

Town of Brighton 2017 Budget





To Brighton Residents and Taxpayers:

Tonight, Town of Brighton Finance Director Suzanne Zaso and I present the 2017 Town of Brighton Tentative Operating Budget to the Brighton community. For 2017, we are proposing a Tentative Budget with a Townwide tax rate increase of only .45%. That equates to a property tax increase of \$2.52 for a house valued at \$100,000. Your own tax rate may increase more or less, depending largely on the special districts, such as sewer, water, fire, sidewalk snow plowing and refuse districts, that apply to your property. This small increase reflects our continued effort to balance fiscal control with high quality services. We report to you, the taxpayers, and this message is intended to give an overview of this Budget and exactly how we have balanced those twin goals. After this message, our Finance Director will present a more detailed summary of the Budget.

Over the past five years, we have spoken in our annual budget messages and elsewhere about the fiscal challenges faced by local governments in New York State. In many ways, those challenges are similar to those faced by households here in Brighton. Households see costs rising for important items like food, insurance premiums, college tuition, health care and the like. Those rising costs are often not matched by increases in salaries or even other sources of family income like interest on bank accounts. That disparity squeezes many families and their ability to continue to provide basic necessities, much less the additional items that make life more enjoyable. In developing this budget for 2017, we deal with similar challenges; costs of essential services like public safety, employee medical insurance premiums, and infrastructure maintenance continue to rise, often faster than inflation, while our revenues are limited based on continued incremental but limited increases in tax base in Brighton along with the impact of the New York State tax cap. In 2017, the State Tax Cap is set at .68% before adjustments, far below the actual inflation rate for health care, wages and salaries and many other costs of government. After a close review we believe that the Tax Cap is set at a level and operates in a manner as to prevent local municipalities like Brighton, with slow internal growth of tax base, to provide essential services over the longer term, not to mention services that go beyond the essential to support the quality of life that Brighton residents expect from their community. I have advocated for amendments to the Tax Cap, and I will continue to do so, to ensure that it continues to provide necessary fiscal discipline to prevent excessive property tax increases, while still providing the opportunity to maintain critical infrastructure and meet community needs and goals. In Brighton, we know how important the services that Town government provides are to residents, business owners and visitors alike, and we are committed to a high level of services, whether it is the best highway snow removal in the Rochester area, year round lawn debris and leaf pickup from the front of your home or the Brighton Memorial Library, honored as

the best library in the Rochester area. Maintaining those high quality services, while still protecting the fiscal stability of Brighton, rather than being bound to an artificial number that does not accurately reflect the community priorities of local residents, will be our priority in this budget. Tonight we affirm to you that the 2017 Tentative Town Budget not only maintains the fiscal stability of the Town of Brighton, it also maintains and even enhances Brighton's high level of service that is so essential to our quality of life.

The development of the Town Budget begins in the Spring of each year, when each Department Head begins to prepare a Department level budget. Most of the Departments also prepare a three year Capital Improvement Plan, for capital expenditures regardless of how those capital items are proposed to be funded. The Finance Department reviews those Department level capital requests and develops a three year Capital Improvement Plan, which was reviewed by the Budget Review Task Force and the Town Board's Finance and Administrative Services Committee, before being publicly reviewed and approved by the full Town Board. The New York State Comptroller recommends that municipalities prepare a Capital Improvement Plan so that local governments can take a long-term perspective on spending for major infrastructure efforts, equipment and vehicles, typically some of our largest non-personnel expenses. The Town of Brighton does this every year, taking a three-year perspective to plan for governmental needs in advance.

After approval of the Capital Improvement Plan, the approved capital expenditures from the 2017 Capital Improvement Plan were incorporated into the Department budget submissions, for further review as part of the overall budget review process. The Town Board held two Budget Workshop meetings at which each Department presented its budget request to the Town Board. The Finance and Administrative Services Committee of the Town Board reviewed the Budget and the Town Board also held a third public workshop prior to this submission. Although there has been significant public review and input to this Budget before its submission, it is important to stress that the submission of the Tentative Budget tonight does not end the public review process.

