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# TOWN OF ORCHARD PARK, NEW YORK

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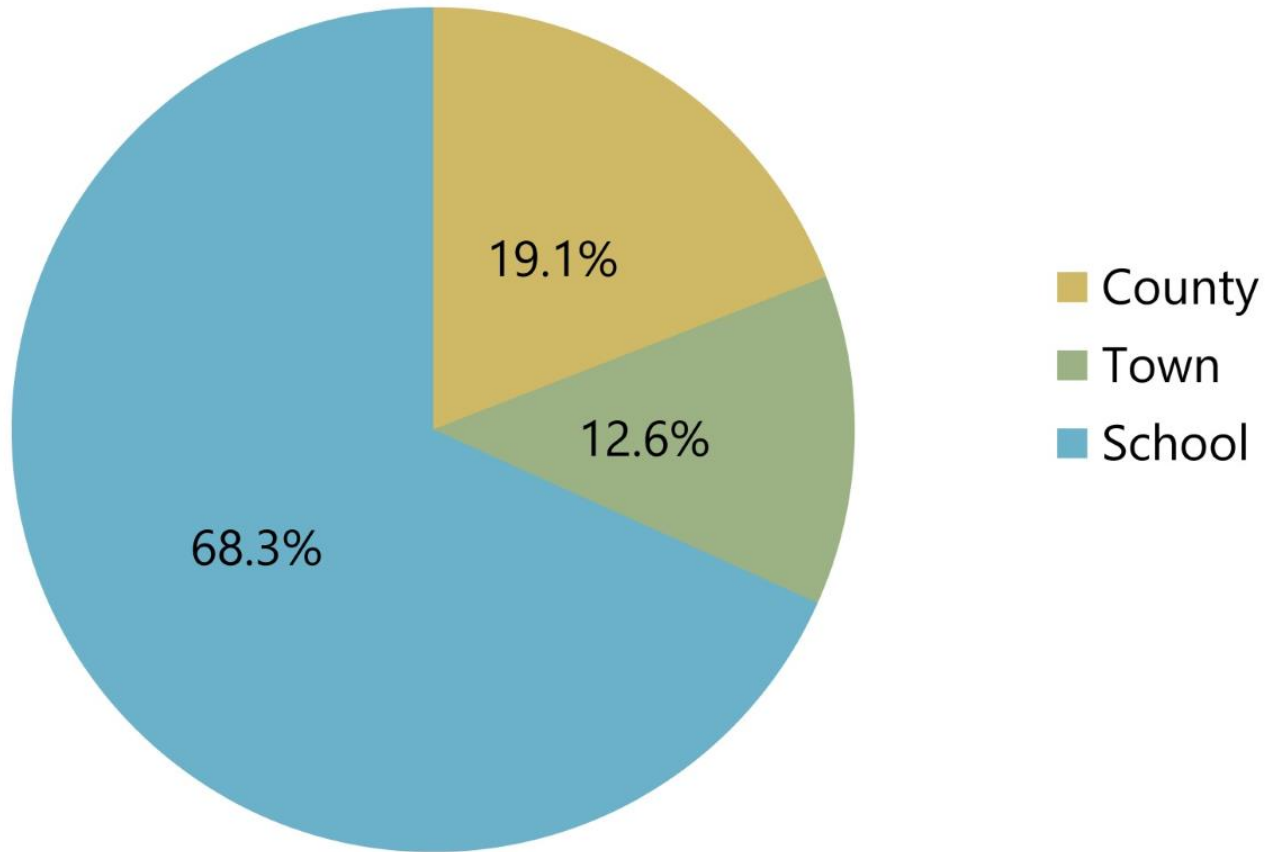
2018 Budget  
Presentation

November 11 & 15, 2017

# Town of Orchard Park, NY – 2018 Budget Process

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Allocation of 2017 Ad Valorem Tax Levy  
(as percentage)

