



# 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: 2016 – 2017 Tentative Budget Public Presentation

As we have shared before, the Mayor and 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 Board of Trustees establish the tax levy and make arrangements for that levy to be collected.

On their behalf, and the staff who assisted in preparing the estimates that become the municipal budget, I am presenting the 2016-2017 Tentative Budget Public Presentation.

In summary, each of our five funds are balanced without the need for additional appropriation from the unassigned fund balances. We expect to use \$25,000 from General Fund Reserves to complete the Gateway Enhancement Grant (providing the required match) we received in the amount of \$278,794 which is being tracked as a Special Project. It is also not expected that we will be able to add to our unassigned fund balances at year-end. As usual, for some needs, we are using reserves to offset planned equipment purchases and capital projects per the annually updated Capital Plan.

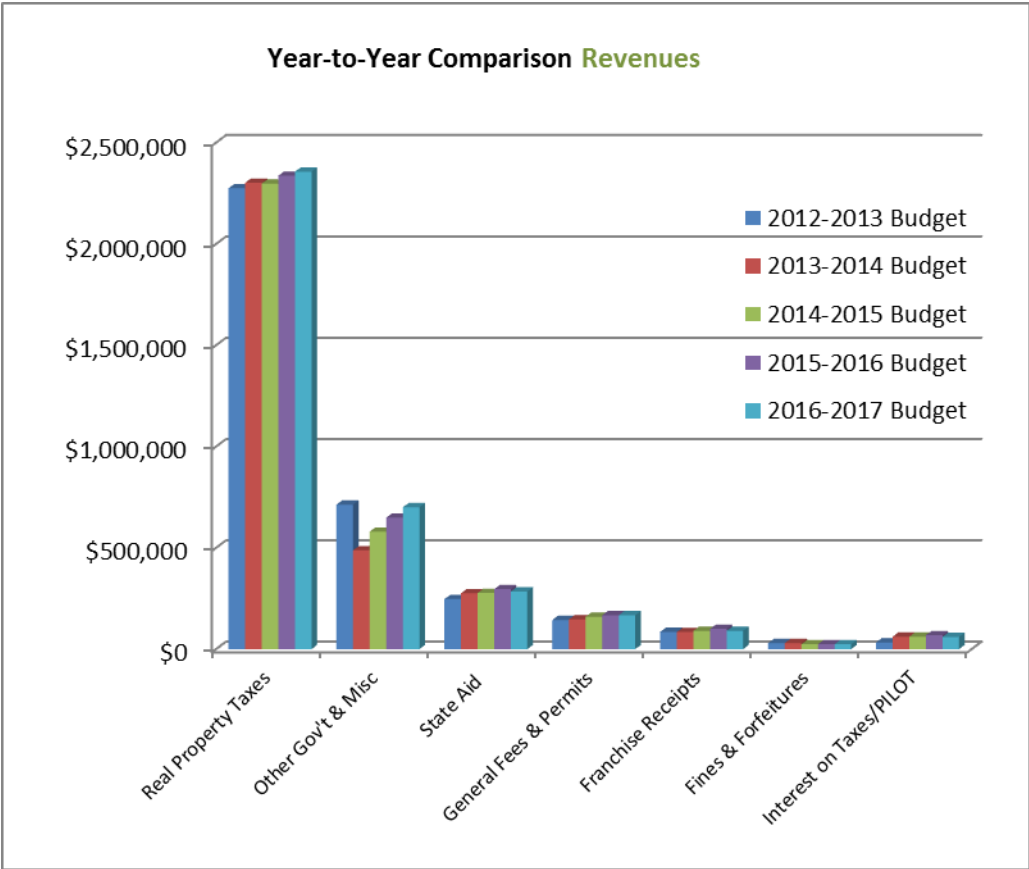
New York State added a program last year to the Tax Cap which they call a Tax Freeze and which we continue to participate in through Allegany County. Because the village is staying within the tax cap by only increasing property tax revenue .84% and participating in the Tax Freeze Program taxpayers will receive a credit in the fall of 2016 for County, Town & Village taxes. The rules of this program can be complicated and taxpayers can find additional information at the following Governor's web site: [http://www.tax.ny.gov/pdf/publications/orpts/rp5301fs\\_prop\\_tax\\_facts.pdf](http://www.tax.ny.gov/pdf/publications/orpts/rp5301fs_prop_tax_facts.pdf).

Last year there was a village-wide re-assessment. During the past year some property exemptions and valuations have changed so this year's tax levy is budgeted at \$2,356,280 on a taxable assessed value of \$132,004,466. The total tax levy last year was \$2,336,606 so you can see that the increase was less than \$20,000 and much less than the tax levy the village was allowed to collect by law of \$2,392,532.

