

Finance Director Luke Malecki gave the attached power point presentation explaining the budget process. He noted budget challenges with revenues include: the leveling off of sales tax distributions, state aid, mortgage taxes and the continuation of low interest rates. Appropriations also present many challenges such as: debt service requirements on capital improvement projects from previous years, street lighting, road salt which will have an industry increase of about 7 percent, litigation claims that have been exceeding the budget for several years (however, this year they were able to decrease the attorney's budget because of a switch from contracted services to a full-time), an unprecedented increase in sewer charges from Buffalo and Erie County sewer that increased the 2015 bill by almost \$800,000, landfill disposal costs that increased from \$440,000 to \$700,000, health insurance rates that increased with the 2015 expense line expected to be about \$400,000 overspent (the proposed budget includes a \$600,000 increase for health insurance and this is an unavoidable cost based on mandates set by labor agreements), and retirement system costs that have almost doubled since 2010 and have stabilized at high levels. Mr. Malecki referred to the decrease in highway fund balance due to substantial increases in debt service costs, including a couple bad years in worker's compensation, and snow events in 2014 and 2015. The sewer districts fund balance also decreased due to the \$800,000 bill from Buffalo and Erie County sewer. The taxable assessed valuation increased about one percent over last year. The proposed 2016 tax rate for the General Fund is \$10.60 which is a .88 percent change or \$.09 over 2015. The proposed 2016 tax rate for the Highway Fund is \$7.88 which is a 4.24 percent change or \$.32 more than 2015. The combined rate of \$18.49 is a 2.29 percent increase or \$.41 more than last year. Mr. Malecki further noted the 2016 town tax rate compared to the 2007 rate is only 4.3 percent higher and the average tax rate change over the past ten years is .49 percent.

Dale Clarke suggested reducing some salary increases to cut the budget and specifically referred to the salary increase of the Supervisor's secretary, the human resource firm salary and the Town Attorney's salary. He further commented on the amount paid to Clark Patterson Lee on jobs that were not bid out.

Supervisor Meegan responded the salary increase for her secretary is only 3 percent and is in line with the White Collar contract. The cost of the human resource firm is contractual and the amount paid to outside counsel was reduced by \$135,000 so the Town Attorney's salary was increased.

David Kims commented on labor costs which comprise 77 percent of the budget and suggested changes be made during negotiations. He favored two year contracts and asked the board members to meet with the taxpayers and listen to their suggestions on negotiations. Mr. Kims further suggested people from all towns write to their legislators and request changes to the Triborough Amendment and Taylor Law.

David Monopolus commented on the cost of living and stated the board members need to find ways to trim taxes.

Julie Gorecki questioned the percentage increase, if the budget included salary increases for elected officials and if employees receive fully paid health insurance.

Finance Director Luke Malecki advised the Ad Valorem budget as proposed calls for a 2.2 percent increase.

Supervisor Meegan stated the board members have had no raise in four years and do not receive health insurance benefits. Some town employees receive full payment of health insurance and some pay a portion depending on the year they were hired.

Mrs. Gorecki commented on the number of new neighborhoods in town which increases the tax base and should lower taxes.

Supervisor Meegan responded that new neighborhoods actually cost money due to the services (garbage pickup, snow plowing, sewers, etc.), but there has been an increase in the commercial base and that should continue with the improvements that have been made in town. Supervisor Meegan further stated the town has received over \$4 million in grant money and they will continue to aggressively pursue any way to ease the burden on the taxpayers while still being responsible.

A resident suggested using sand instead of salt in the winter.

Highway Supt. Matthew English stated sand does not help with traction because it does not melt the snow. Sand also ruins the storm sewers.

Paula Minklei commented there are no explanatory footnotes in the budget explaining reasons for changes and suggested this be provided in the future. She further commented on the number of large salary increases (Supervisor's secretary, Real Property Appraiser, Engineering Draftsman) and suggested the increases be limited to contractual. Mrs. Minklei also supported Mr. Kims' suggestion for a public meeting to hear suggestions on negotiations.

Councilman Hart questioned if a meeting of this type is allowed under the Taylor Law.

Town Attorney John Fenz stated he could develop a fact sheet on what could be discussed and the board members could meet and just listen to the residents' comments and suggestions.

Daniel Brown questioned who owns the Seneca Mall site.

Supervisor Meegan stated the site is owned by Scott Congel and he is trying to develop it. A feasibility study is currently underway and a public hearing will be held upon completion.

Mike Roberts commented on employee salaries and benefits and stated the only control the town has is over the number of employees.

Councilman Hart noted some of the labor contracts have mandatory staffing limits.

Mr. Roberts commented on the number of employees he witnessed working at the pool this summer.

Youth Service Coordinator Lauren Masset explained the pool safety plan that is mandated by the Erie County Health Department and requires a designated number of employees on staff at the pool regardless of the number of people in the pool.

