



TOWN OF WEST SENECA

SHEILA M. MEEGAN
TOWN SUPERVISOR

Supervisor's Transmittal Letter to the 2018 Tentative Budget

September 29, 2017

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 2018 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 2018. 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 16 at 6 PM.

I am pleased to present this Tentative Budget that maintains all services, provides for significant improvements to our infrastructure and heads 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.

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 2018 budget was 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.

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.

Every budget is a challenge; however, this year was extremely difficult. The struggling economy continues to have a significant negative effect on the Town's financial situation. Interest earnings are virtually nonexistent. Sales tax revenues and increases in the Town's assessed valuation continue to see only slight increases.

Additionally, a persistent factor that has made recent budgets very difficult to continue offer the same level of service without significant impact to the tax rate is the increasing costs of employee salaries and benefits. The current White Collar and Police Benevolent Association contracts include a 2.5% annual increase in employee salaries. In 2009, the Town's budget included an appropriation of \$7,635,329 for employee benefits, the 2018 budget requires an appropriation of \$11,895,703; an increase over almost \$4 million dollars over ten years. A significant component of those appropriations is the mandated contribution to the New York State and Local Employees Retirement System (ERS) and to the Police and Fire Retirement System (PFRS). This year's budget includes an estimated payment of \$1,380,000 to ERS and \$1,675,000 to PFRS. These same estimates were \$789,570 and \$890,000, respectively, in 2009. That is \$1,375,430 added to the appropriations in just ten years to meet this mandated cost. Another large component of appropriations for employee benefit is the cost of health insurance and rates to provide health insurance continue to increase nationwide. In fact, in 2009 the Town budgeted \$3,948,000 to provide coverage to employees; the 2018 budget includes an appropriation of \$6,516,568 in those budget lines, an increase of over \$2.5 million.

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. In fact, the Town is currently in a Board enforced spending freeze. This has allowed us, and will continue to allow us, to weather these uncertain economic times. Despite all of the challenges and although this budget calls for a modest increase in the tax rate, the General Fund's tax rate is a mere \$0.88, or 8.3 percent higher, than it was in 2009.

Significant changes and highlights included in the 2018 budget are:

- As the Town's aging infrastructure continues to warrant attention, this budget provides for significant additional debt service relating to necessary improvements across the Town. The bulk of these improvements are for sewer that will provide for future savings and for health and safety needs – while we believe this is simply the right thing to do, it has also been mandated through a consent order from the New York State Department of Environmental Conservation.
- Additional debt payments are required to fund the borrowings for the necessary improvement to aging Town roadways and the renovations and construction to the Town's Community Center and Library. While all of these projects are necessary to ensure the health, safety and services provided to our residents, they do come with a cost and have added significant debt service costs to the 2018 budget.
- While we are discussing capital improvements, the Town has established and funded reserves for the purchase of major equipment purchases. This helps the Town in providing for necessary equipment to service residents in a more efficient manner, while saving dollars in future repair and maintenance costs. We believe this provides for current needs while keeping a watchful eye on the future.

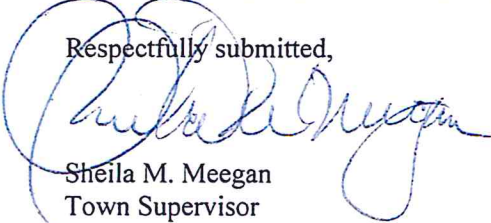
As I've stated, all of the capital improvements that are required by a Town with aging infrastructure, highways and buildings come by a cost. The Town has diligently maintained operations at a modest level to help ease the burden of these additional debt requirements; however, the current budget does 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 is as follows:

Tax rate summary for 2018 (proposed):	
General Fund	\$ 11.50483
Highway Fund	\$ 9.60278
Rate (per \$1,000 of assessed valuation)	<u>\$ 21.10761</u>
Tax rate for 2017 (adopted)	<u>\$ 18.84672</u>
Dollar change	<u>\$ 2.26090</u>

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