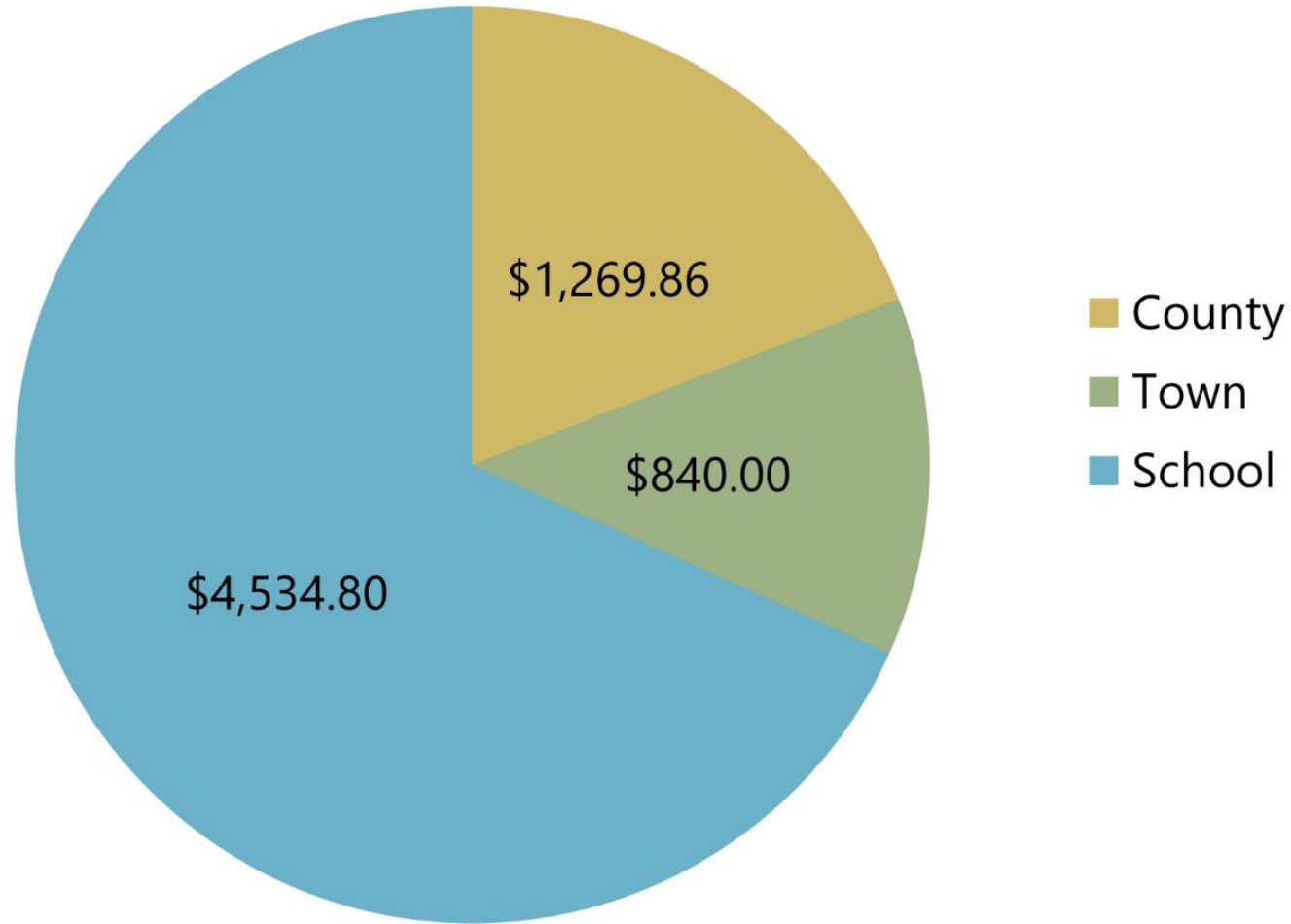


Source: 2017 Annual Report of the Department of Real Property Tax Services, County of Erie, NY

# Town of Orchard Park, NY – 2018 Budget Process

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Allocation of 2017 Ad Valorem Tax Bill - \$6,644.66