Although Town Law requires only one budget hearing on the Tentative Budget, the Town Board will again hold two such hearings, at Town Board meetings on October 13 and 26, at 7:00 p.m. in Brighton Town Hall. Copies of the Tentative Operating Budget are available for review in the Town Clerk's office, the Brighton Memorial Library and online at www.townofbrighton.org. The budget hearings will be televised live and rebroadcast on Cable Channel 12, and can also be streamed on the Town's webpage. Comments to the Tentative Budget can be submitted at either of the two public hearings, but they can also be submitted by email to the Town Clerk at Daniel.aman@townofbrighton.org, and those comments submitted by email will be included in the public record of the hearings.

Because this Budget is intended to reflect the needs and priorities of the Brighton community, we gratefully acknowledge the efforts of the volunteer members of the Budget Review Task Force, made up of Brighton residents with interest and expertise in financial matters. Again, this year, the Task Force engaged in

a detailed review of the Town's 2017-2019 Capital Improvement Plan, before it was approved by the Town Board.

Independent ratings continue to confirm the fiscal strength of the Town of Brighton. The State Comptroller's Fiscal Stress Monitoring System for municipalities in New York continues to rate the Town of Brighton highly, both on Fiscal Score, which focuses on the internal financial strength of the Town, and Environmental Score, which considers outside factors affecting the Town's financial strength. Moody's, the highly regarded national debt rating agency, rates Brighton's debt at a very high quality AA2 level, one of the highest ratings of any municipality in New York. Our independent auditor also audits the Town's financial statements each year, and finds that they have been prepared in accordance with the Government Accounting Standards Board requirements.

Again, one of the most significant challenges that we face in preparing a budget is continued slow growth in Brighton's tax base. We are addressing this issue in several ways. While new development and redevelopment of existing properties, in a manner that does not damage our residential neighborhoods, has a positive impact on our tax base, much of the recent development in Brighton, and throughout the Rochester area has been in the area of tax-exempt educational and medical facilities, or tax advantaged projects with COMIDA exemptions, which limits the positive impact of that development on Town taxes. In 2016, Brighton's tax base growth, the increase in assessed value of taxable real property, was only .77%. As noted last year, development of the Reserve continues to provide new options for residential living in Brighton, and some increase in assessed valuation. However, the tax benefits of this project are severely diminished by the application of New York's Condominium Tax break, which mandates that condominium properties be taxed at what is often a 50% or more discount to fair market value. This unfair discount, originally mandated to protect New York City apartment dwellers from being forced out of their units when buildings were converted to condominium ownership, means that other taxpayers must pay more to offset this subsidy.

Fairness in tax assessment is very important, and Brighton takes a very professional approach to property tax challenges, seeking to resolve matters where possible, but recognizing that excessively low valuation claims simply pass the tax burden on to other taxpayers. For that reason, the Town will conduct a town wide assessment update in 2017-2018 to ensure that tax receipts are allocated fairly among taxpayers and different types of properties. Much of the cost of this revaluation will come from Town reserves allocated for this purpose.

As I have noted in my Budget Message each year as Supervisor, we...the taxpayers of Brighton...continue to be impacted negatively by tax incentives given by the County of Monroe Industrial Development Agency without local approval and in some cases without thorough analysis of whether new jobs are created or retained as a result of these tax incentives. I am not optimistic that the recent turmoil at COMIDA, and the change in leadership in Monroe County Economic Development will change the fundamental manner in which COMIDA does business, making many decisions in closed review, ignoring input

from local municipalities and school boards, and failing to do hard economic analysis of the net impact of projects that receive COMIDA handouts. Tax incentives to businesses should be coupled with local labor requirements and an analysis of creation of new living wage jobs. Development projects that are consistent with the Town's Comprehensive Plan and do not put excessive burdens on our environment, infrastructure or services are essential to enhancing our tax base. However, projects that do not pay their fair share of the cost of local government services, and are based on unsupported claims of job creation, are ultimately a drain on our resources, and prevent scarce economic development dollars from being used to support projects that provide real long-term job growth to our community.

