

PUBLIC HEARING

2019 BUDGET

Town of Ulysses

October 23, 2018

Audio of the minutes are available on the website at ulysses.ny.us.

The meeting was held at the Ulysses Town Hall at 10 Elm Street, Trumansburg.

Notice of Town Board meetings are posted on the town's website and clerk's board.

ATTENDANCE:

TOWN OFFICIALS PRESENT:

Supervisor- Liz Thomas

Board members- Michael Boggs, John Hertzler, Rich Goldman, Nancy Zahler

Town Clerk- Carissa Parlato

Bookkeeper- Nina Thompson

Environmental Planner- John Zepko

OTHERS PRESENT:

Pete Angie, Michelle Couwenhoven, Bob Thomas, Roxanne Marino

OPENING THE HEARING:

Mr. Boggs made a motion to open the hearing at 7:27pm. This was seconded by Mr. Hertzler and passed unanimously.

Ms. Thomas introduced members of the Town Board and other town staff who were in attendance: Michael Boggs, Nancy Zahler, John Hertzler and Richard Goldman; Bookkeeper, Nina Thompson, and Town Clerk, Carissa Parlato

She noted the subject of the public hearing- the 2019 Preliminary Budget- and that copies of the preliminary budget were available by the door. She added that the date of the hearing was set by resolution of the Town Board on October 9, 2018 and a notice of this hearing was published in the Ithaca Journal newspaper on October 16, 2018.

STATEMENT FROM SUPERVISOR THOMAS:

- The Town Board is extremely aware of the terrific tax burden on property owners.
 - Their aim is to stay below the tax cap, but expenses and revenues are unpredictable.
 - Ironically, the state imposed the tax cap, and state funding comes from income and sales tax unaffected by tax cap.
 - Increased funds at state level have not been shared with local governments.
 - Sales tax is finally up, accounting for 17% of town revenues. Residents are encouraged to shop local and pay sales tax on internet sales
 - local governments receive small funding from NYS for snow events but other costs go up
 - Options are to cut personnel, programs, raise property taxes.
 - We've been cutting in the last few years and using reserves

- Highway equipment has been severely underfunded for years and we are making that up now.
 - Purchasing \$412,000 in equipment in 2019. This will have a big impact on budget
 - This year we are adding some amounts to reserves but not enough.
 - Stayed within tax cap by \$13,823
 - 2.92% allowed. We're at 1.91% increase
 - Less spending this year than last with sidewalks, EV charging station, acquisition of church, UNA land. 8.25% down in 2019
 - The TAV increase is very low. Normally it is \$13-17 million but only around \$3 million this year
- Budget Process: Beginning in September, Department Heads review past spending and provide their budget requests to the Supervisor. Bookkeeper and Supervisor work with numbers to produce a tentative budget that is then presented to the Town Board, who met on 10/4, 10/5, 10/9, 10/11 and 10/12
 - On 10/12, the Town Board passed the Preliminary Budget. Changes can be made after the public hearing. The board will vote on it either tonight or at 11/13 meeting.
 - The original preliminary budget did not pick up a change in the EMS income line (\$10,000) as the spreadsheet was using some of the cells from the tentative budget. Nina found and corrected it. The number increased the levy and tax rate from what was on-line. Normally those changes would be made after the hearing but wanted the public to know, so made the change now.
 - Town and village residents pay taxes to the town General (A) and Highway (DA)
 - EMS/Fire – town residents pay one rate, village another on village tax bill
 - Zoning/Planning (B) and highway (DB) funds paid using sales tax – no property tax. Village residents do not contribute to the B funds.
 - **Tax levy** = the dollar amount needed to fill the gap between the revenues (income) and appropriations (expenses) in order to balance the budget.
 - The **Tax Rate** = the tax levy ÷ total assessed value (TAV) of the town's property= what homeowners pay.
 - The **tax levy** is what NYS requires towns to cap (unless overridden).
 - The town budgets for expected needs and unexpected events such as:
 - Above average snowfalls,
 - Flooding that causes damage above and beyond what is expected,
 - Equipment breakdowns, etc .
 - Changes in personnel.

- Additionally, towns cannot always foresee revenues coming from sales tax or mortgage taxes (based on real estate sales).

For a home valued at \$187,000:

Town residents pay \$503.27 (fire and EMS included) an increase of \$18.92 over 2018.

Village residents pay \$226.17 (\$22.20 decrease)

Total budget = \$3,425,360 (427,771 more than budgeted in 2018 (2,997,589) – mostly machinery)

Table 2- Tax for EMS

- Only paid for by town on town tax bills- villagers pay on village tax bill
- EMS/fire = 48% of levy (for town residents (not including water districts)
- Different TAV - Excludes village
- Cost for EMS way up in 2018 for truck reserve and building reserve. Used fund balance in 2018, but not in 2019

Table 2. Levy and Tax Rates – Fire and EMS

Fire/EMS	Year	Levy	Tax Rate/ \$1,000
	2018	\$482,788	\$1.2619
	2019	569,676	1.4818
% Change		+18 %	+\$17.43%

The town has no say in this; it is set by the village.