Mr. Roberts commented on the tax cap override and understood of the thirteen large towns West Seneca is the only town not staying within the cap.

Supervisor Meegan responded the tax cap is only .73 percent and she understood a number of municipalities will be exceeding that. She further noted if they didn't have to include the capital projects as part of the calculation they would have stayed under the tax cap.

Councilman Hart noted West Seneca is the only town that is currently doing a major sewer project which is mandated and has had a dramatic impact on the sewer districts.

Mr. Fenz stated when the property tax cap law was passed it did not give towns an opportunity to brace for the future by planning and adjusting over the years. He further commented on the aging infrastructure and stated the communities that try to meet the tax cap are letting their infrastructure deteriorate and not being responsible.

Carol Yetter commented on property values and quality of life with having sewers that don't back up, safe roads to travel, police services, etc. She felt these things were worth the cost, but noted there is always room for improvement in accountability and efficiency.

Karl Spencer commented on the time spent trying to improve the town and referred to the comprehensive plan update which will help bring new businesses to town and increase revenues.

Beverly Leising commented on some of the salary changes that appeared to be over three percent and specifically referred to the salary of the Real Property Appraiser.

Finance Director Jessica Tempest responded some of the amounts include overtime, step increases and out-of-title pay and Councilman Hart noted the Real Property Appraiser salary is part of the White Collar contract.

Mrs. Leising asked department heads to look at their expenses and try to adjust their spending. She further commented on street lighting and questioned if there were savings from that project.

Town Engineer Steven Tanner stated the street lighting project is budget neutral and the savings in electric is paying for the cost of the project.

Councilman Hart stated he will be meeting with Ms. Tempest to review his proposal for approximately \$124,000 in additional cuts.

Supervisor Meegan noted that a one percent change in the budget equals \$125,000 in spending.

Motion by Supervisor Meegan, seconded by Councilman Hart, to close the public hearing and table the budget adoption until the November 9, 2015 Town Board meeting.

Ayes: All

Noes: None

Motion Carried

JACQUELINE A FELSER
TOWN CLERK

TOWN OF WEST SENECA

2016 Proposed Budget Public Hearing

October 26, 2015

Town Budgets

Ad Valorem Budget

- Taxes are levied based on the assessed real property value
- Budget was filed on September 30th

Benefit Basis Budget

- Taxes levied on the basis of the level of services received
- Budget was filed on September 15th

Town Budgets

Ad Valorem Budget

- ✓ General Fund
- ✓ Highway Fund

Benefits Basis Budget

- ✓ Sewer Districts
- ✓ Water Districts
- ✓ Lighting Districts
- ✓ Industrial Parks

Budget Process

Timing	Process
Early July	Requests are sent to each department head
Early August	Departmental requests due to Supervisor and are then reviewed and evaluated
Mid-August	Meetings are held with each department
Aug. to mid-Sept.	Payrolls, benefits, debt service, estimate revenues are all computed
Mid-Sept	Complete budgets for each fund, determine tax rate implications and make adjustments
September 15	Provide Tentative Benefit Basis Budget to Council, Town Clerk, and public for review
September 30	Provide Tentative Ad Valorem Budget to Council, Town Clerk, and public for review
October 26	Hold public hearing, consider comments and adjustments
Before Nov. 17	Adopt budget and submit to County (by 11/17)