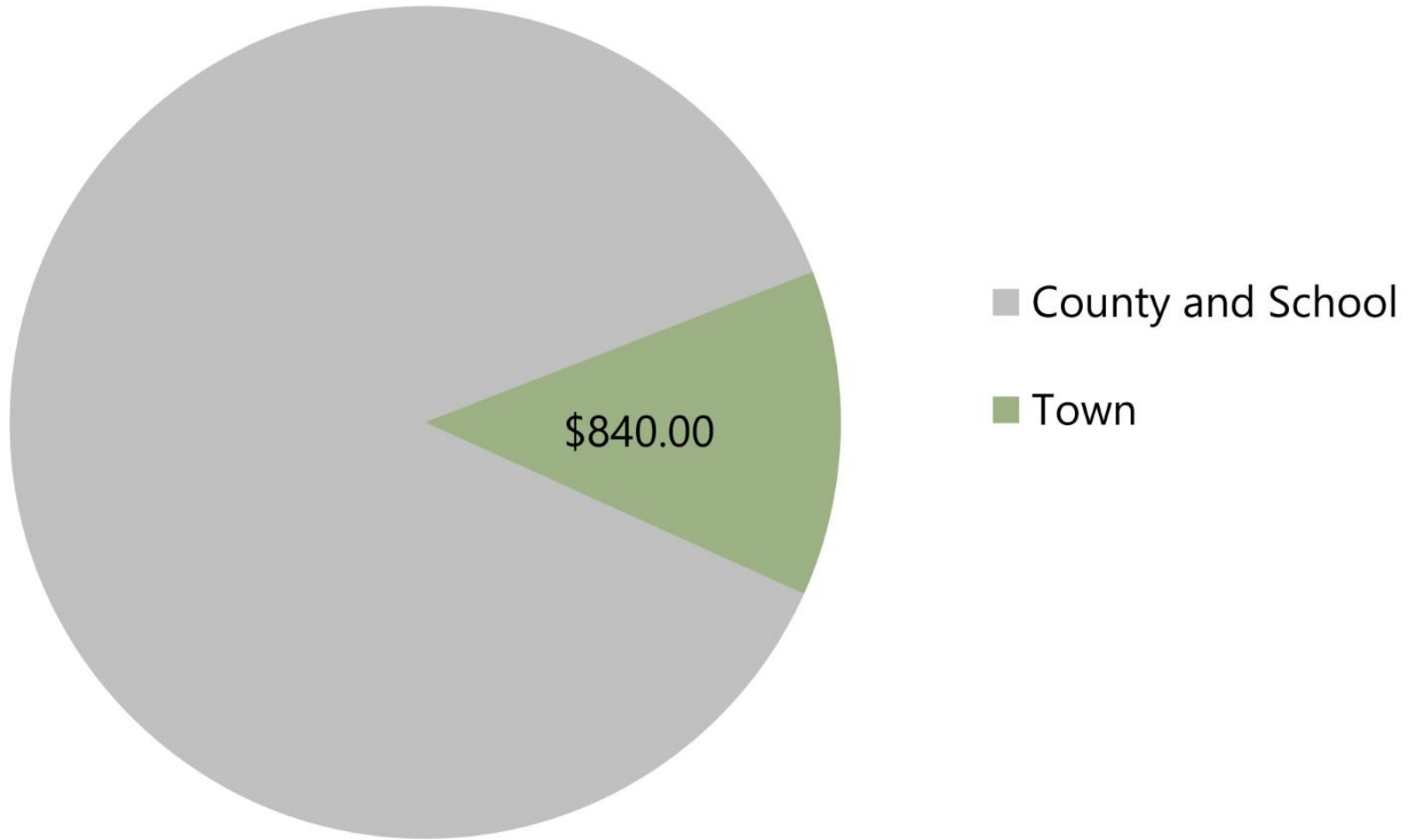


*NOTE: Represents 2017 taxes on an Orchard Park home valued at \$250,000.*

# Town of Orchard Park, NY – 2018 Budget Process

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Allocation of 2017 Ad Valorem Tax Bill - \$6,644.66