Table 3. Tax Rates totals

Bottom line = how much tax you pay to ensure all necessary services can be provided:

2018 TAX RATES	2018	2019	% Change
General Town-wide (A & DA)	\$1.3282	\$1.2095	-8.25%
Fire & EMS	\$1.2619	\$1.4818	+17.43%
Total Town Tax Rate	\$2.5901	\$2.6913	3.91%

Table 4- Water district levy is part of the total levy -- is part of total cap.

- Only WD3 customers pay for costs of system.
- The change in unit structure for 2019 was cushioned with fund balance

Table 4. Levy and Tax Rates – Water District 3

Water District 3	Year	Levy	Tax/Unit
	2018	\$223,752	\$592.56
	2019	218,676	605.58
% Change		-2.27%	2.2%

Table 5. Levy and Tax Rates – overall all levies

All Levies (general, highway, fire/EMS, water)	Year	Levy	Tax Rate
	2018	1,379,718	2.5897
2019	1,405,673	2.69126	
Levy increase	1.91%	3.91%	

Tax cap (on levy) is 2.92%

Table 6. Percent of Levy used for Funds

Fund	Levy \$	% of Levy
General	376,054	31%
Highway	240,180	21%
EMS/Fire	559,676	48%
Total levy (no water)	1,185,910	100%

Table 7: Looking at tax bill:

Table 7. The Bottom Line: difference in tax bills and amount of rebate.

Using median house value of \$187K:

Taxes due for a Ulysses resident outside Trumansburg	\$503.27	↑	\$18.92
Taxes due for a Trumansburg resident	\$226.17	↓	\$22.20

Table 8. Revenue Sources and Percent of Budget

Percentage of revenues from:		
total funding needed	\$3,425,360	100%
Sales tax	\$600,000	20%
Property tax	1,405,673	39%
Available Fund Balance	\$493,000	8%
State support	\$121,545	4%
Other revenues	\$805,142	23%

Other items to note:

All funds:

- Health insurance is estimated to increase by 5%

- Unallocated fund balances have been lower than is desirable for the last 3 years, but the target amount of 20% was used this year.
- For the first time in years, the town has added to dwindling reserves.
- Sales tax is up for 2018.
- The taxable assessed value (TAV) of the town only increased 0.7%--the lowest amount since 2015. Historically the TAV has increased at around 3% annually.

A Fund:

- A1170: The franchise fees from the cable companies have decreased over recent years.
- A1620: A grant from the state will cover the costs to install heat pumps in the town hall.
- A5132: Better lighting will be installed in the town barn.
- The following reserves were added to for the first time in many years: Retirement, Employee Benefits, Tax Stabilization, Legal, Audit, Purchase of Environmental Protections.

Highway (DA and DB):

- DA5130: A new plow truck and loader are being purchased in 2019. Funding from reserves will be required to make these purchases.
- Reserve funds were added for Snow and Ice Removal and Capital Reserves for road repair and maintenance.

QUESTION & ANSWER SESSION:

At this time, Ms. Thomas concluded her remarks and asked whether the board would like to enter into a 10 minute question and answer session with the audience but not part of the public record. The board agreed.

ADMINISTRATIVE MATTERS:

Following that, Ms. Thomas presented the Affidavit of Publication, showing that the legal notice was published in the Ithaca Journal on Tuesday, October 16, 2018.

PUBLIC COMMENTS:

Ms. Thomas stated the following:

“The purpose of this public hearing is to afford the general public an opportunity to make statements and comments about the preliminary budget for the record. The hearing will remain open until all members of the public who are present at the hearing have been given an opportunity to make statements or comments on the proposed amendments. A public hearing is a time for the board to LISTEN to comments from the public, not to ask or answer questions, or engage in a dialog on the subject. The Public Hearing is not a question and answer session.

Comments presented at this hearing will be taken into consideration by the town board when it considers action on the preliminary budget either tonight or at the next meeting on Tuesday November 13, 2018 here at the Town Hall of the Town of Ulysses.

I request that speakers sign in on the sheet by the door. Those wishing to speak may, but are not required to, state their name and addresses. Each speaker will have 3 minutes to comment. I will give a signal when one minute of time remains.

I would now invite speakers to raise their hand if they would like to make a statement. Please observe rules of common courtesy.”

CLOSING THE HEARING:

Hearing no comments, Mr. Boggs made a motion to close the hearing at 7:45pm, seconded by Mr. Goldman and passed unanimously.

Respectfully submitted by Carissa Parlato on 10/31/18.