Budgetary Components

- Estimated revenues
- Appropriations
- Appropriated fund balance
- Tax levy

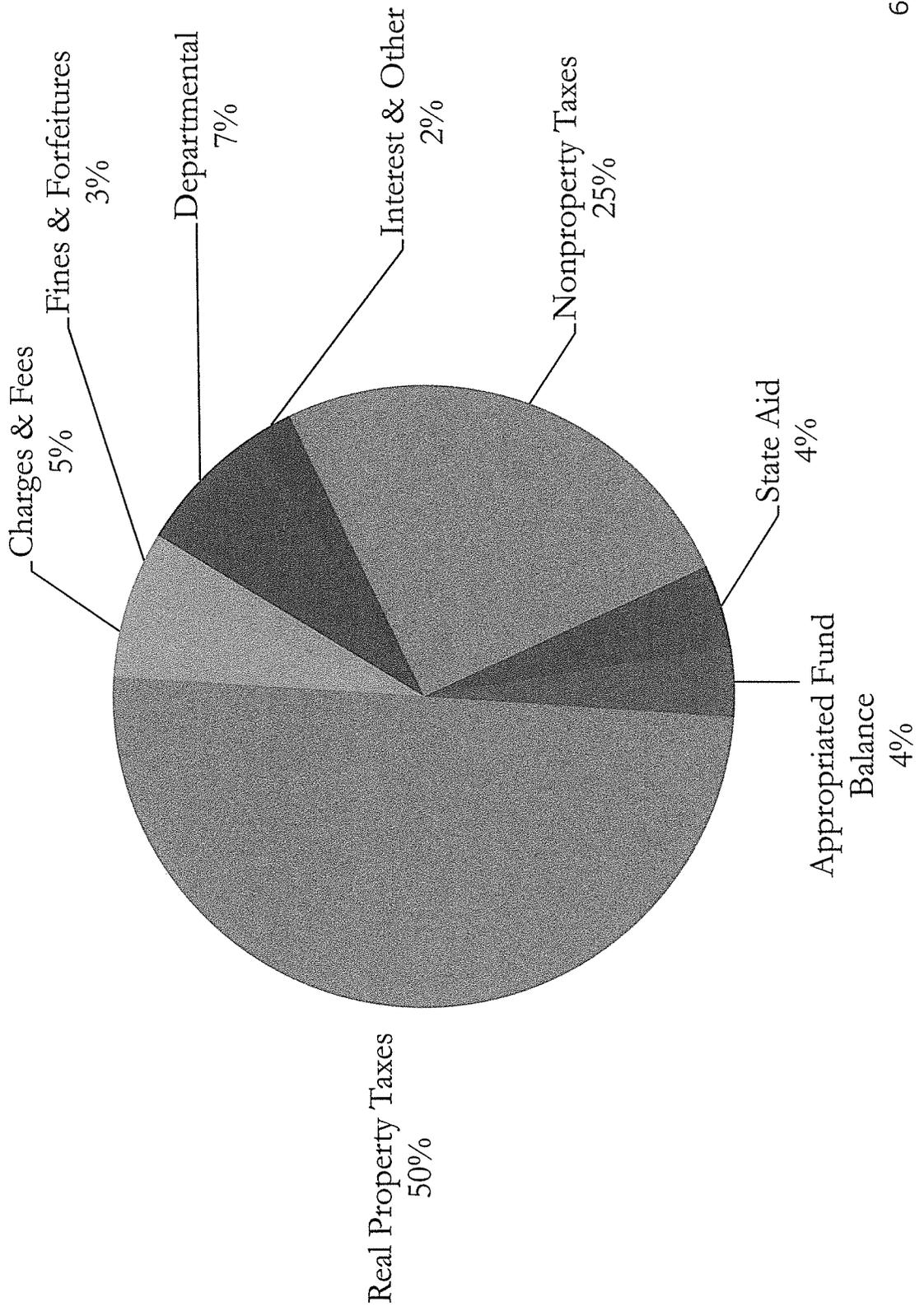
Budget Challenges

Revenues:

- Leveling off of:
 - Non-property (sales) tax distributions
 - State aid sources
 - Mortgage taxes
- Low interest rates continue
- Limited departmental revenue opportunities

