

TOWN OF WEST SENECA



SHEILA M. MEEGAN
TOWN SUPERVISOR

Supervisor's Transmittal Letter to the 2020 Tentative Budget

September 30, 2019

To the Town Board, Citizens and
Taxpayers of the Town of West Seneca:

The Town of West Seneca, New York's proposed budget for the year 2020 is hereby submitted. As required by Town Law, this version of the budget has been prepared by me as Town Supervisor and is known as the "Tentative Budget" for 2020. It is respectfully submitted to the Town Board, citizens and Town taxpayers for review, consideration, resident input and potential adjustment prior to adoption by the Town Board. The budget is available in the Town Clerk's Office and will be available on the Town's website. A public hearing will be held on October 7 at 6 PM at the West Seneca Community Center.

The Tentative Budget that has been prepared provides for significant improvements to our infrastructure and continues to head the Town in the appropriate direction for the future. This aspect was of vital importance to me when preparing this budget as our working families are in need of tax relief. To increase transparency within the Town, the 2020 Tentative Budget includes the prior three fiscal year actual revenues and expenditures as an appendix to the document.

The annual budget process is an important undertaking. We, as management of the Town, must take many factors into consideration, including:

- The services which are vital for the health and safety of our residents.
- Services that provide "quality of life" to our residents.
- The cost of these services and the ability of taxpayers to pay for these services.

The Supervisor's Tentative 2020 budget has been discussed with all Town Council members. We attempted to incorporate each of our ideas, concerns and corrections into the budget. Since that time we were able to adjust various accounts to achieve a budget that maintains all services, incorporate current and future needs of our residents, and works to maintain fiscal stability. I am happy to present this budget that we believe provides for the health, safety and quality of life needs of our residents, while also controlling operating costs.

Per Town Law Section 109, after the submission of this tentative budget, the Town Council members have until no later than November 20, 2019 to make any final revisions and adopt the budget.

As with each year, the Town faces many challenges - we believe that we have acted responsibly and looked for the long-term benefit of our community. We continue to regard the budget as a blue-print for the Town's financial future. The annual budget is just one part of a true long-term financial plan, which we believe will have real benefits to Town residents for years to come. The

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Town's Comprehensive Plan can be downloaded under the "Government" section of the Town's website.

Each year, the cost of employee salaries and benefits has significant impact on the Town's budget. The current White Collar, Blue Collar and Police Benevolent Association contracts include a 2.50%, 3% and 2.25% annual increase in employee salaries, respectively. In addition, the Town must keep up with New York State minimum wage increases. As of December 31, 2016, the New York State minimum wage requirement was \$9.70. As of December 31, 2019, this will have increased by \$2.10 to \$11.80 per hour and will continue to increase annually until the rate reaches \$15. In 2011, the Town's budget included an appropriation of \$14,670,883 for personal services, the 2020 budget requires an appropriation of \$17,338,078; an increase about \$2.7 million dollars over ten years.

Another large component of appropriations for employee benefits is the cost of health insurance. The rates to provide health insurance continue to increase nationwide. In 2011 the Town budgeted \$3,998,621 to provide coverage to employees; the 2020 budget includes an appropriation of \$6,467,608 in those budget lines, an increase of over \$2.4 million over the past ten years. The Town is a member of the Labor Management Healthcare Fund ("LMHF") which is a coalition of various governmental entities who pool together to purchase health insurance at a better rate. Each year, LMHF provides the Town with an expertly determined estimated cost which is what is used in the upcoming budget. For the 2020 year, we are pleased to announce that there is no increase to the amount budgeted for health insurance.

As of January 31, 2019, the Town's contract for garbage processing and recycling ended. This contract was bid out and awarded to Modern Disposal Services on January 28, 2019 for the term of February 1, 2019 through January 31, 2022. Under the previous contract the Town was charged \$39.50 per ton for garbage processing. This rate has increased to \$43.75 per ton under the current contract. On average, 18,195 tons are collected monthly. As such, \$800,000 has been budgeted for appropriations for garbage processing which is an increase of \$150,000 from the previous year's budget. Per the bidding documents, the proposed weekly and bi-weekly rate for recycling was \$63.18 and \$42.21 per parcel, respectively with an additional flat cost of \$182,700 for processing. If the Town were to have continued with weekly recycling, this would have meant an increase to the budget of \$550,170. By converting to a bi-weekly recycling schedule, the Town was able to limit this increase to \$210,000.

Fortunately, the Town has implemented several significant cost saving measures the past few years and have planned our fiscal practices very wisely. In recent years we have worked hard to consolidate departments and outsource a variety of services to achieve cost savings. The Town's management actively monitors overtime and keeps a watchful eye on revenues and expenses during the year through budget monitoring. This has allowed us, and will continue to allow us, to weather these uncertain economic times.

As I've stated, continuing to provide a exceptional level of services as well as to keep up with all of the capital improvements that are required by a Town with aging infrastructure, highways and buildings come by a cost. The Town has diligently maintained operations at a modest level to help ease the burden of these additional debt requirements; however, the current budget does require a tax increase. A complete detailed budget can be found within the submitted Tentative Budget. A summary of the General and Highway Funds' tax rates are shown on the following page.

Tax rate summary for 2020 (proposed):	
General Fund	\$ 12.79945
Highway Fund	<u>\$ 9.02970</u>
Rate (per \$1,000 of assessed valuation)	<u>\$ 21.82915</u>
Tax rate for 2019 (adopted)	<u>\$ 21.25136</u>
Dollar change	<u>\$ 0.57779</u>

The averaged assessed value of a home in the Town of West Seneca is \$60,000. In 2019, the Ad Valorem tax on an average household was \$1,275.08. The tax rates proposed in the 2020 Tentative Budget would increase this by \$36.08 for the year to \$1,311.16, or an additional \$3.01 a month.

We believe this budget provides for continued high quality services to our residents and is another step in the path to fiscal stability. We will continue to be diligent in seeking ways to control/reduce expenditures, so that our residents receive the highest quality services at the lowest possible cost.

In closing, I wish to thank all the employees and department heads for their dedicated service to the Town, and the Town Board for their leadership and support.

Respectfully submitted,



Sheila M. Meegan
Town Supervisor