As noted above, much of the new development in Brighton is coming from the tax-exempt sector. We have taken the lead in making sure that these tax exempt organizations, like the University of Rochester, that provide valuable services to the community and create many new jobs, but also impact the need for governmental services, also pay their fair share towards those services. This administration has used incentive zoning to generate long term funding support from not for profits who are building in Brighton. The University of Rochester has a long-term plan to develop its South Campus, between East River Road and Crittenden Road in West Brighton. Each new building will generate significant amenity payments to the Town, indexed to future inflation, as long as the University remains tax-exempt, thanks to the incentive zoning agreement that the Town negotiated with the University. Jewish Senior Life, which is expanding its Winton Road campus through the use of incentive zoning, has also signed an incentive zoning amenity agreement, under which it will pay over \$40,000 to the Town each year, adjusted for future inflation, starting in 2017. Incentive zoning has played a major role in allowing Brighton to expand its park system, including most recently the new Brickyard Trail, and these significant incentive zoning amenity payments from otherwise tax-exempt businesses, are one more way that Brighton is using incentive zoning for the benefit of Town taxpayers.

Property tax receipts are the largest source of Town revenues, but they are not the only source. The Town also receives revenues from mortgage and sales taxes, fees for programs and services, including fees and revenues generated from inter-municipal agreements and other arrangements with other governmental entities, and from miscellaneous sources, such as interest income. Sales tax revenues are based on retail sales throughout Monroe County and while sales tax revenues have exceeded projections thus far in 2016, we are taking a conservative estimate of sales tax growth for 2017, mindful that the Rochester area economy continues to grow slowly and recognizing that many economic forecasters predict an economic slowdown in the year ahead. Mortgage tax revenues are the most volatile source of Town funding, tied to the economic and homebuilding cycles as well as interest rate cycles that dramatically affect both home sales and mortgage refinancing's. Mortgage tax receipts have been relatively stable during the past two years, and have exceeded projections so far in 2016, the same issues that could affect sales taxes, could affect mortgage tax receipts. In addition, the Federal Reserve has telegraphed the near certainty of higher interest rates in 2017,

which may dampen refinancing activity. We have estimated a modest increase in mortgage tax revenues in 2017, based on continued strong results, but we are mindful that external forces can cause outsized increases or decreases for the Town. Interest income continues to be negligible, more than 95% below peak levels of over ten years ago. Although offset by decreases in interest expense on Town borrowings, this loss of interest income continues to be a significant drag on revenues for the Town. Even if interest rates begin to rise, as many economists expect, it seems highly unlikely that we will see a return to interest revenues approaching historic figures any time soon, but new steps to explore safe ways to enhance interest income could bear fruit in 2017. As always, our Town financial staff will monitor these sources of income throughout the year to ensure that revenues will meet or exceed budgeted expectations and that we will not face unexpected shortfalls before year-end.

Of course, the reason that building revenue sources is so important to maintaining the financial strength of Brighton is that expenses continue to rise, in many cases at a rate far above the inflation rate. Personnel costs are the largest expense for the Town of Brighton, and most local governments. Wages and salaries will grow at a rate significantly above the rate of inflation and employee and retiree health insurance premiums, over which the Town has limited control, will rise even faster. Contributions to the retirement system for Town retirees will rise less than the rate of inflation, but here again, these expenses will rise this year, after three years of declines, and remain at historically high levels. Again, these are costs set by the State of New York and Town government has no control over these state mandates.

Although the Town's tentative budget anticipates a small tax rate increase, below the rate indicated by the State tax cap formula, I anticipate that an external factor will mean that this year, for the first time since the State tax cap was established, the Town's overall budget will exceed the tax cap. In 2012, the Town of Brighton considered three proposals to provide fire service in West Brighton, after the former department serving the area was unable and unwilling to provide emergency service at an appropriate level, either alone or in partnership. Accordingly, the Town sought proposals from other fire departments, and selected the Rochester Fire Department, whose proposal not only provided the highest level of service, but was also significantly less expensive than either the Henrietta Fire District or Brighton Fire District, who also submitted proposals. The contract for services with the Rochester Fire Department is currently up for renewal, and while at this point, we do not have exact costs for 2017, we do anticipate that the increase will be significant enough to cause the calculation for the State tax cap to exceed the tax cap limit. The level of service provided by the Rochester Fire Department remains high, as noted by the Insurance Service Office, a fire rating service, which raised the level of service in West Brighton to the second highest level possible, to reflect the enhanced service provided by the Rochester Fire Department.

