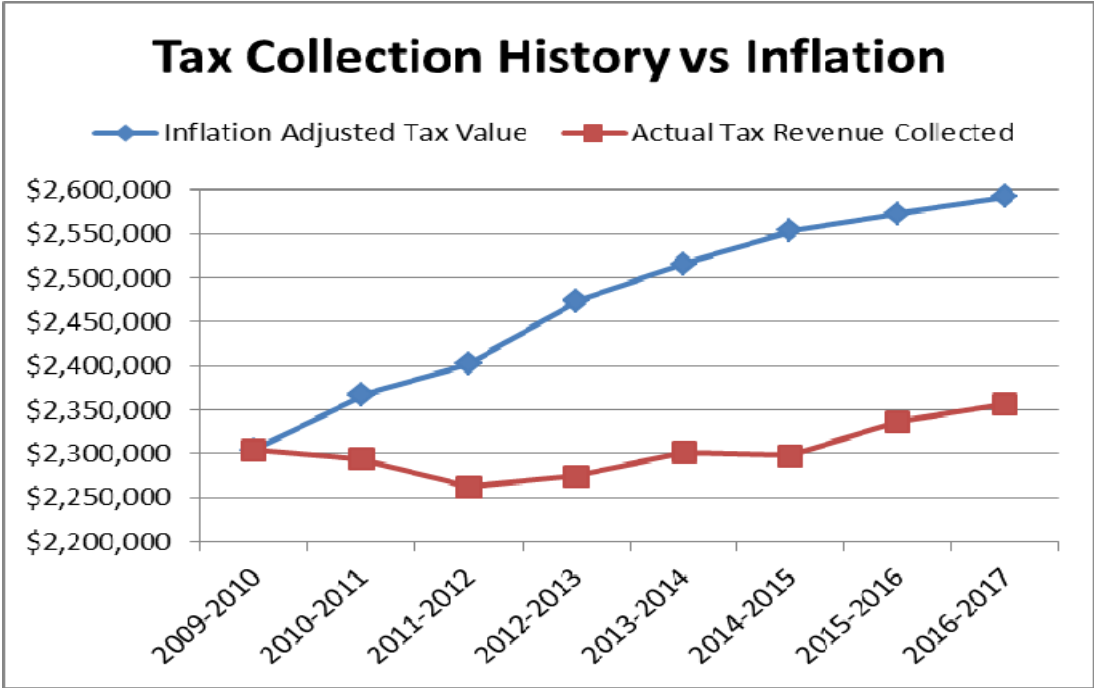
To clarify, taxpayers should understand that all the utility services - water, solid waste (sewer), electric and refuse are budgeted as their own stand-alone funds and have had nothing to do with tax revenues collected. In other words, tax dollars collected are not used to subsidize these funds even though that may be the case in other communities. The fees collected for each service pay for each service.

As far as taxes collected for the General Fund over the past two Mayoral terms, or eight years, the amount of tax revenue collected each year is as follows:

2016-2017	\$2,356,280	2012-2013	\$2,274,816
2015-2016	\$2,336,606	2011-2012	\$2,262,512
2014-2015	\$2,298,000	2010-2011	\$2,293,752
2013-2014	\$2,301,600	2009-2010	\$2,303,838

Obviously, the amount of tax revenue collected has bounced around a little bit. This is a result of changes in overall assessment valuation combined with some small, incremental tax increases. The recent small, incremental tax revenue increases were actually due to the NYS tax cap law. Because the law does not allow for capital purchase exceptions, the village must be sure to set aside savings for capital reserves. Effectively NYS is setting tax revenue increases for us through their tax cap calculations. Still, the board does its best to keep taxes consistent. For example, this year the Village is entitled to a carryover increase and the tax revenue collected for 2016-2017 is allowed to be \$2,392,532 which is 2.4% more tax dollars than last year, or \$55,926. Instead the Village is collecting 0.84% (less than one percent) more in tax revenue, or \$19,674.

As you can see, compared to eight years ago, the tax revenue collected is an additional \$52,442, or 2.28% higher. The average increase over those past eight years has been .285% or roughly one-quarter of one percent. When you factor in inflation over the past eight years, the village is effectively collecting much LESS tax revenue in terms of dollars adjusted for inflation than during the 2009-2010 fiscal year. In other words, to keep up with inflation the village should be collecting about \$2.6 million in tax revenue this year, or 10% more than we are collecting. The chart below compares the revenues we should have been collecting to keep up with inflation versus taxes actually collected.



The Village Board has annually tried to meet its goal to provide the best and most complete services possible at a consistent level of taxation. From public safety to street maintenance, village surveys indicate each service is valued by residents. Taking into account this history of tax revenue collection, it is up to the community to decide if the Village Board is successfully meeting its goal.

Sincerely,

Earl F. Johnson
 Village Treasurer