General Fund

Sources of Revenue

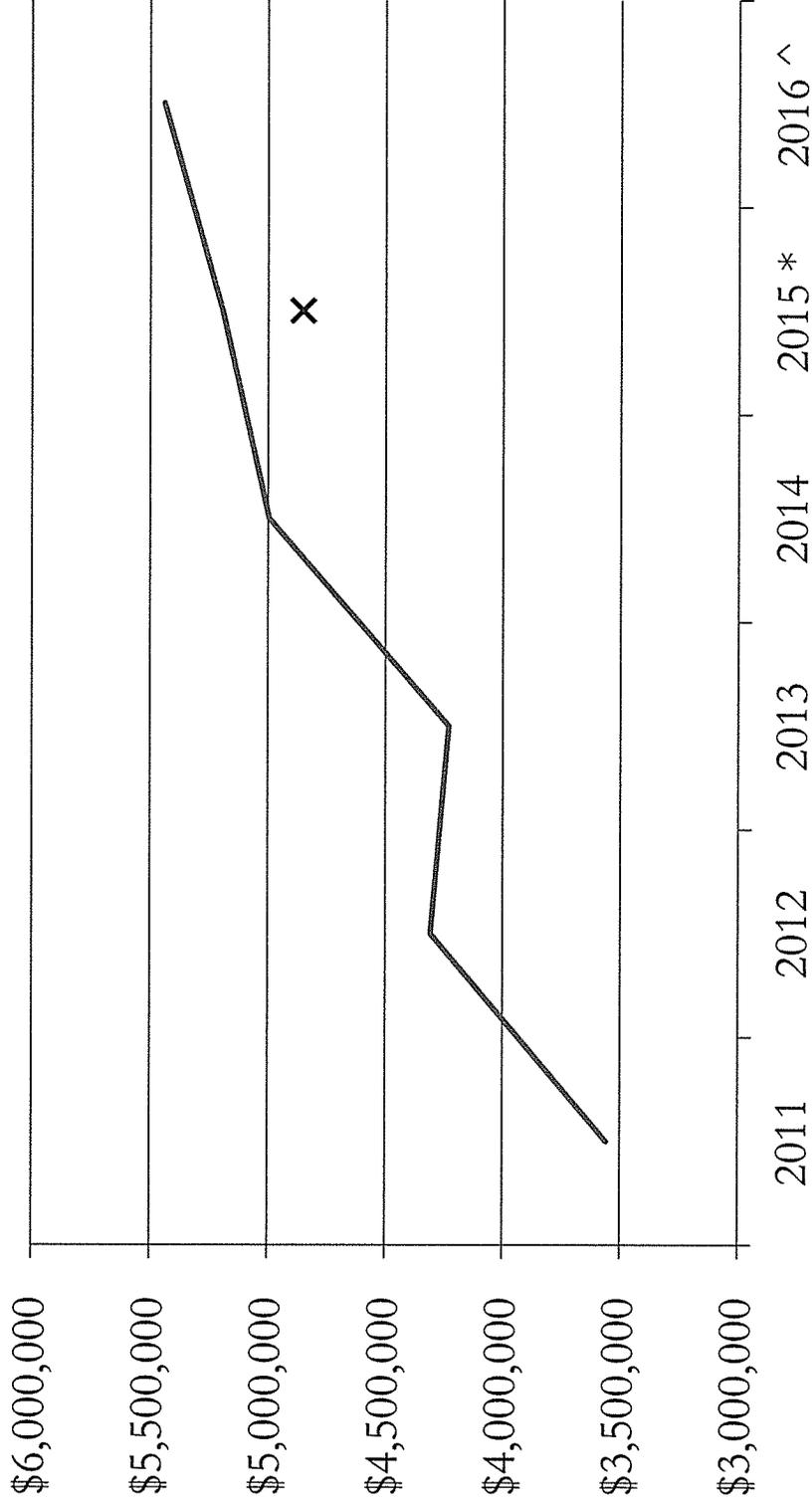


Budget Challenges

Appropriations:

- Debt service requirements on capital improvements
- Street lighting and road salt
- Litigation and claims have been exceeding budget for several years
- Unprecedented increase in sewer charges from Buffalo and Erie County
- Land fill disposal costs increased significantly
- Health insurance expectations exceed inflation
- Retirement system costs have stabilized at high levels

Health Insurance



x Budgeted 2015 amount.

* Estimated 2015 based on current trends.

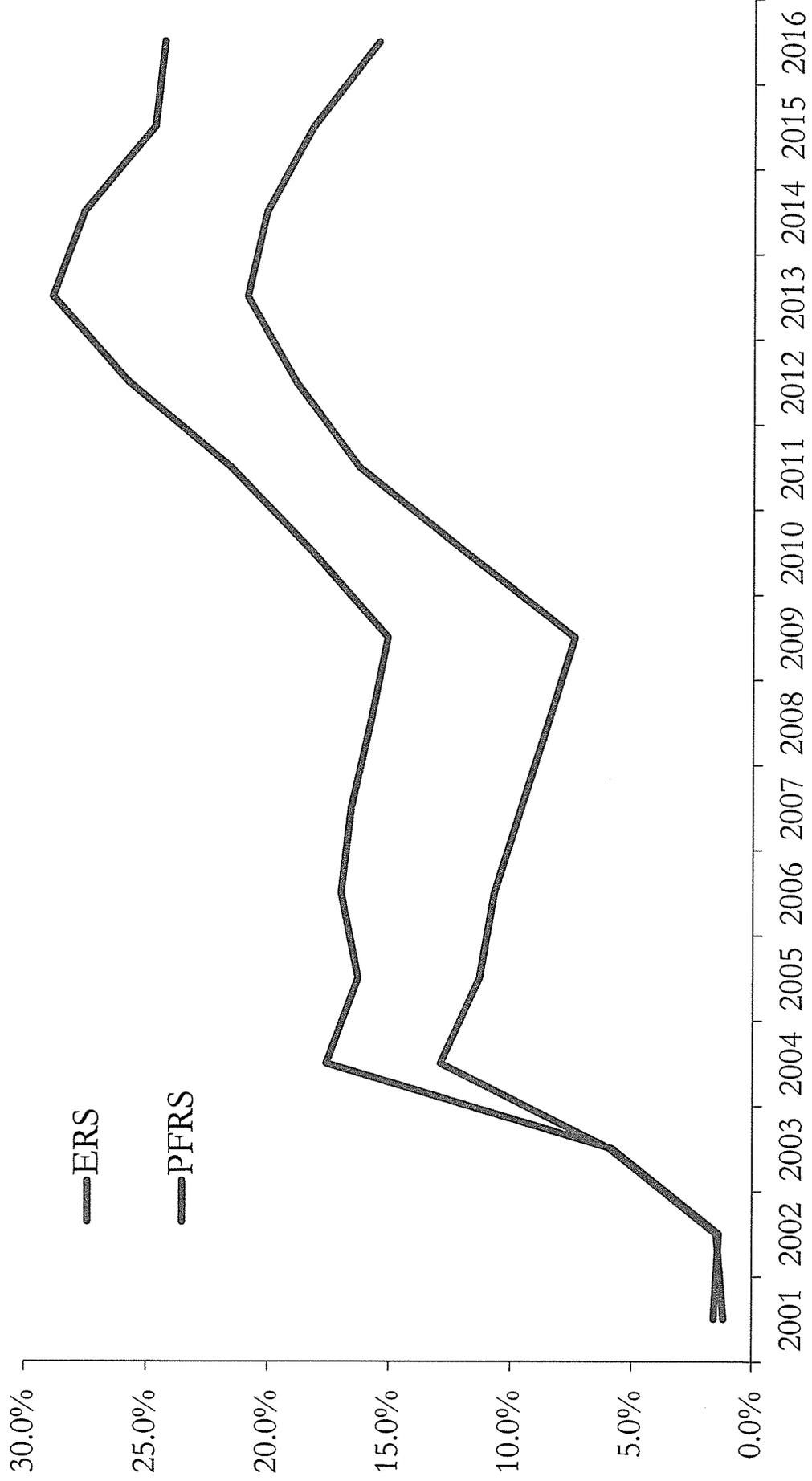
^ 90% of maximum loss (\$6,028,494) is included in budget.