In 2016, we added services that enhanced Brighton's quality of life. Expanded code enforcement and vacant property efforts have begun to bear fruit and they will continue. Police body cameras help ensure that both

our highly professional police officers and the community are protected when interactions are recorded. Our new leaf vacuum system will enhance leaf pickup this fall. I continue to receive numerous compliments on the new Brickyard Trail, which opened in late June, and it has been selected as a finalist for a prestigious award from the Rochester Community Design Center. The 2017 budget has enhancements that may be less visible, but no less important. We have restored additional overtime services for leaf removal and added staff support so that our highly trained sewer department can devote even more of their efforts to maintaining the system and responding to sewer emergencies. As noted before, we are funding the revaluation of properties in Brighton so all property owners know that they are being assessed accurately and fairly. Finally, we will be replacing a major piece of sewer infrastructure near Blossom Road and 590, to ensure that the sewer system can withstand a major weather event. We welcome your input as to ways to further enhance Brighton's quality of life, acknowledging that limited financial resources mean we must take a measured approach to any new opportunities.

Finally, I want to take this opportunity to welcome Brighton's new Budget Director, Roger Salmons, who replaces Andrew Robinson who served the Town ably for approximately 5 years and left to join his family's business. Roger comes to us from the City of Lockport New York and he has years of financial experience in business, education and government. He will be an important addition to our financial team working for you here at Town Hall.

Preparing the Town Tentative Budget is an opportunity to review operations, identify areas for improvement, and find opportunities for collaboration. As always, it is ultimately a balancing act between the need to be fiscally prudent and the need to offer the services that make Brighton a special community. We look forward to your input during the two budget hearings in October and we appreciate the efforts of every community volunteer and Town staff member that assisted in the preparation of this Budget.