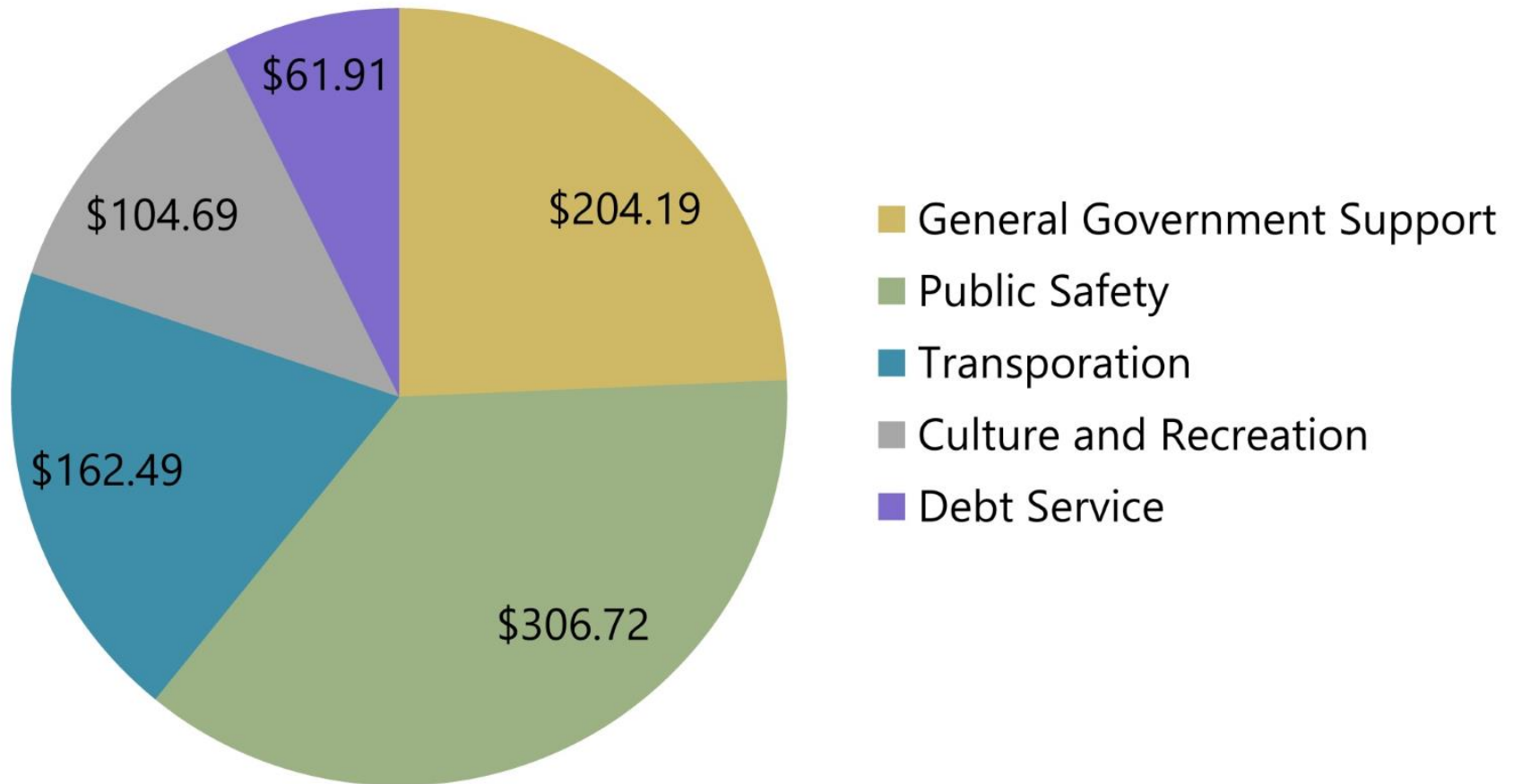


 NOTE: Represents 2017 taxes on an Orchard Park home valued at \$250,000.

# Town of Orchard Park, NY – 2018 Budget Process

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Allocation of 2017 Ad Valorem Town Tax - \$840.00