Retirement Systems

Mandated payments to the retirement systems have almost doubled since 2010.

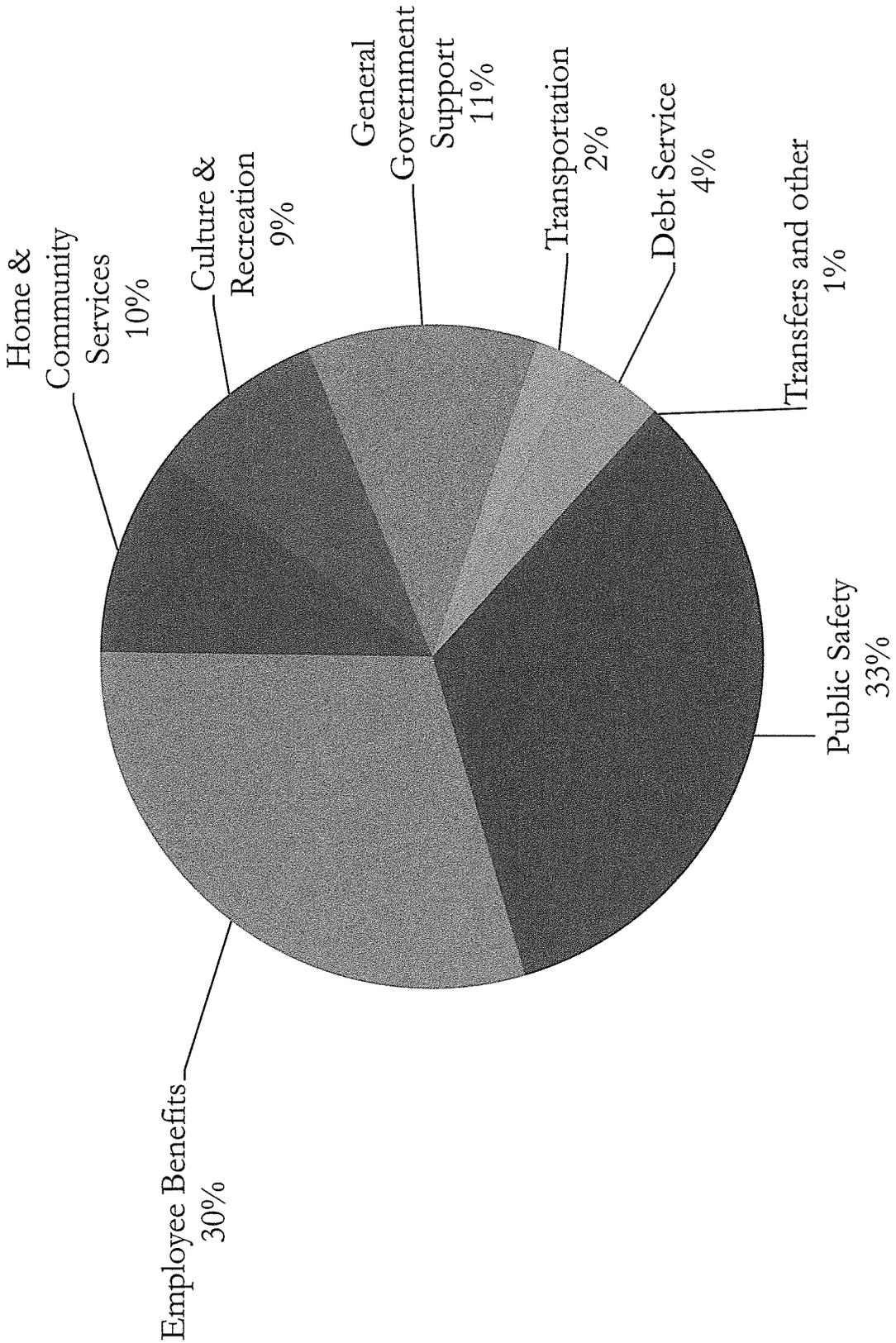
	System		
	Employees	Police	Total
2010	798,058	956,109	1,754,167
2016 (budget)	1,560,000	1,600,000	3,160,000