Sincerely,



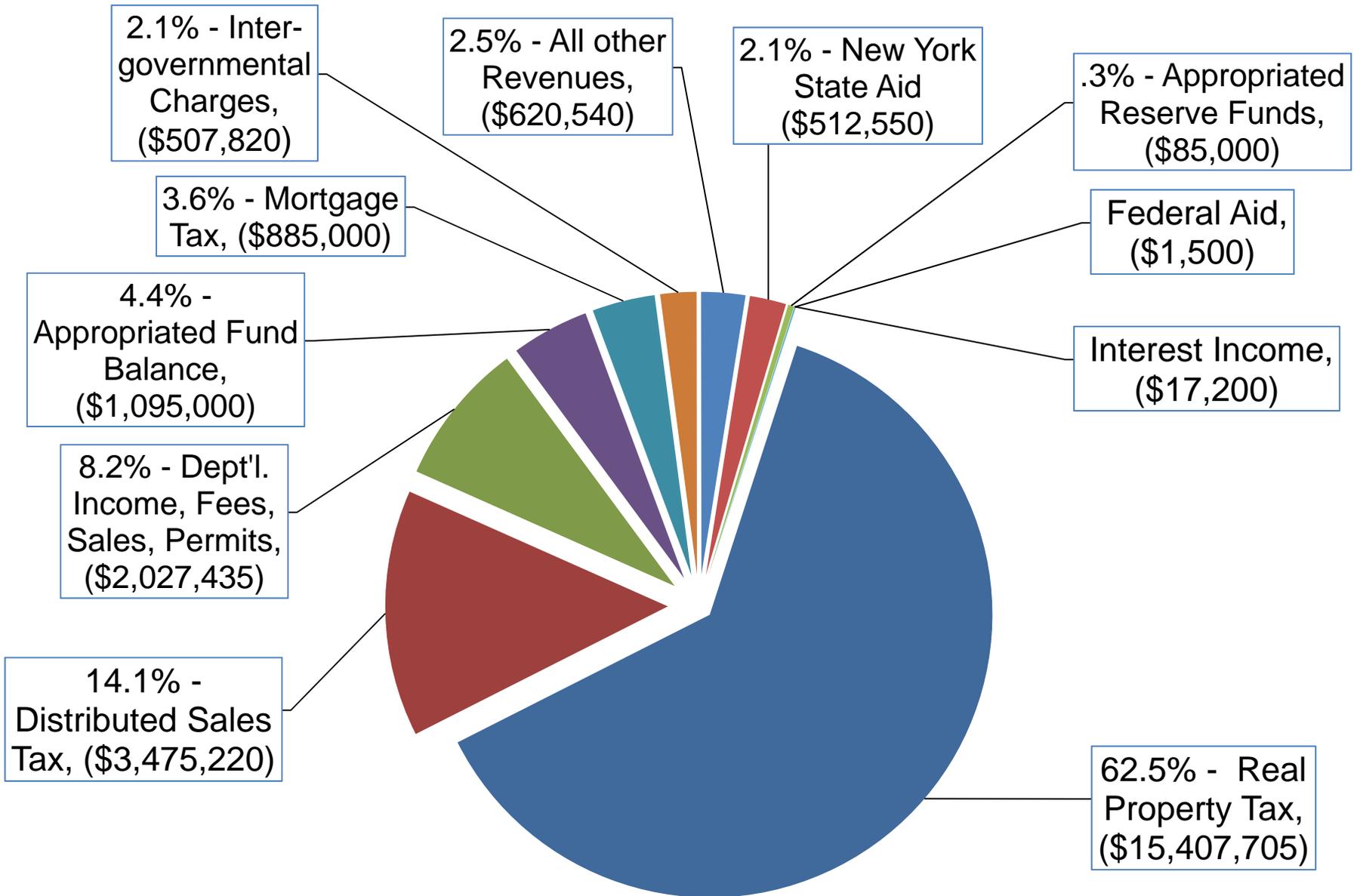
William W. Moehle, Town Supervisor



Suzanne Zaso, Director of Finance

TOWN OF BRIGHTON – 2017 BUDGET

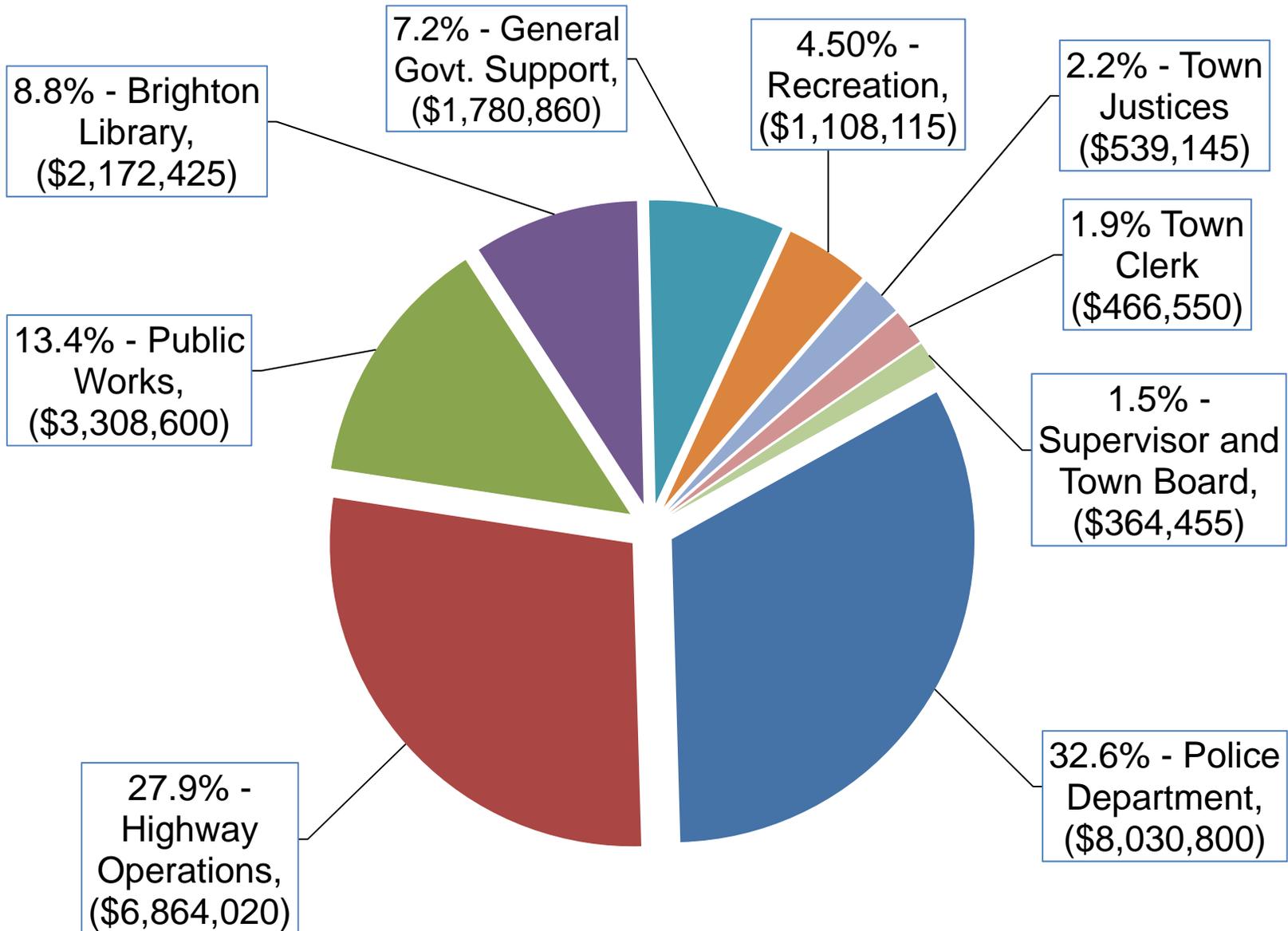
WHERE TOWN BUDGET DOLLARS COME FROM



Total Net Revenues: \$24,634,970

TOWN OF BRIGHTON – 2017 BUDGET

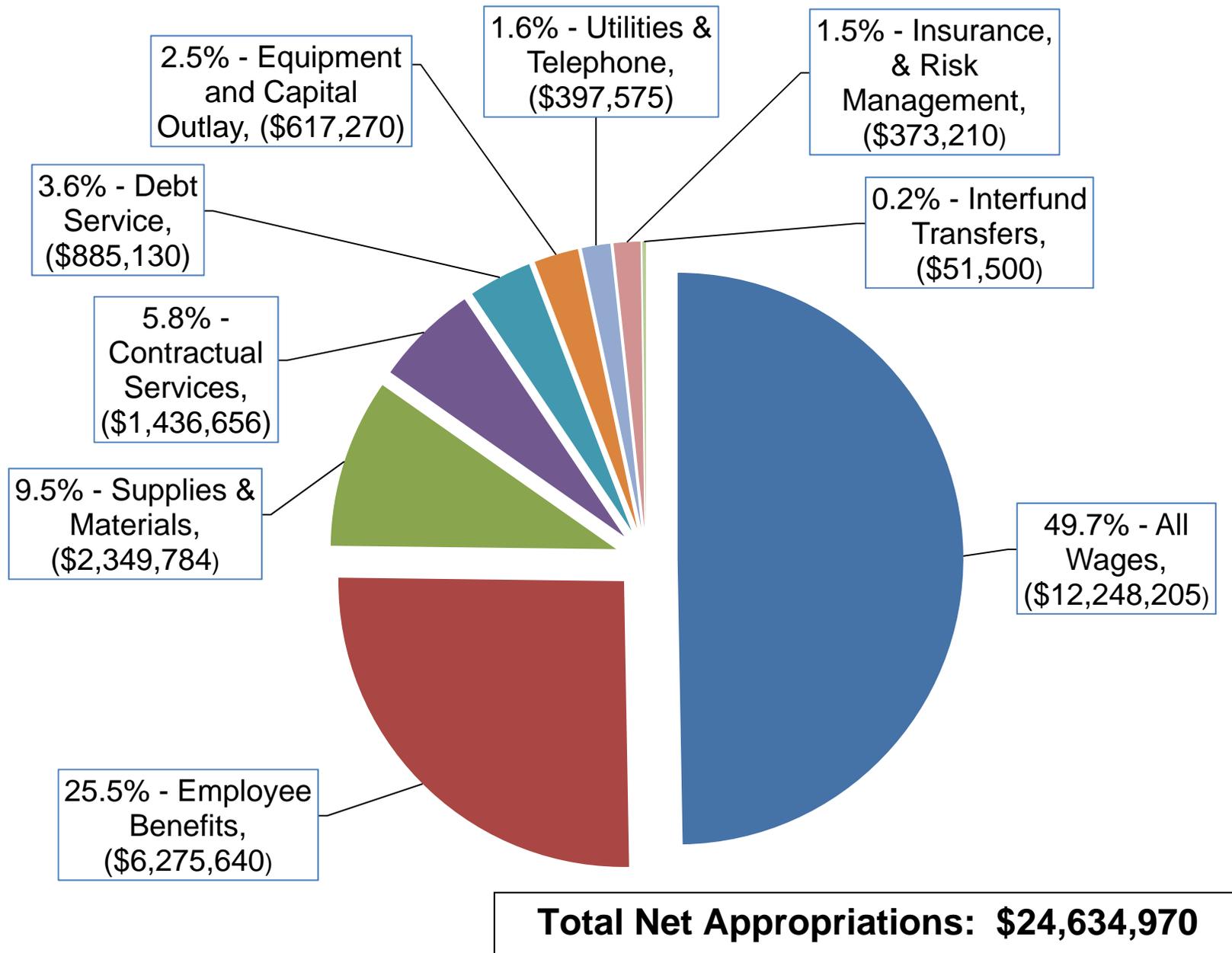
HOW TOWN DOLLARS ARE SPENT



Total Net Appropriations: \$24,634,970

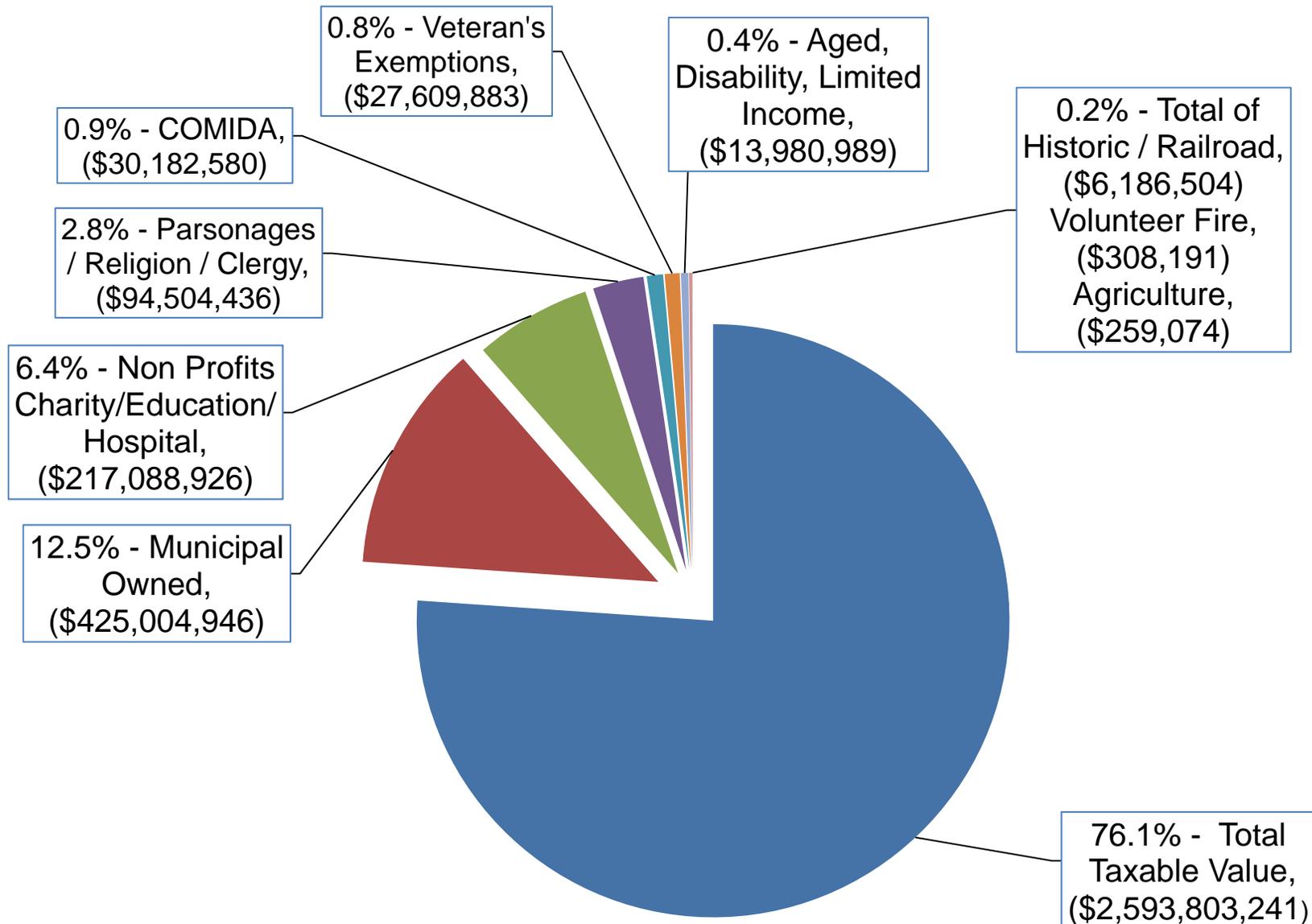
TOWN OF BRIGHTON – 2017 BUDGET

NET APPROPRIATIONS BY EXPENDITURE TYPE



TOWN OF BRIGHTON – 2017 BUDGET

DISTRIBUTION OF ASSESSMENT EXEMPTIONS (for illustration only)



Total Assessed Value: \$3,408,928,770