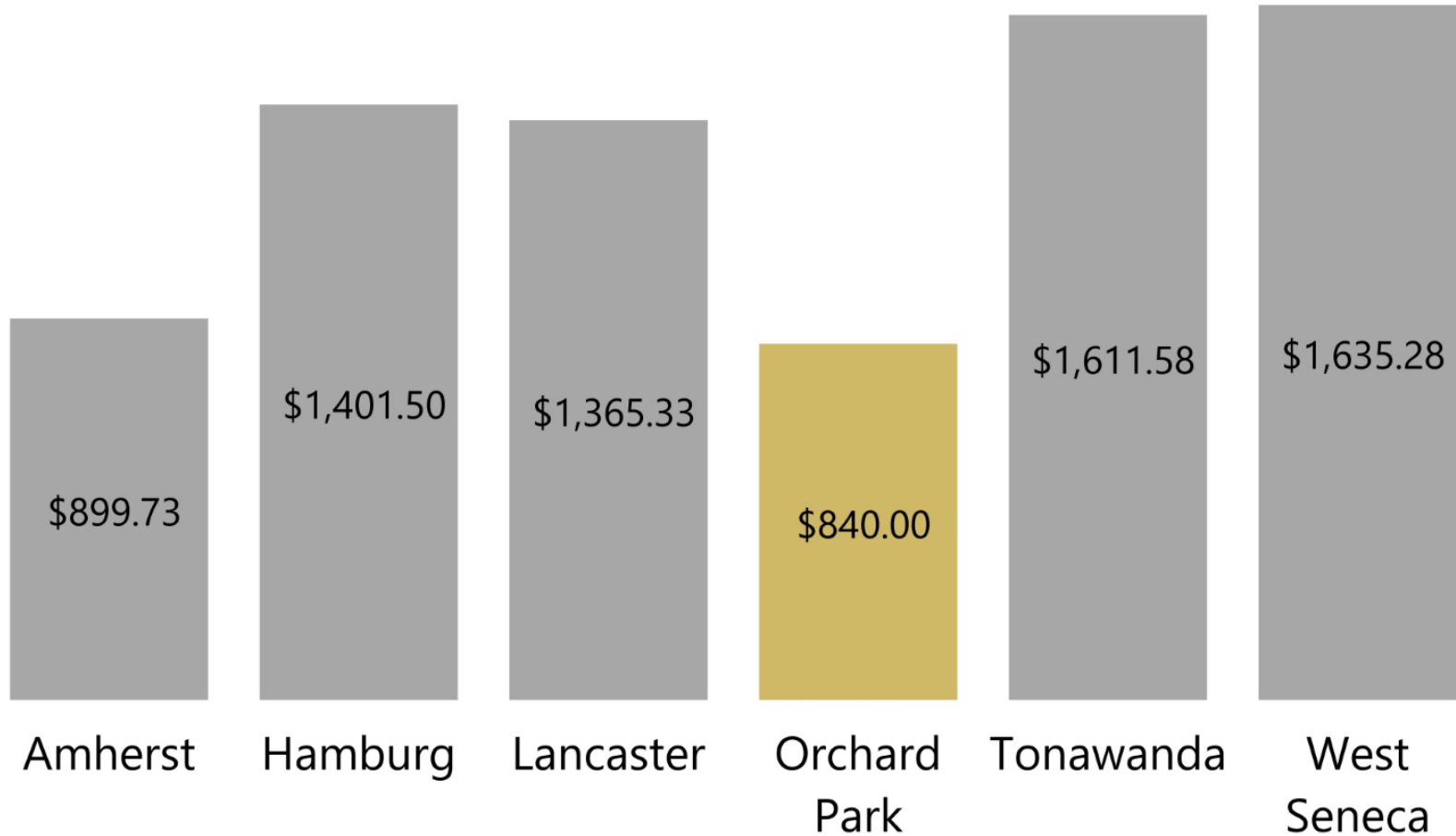


 NOTE: Represents 2017 taxes on an Orchard Park home valued at \$250,000.

# Town of Orchard Park, NY – 2018 Budget Process

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## 2017 Ad Valorem Town Tax per \$250,000 F.M.V.



Source: 2017 Annual Report of the Department of Real Property Tax Services, County of Erie, NY

# Town of Orchard Park, New York

## 2018 Budget Process

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- Tax Cap Concerns
- Identify Service Needs and Desires
- Develop a Plan While Minimizing Costs
- Maximize Revenue
- Utilize a Responsible Amount of Savings



# Town of Orchard Park, New York

## 2018 Budget

### Appropriations Comparison

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2017



2018





Town of Orchard Park, New York  
2018 Budget  
Appropriation Increase

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\$1,071,754

4.2943% increase



# Town of Orchard Park, New York

## 2018 Budget

### Primary Causes for Increase

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- Additional Police Officer
- Contractual Employee Benefits
- New Debt
  - Green Lake
  - Town Hall
  - Park Improvements
  - Road Improvements
- Mandatory Minimum Wage



# Town of Orchard Park, New York

## 2018 Budget

### Use of Savings

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#### Initial Preliminary Budget:

- Appropriations Up – \$1 million plus
- Utilized Savings – Increase by another \$1 million (approx. \$2 million)
- Result is Minimal Tax Increase (Sept)