Retirement Rates



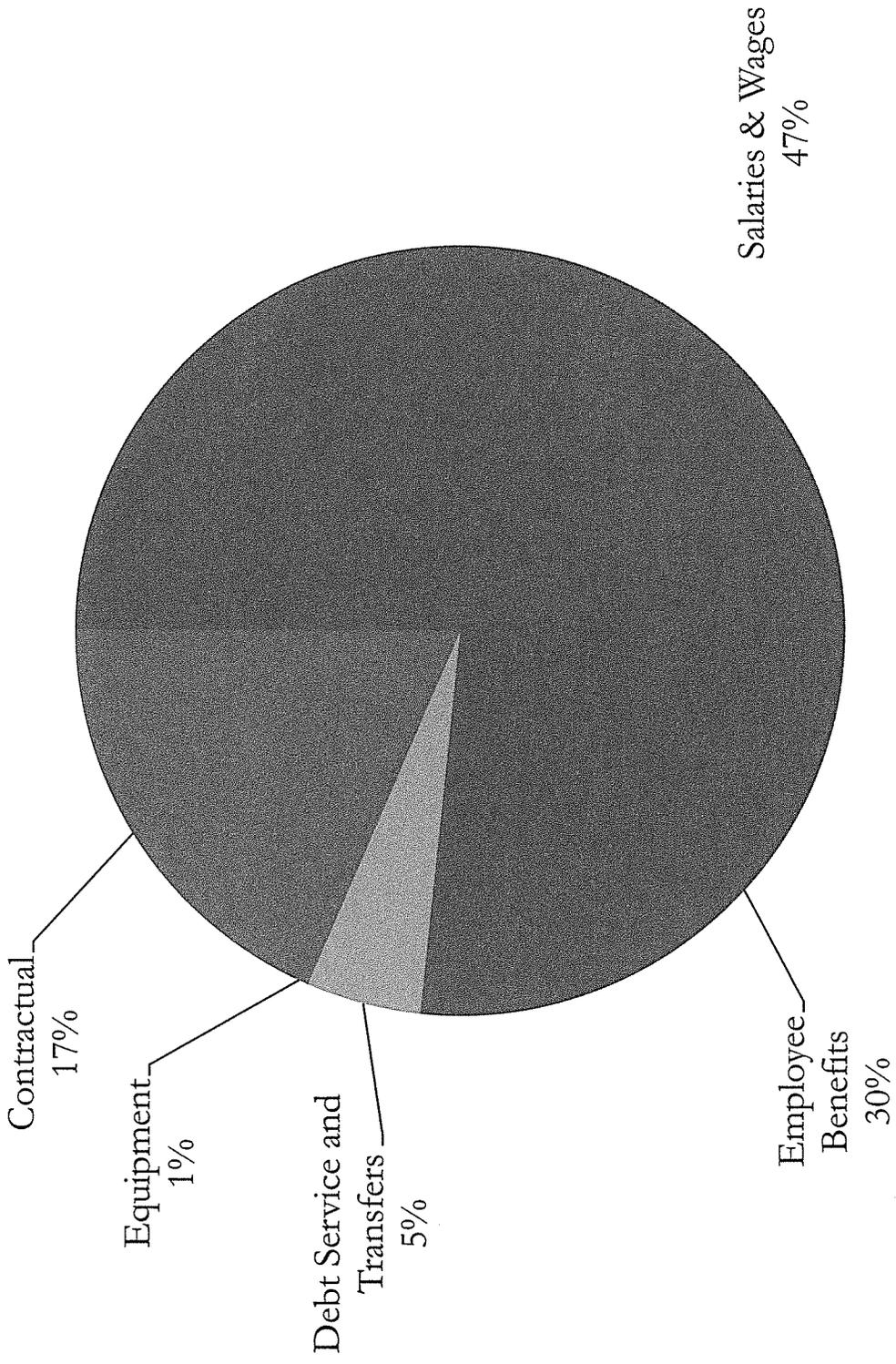
General Fund

Allocation of Appropriations



General Fund

Allocation of Appropriations



Budget Factors

Appropriated Fund Balance/Reserves:

- General Fund: \$914,599
 - Highway Fund: \$450,000
 - Sewer Districts: \$182,500
-

Taxable Assessed Valuation:

2016 Preliminary Taxable	\$ 1,191,506,853
2015 Final Taxable	<u>1,179,472,052</u>
Increase (Decrease)	<u><u>\$ 12,034,801</u></u>
Percentage change	1.02%

Summary of Proposed Tax Changes

	Ad Valorem		
	General	Highway	Combined
	Fund	Fund	Fund
Total appropriations	\$ 25,550,059	\$ 11,968,798	\$ 37,518,857
Total estimated revenues	12,911,871	2,122,189	15,034,060
Fund balance applied	914,599	450,000	1,364,599
Real Property Taxes	\$ 11,723,589	\$ 9,396,609	\$ 21,120,198
Proposed tax rates - 2016	\$ 10.6069	\$ 7.8863	\$ 18.4932
Actual tax rates - 2015	\$ 10.5143	\$ 7.5658	\$ 18.0801
Dollar Change	\$ 0.0926	\$ 0.3206	\$ 0.4131
Percentage Change	0.88%	4.24%	2.29%

Tax Impact

- 2016 proposed Ad Valorem rate is only 4.3% higher than 2007
- 0.49% average Ad Valorem tax rate change over the past ten years
- 2016 estimated Ad Valorem tax bill increase:

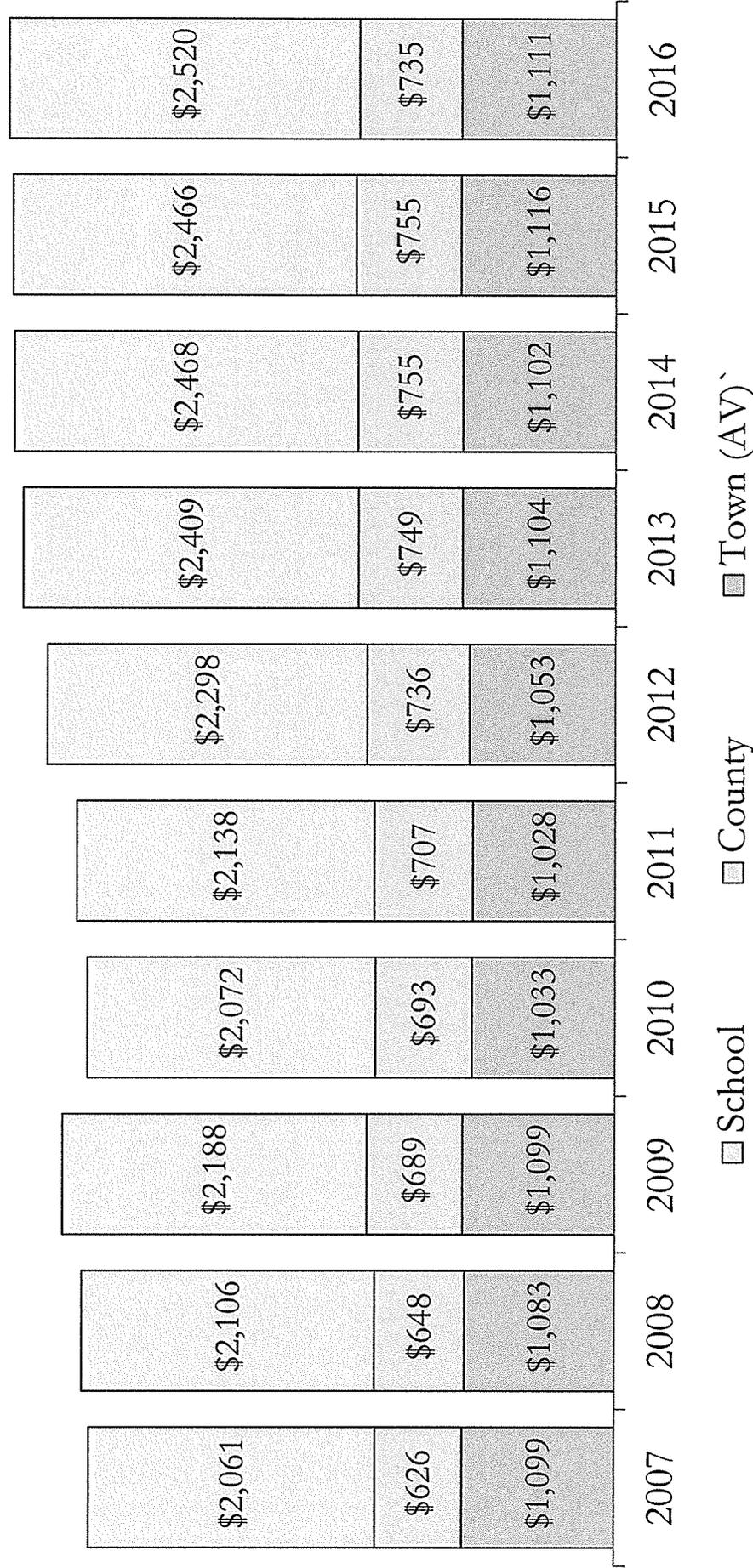
Annualized \$ 24.81

Monthly escrow \$ 2.07

(average assessed valuation of \$60,060, which equates to market value of about \$140,000)