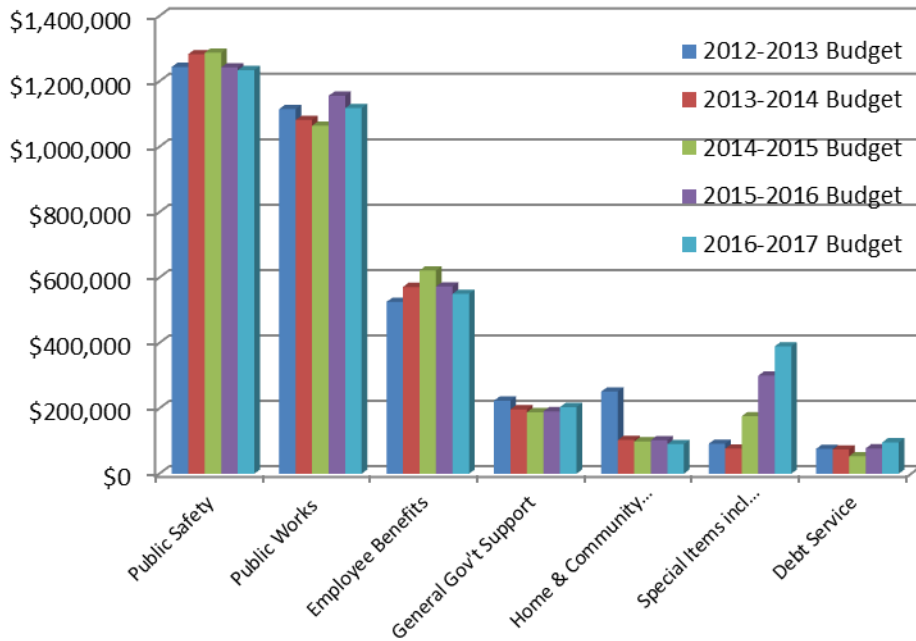
We also annually disclose some statistics regarding tax exempt properties: The total assessed valuation that is exempt from village taxation is \$53,295,368 of the assessed total of \$185,299,834, leaving the \$132,004,466 taxable valuation. This tax exempt value represents 29% of the total valuation.

The total General Fund revenues are estimated at \$3,682,000. This year we expect to use slightly more reserves to purchase equipment than last year and complete some needed repairs to the Village municipal building so the overall budget is slightly higher than last year. Total General Fund expenditures are likewise projected to be \$3,682,000. Expenditures in most categories are similar to what was budgeted for 2015-2016 as we have been able to control costs overall. Normal revenues are projected at \$3,379,500 with \$302,500 coming from reserve funds to cover equipment and special project costs for the year. We will be spending about \$50,000 less than last year operationally.

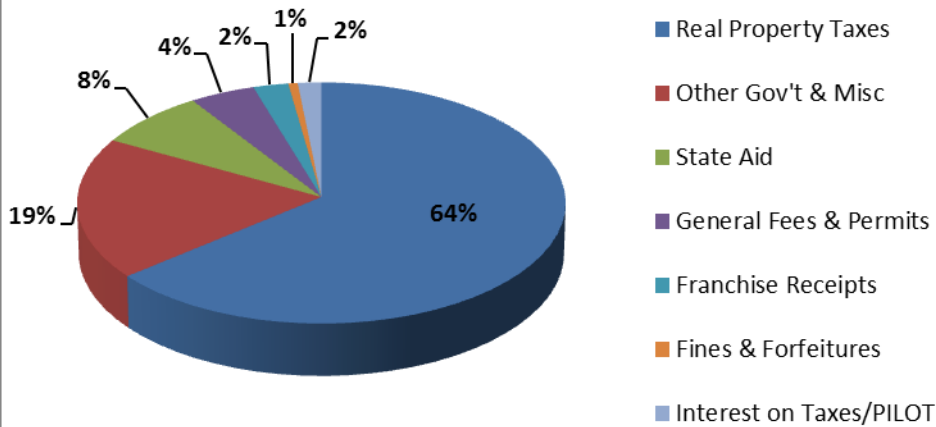
The following charts provide some comparison budget data for the General Fund:



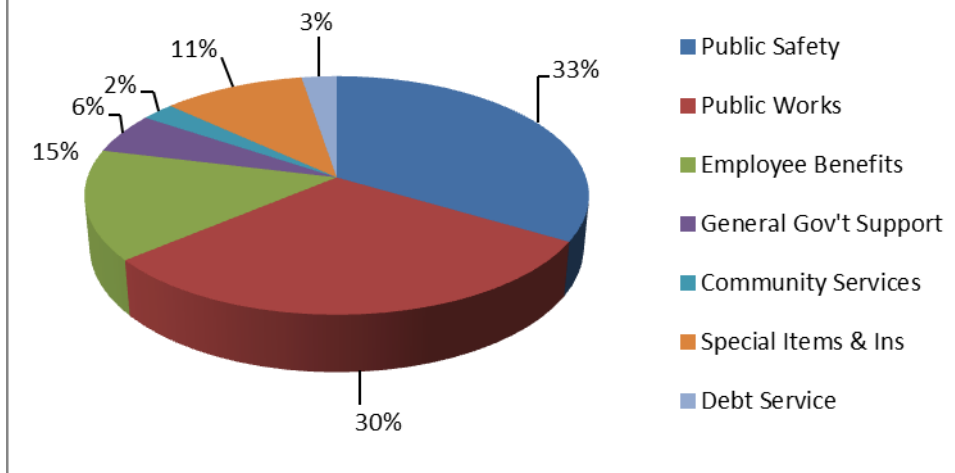
### Year-to-Year Comparison Expenditures



### 2016-2017 Budget Revenues



## 2016-2017 Budget Expenditures



The total Water Fund revenues are estimated at \$1,100,000, which is slightly higher than estimated in 2015-2016 but there will be no increase in rates; Sewer revenues are projected to be \$803,000, which is about \$50,000 lower than last year and there will be no increase in rates. Refuse Fund revenues are slated to be \$320,000 which is about \$20,000 more than last year and is due to the county landfill closing. Because the county landfill has closed the village has decided to outsource the collection of refuse but maintain billing residents so there will be no change to the bills you receive other than the rate will now be \$14.00 per month. We anticipate there will be several advantages to outsourcing the collection including more frequent collection of recyclables which no longer need to be sorted and no need for the village to replace equipment which would have resulted in a higher rate than \$14.00.

We have updated our long-term planning into the budget process as usual. Even though not yet required by NYS law we believe long-term planning is important 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, their acknowledgement of the budget challenges we face and their continued efforts to conserve resources where possible and adjust to budget restrictions.

Sincerely,

Earl F. Johnson  
Village Treasurer