# Town of Orchard Park, New York

## 2018 **Preliminary** Budget

Estimated Impact on Home with FMV of \$250,000

### Initial Preliminary Budget

|                                  | <u>2018</u>        | <u>2017</u>        |                 |
|----------------------------------|--------------------|--------------------|-----------------|
| Ad Valorem Taxes                 | \$ 853.41          | \$ 840.00          |                 |
| Benefit Basis Charges:           |                    |                    |                 |
| Sewer, Water, Lighting, Drainage | 219.88             | 220.30             |                 |
| Refuse, Garbage, Brush Pickup    | 228.13             | 228.13             |                 |
| Total                            | <u>\$ 1,301.42</u> | <u>\$ 1,288.43</u> | <u>\$ 12.99</u> |



# Town of Orchard Park, New York

## Two Phase Budgeting Process

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- **Phase 1** > June-Sept. Preliminary budget
  - Revenues & expenses associated with various departments
- **Phase 2** > Sept.-Nov. Final budget
  - Find addition revenues & reduce expenses?
  - 3 year forward look
  - Near end of year figures & projections



# Town of Orchard Park, New York Government Finance Officers Association

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In establishing a policy governing the level of unrestricted fund balance in the general fund, a government should consider a variety of factors, including:

- The **predictability of its revenues and the volatility of its expenditures** (i.e., higher levels of unrestricted fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile);
- Its perceived **exposure to significant one-time outlays** (e.g., disasters, immediate capital needs, state budget cuts);



# Town of Orchard Park, New York Government Finance Officers Association

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- The potential drain upon general fund resources from other funds, as well as, the availability of resources in other funds;
- The **potential impact on the entity's bond ratings and the corresponding increased cost of borrowed funds;**
- Commitments and assignments (i.e., governments may wish to maintain higher levels of unrestricted fund balance to compensate for any portion of unrestricted fund balance already committed or assigned by the government for a specific purpose). Governments may deem it appropriate to exclude from consideration resources that have been committed or assigned to some other purpose and focus on unassigned fund balance, rather than on unrestricted fund balance."



# Town of Orchard Park, New York

## 2018 Budget

### Use of Savings

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#### Current Board Policy:

- Maintain Unassigned Fund Balance Level equal to two months operations (16.67%) plus Emergency Money for weather event or other unplanned adversity (\$1,000,000)
- Equates to:  
20-25% of Appropriations





# Town of Orchard Park, New York

## 2018 Budget

### Use of Savings

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Projected Unassigned Fund Balance  
12/31/2017:

24.9%

Projected Preliminary Budget Unassigned  
Fund Balance 12/31/2018 :

17.0%



# Town of Orchard Park, New York

## 2018 Budget

### Use of Savings

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## Further Considerations:

- Budgeting 3 yrs. Forward
  - Infrastructure costs
    - Many pushed out as far as possible
    - Water, sanitary sewer, storm , water mains, roadways
    - At least \$10 million
  - Policing costs
- Bond Rating
  - Raised in 2015 (2<sup>nd</sup> highest in county)
  - Impacts interest rate



# Town of Orchard Park, New York

## 2018 Budget

### Use of Savings

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- Community Activity Center
  - Some costs may come on line late 2018
  - +1/2% interest for \$16m = \$80k yr/\$1.27m over 30 years (+\$10m > \$127k yr/\$2.01m)
- Contracts
  - Three expired contracts (Blue Collar, PBA, COA)
  - Compare To Other Towns > FMV
- Avoidance of Future Double Digit Tax Increase in 2019 Budget



# Town of Orchard Park, New York

## 2018 Budget

### Use of Savings

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#### Conclusion:

Town Board concluded that it would **not be fiscally prudent or prescient** to utilize additional savings in 2018.

Therefore, \$750,000 less will be utilized in revised/final 2018 Budget.



# Town of Orchard Park, New York

## 2018 Budget: Estimated Impact on Home with FMV of \$250,000 - **Town**

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### Revised Preliminary Budget

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|                                  | 2018        | 2017        |         |
|----------------------------------|-------------|-------------|---------|
| Ad Valorem Taxes                 | \$ 913.95   | \$ 840.00   |         |
| Benefit Basis Charges:           |             |             |         |
| Sewer, Water, Lighting, Drainage | 219.88      | 220.30      |         |
| Refuse, Garbage, Brush Pickup    | 228.13      | 228.13      |         |
| Total                            | \$ 1,361.96 | \$ 1,288.43 | \$73.53 |
| <b>Village:</b> \$41.49          |             |             |         |
| Monthly: \$3.46                  |             | Monthly     | \$6.13  |
| Percentage: 3.147                |             | Percentage  | 5.71    |