Composition of Tax Bill (\$) ^

(last ten years)

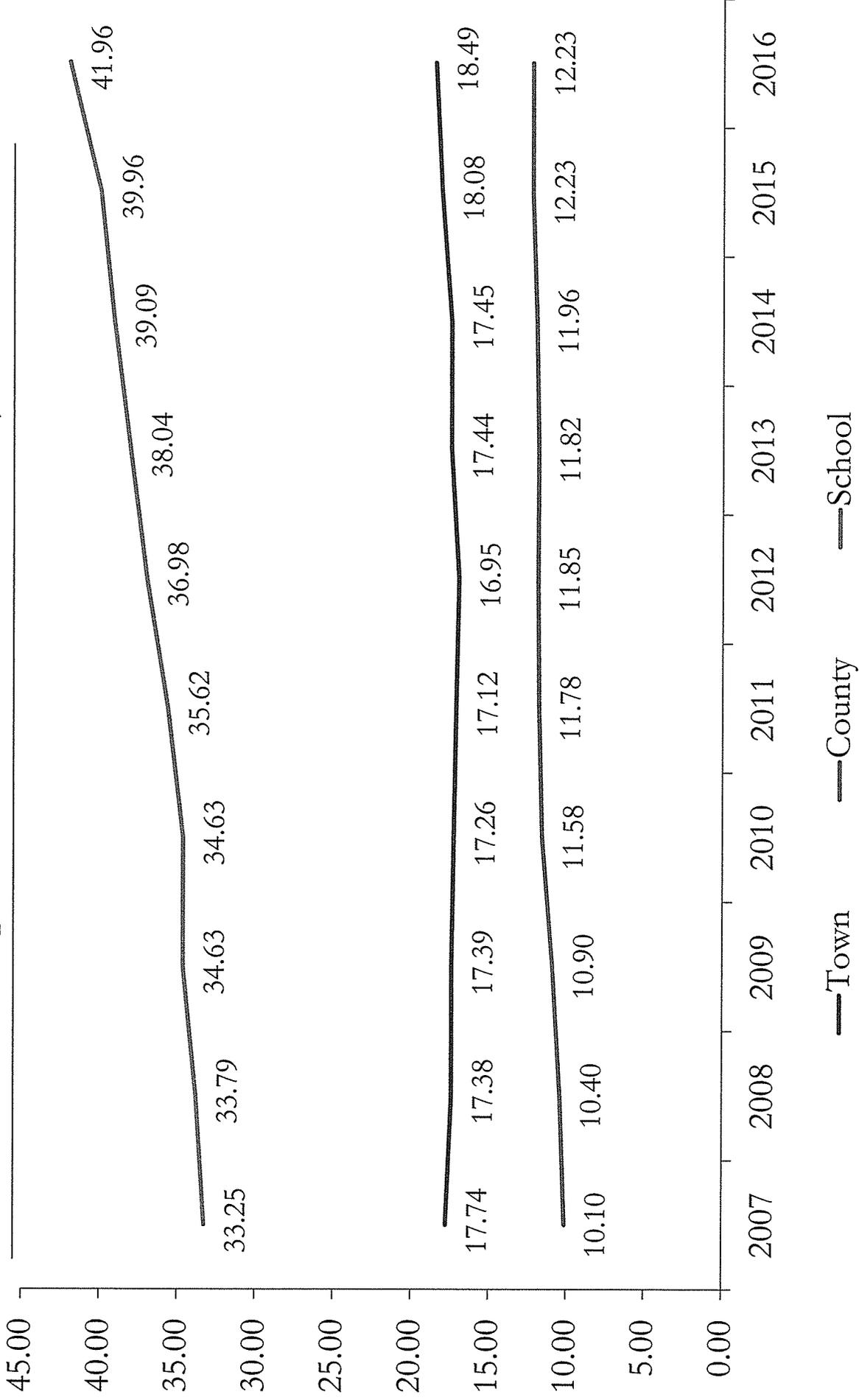


^ Based on a home with a 2007 fair market value of \$121,520 adjusted for inflation to a 2016 fair market value of \$140,000

` Ad Valorem tax rate does not include special districts

Tax Rate Comparison Ten Year History

(\$, per 1,000 of assessed valuation)



West Seneca

2016 Budget Public Hearing

We look forward to your
comments and suggestions to
further improve the budget.