Equalized Total Assessed Value 3,626,519,968

Total Assessed Value 3,408,928
Uniform Percentage 94.00

Local Government Exemption Impact Report and Payment in Lieu of Taxes (PILOT) Summary

Exemption Code	Exemption Name	Statutory Authority	Number of Exemptions	Total Equalized Value of Exemptions	Percent of Value Exempted
12100	NYS - GENERALLY	RPTL 404(1)	9	\$47,919,149	1.32
13100	CO - GENERALLY	RPTL 406(1)	148	\$208,339,255	5.74
13500	TOWN - GENERALLY	RPTL 406(1)	261	\$22,305,585	0.62
13800	SCHOOL DISTRICT	RPTL 408	15	\$129,656,489	3.58
13870	SPEC DIST USED FOR PURPOSE ES	RPTL 410	14	\$5,869,574	0.16
18020	MUNICIPAL INDUSTRIAL DEV AGENC	RPTL 412-a	10	\$30,182,580	0.83
18180	UDC OWNED NON-HOUSING PROJEC	MC K UCON L 6272	1	\$10,914,894	0.30
21600	RES OF CLERGY - RELIG CORP OW	RPTL 462	4	\$711,702	0.02
25110	NONPROF CORP - RELIG(CONST PRc	RPTL 420-a	41	\$93,752,840	2.59
25120	NONPROF CORP - EDUCL(CONST P	RPTL 420-a	10	\$64,889,670	1.79
25130	NONPROF CORP - CHAR (CONST PR	RPTL 420-a	3	\$1,460,638	0.04
25210	NONPROF CORP - HOSPITAL	RPTL 420-a	1	\$16,489,362	0.45
25230	NONPROF CORP - MORAL/MENTAL U	RPTL 420-a	9	\$4,430,851	0.12
25300	NONPROF CORP - SPECIFIED USES	RPTL 420-b	21	\$116,835,426	3.22
25500	NONPROF MED, DENTAL, HOSP SVC	RPTL 486	3	\$2,589,362	0.07
25600	NONPROFIT HEALTH MAINTENANCE	RPTL 486-a	1	\$510,638	0.01
26250	HISTORICAL SOCIETY	RPTL 444	1	\$372,340	0.01
26400	INC VOLUNTEER FIRE CO OR DEPT	RPTL 464(2)	2	\$308,191	0.01
28110	NOT-FOR-PROFIT HOUSING COMPAt	RPTL 422	1	\$627,660	0.02
28520	NOT-FOR-PROFIT NURSING HOME C	RPTL 422	1	\$8,882,979	0.24
41001	VETERANS EXEMPTION INCR/OECR	RPTL 458(5)	146	\$9,597,150	0.26
41121	ALT VET EX-WAR PERIOD-NON-COM	RPTL 458-a	398	\$7,008,335	0.19
41131	ALT VET EX-WAR PERIOD-COMBAT	RPTL 458-a	274	\$7,977,359	0.22
41141	ALT VET EX-WAR PERIOD-DISABILI	RPTL 458-a	80	\$2,462,096	0.07
41151	COLD WAR VETERANS (10%)	RPTL 458-b	37	\$296,007	0.01
41171	COLD WAR VETERANS (DISABLED)	RPTL 458-b	1	\$18,936	0.00
41300	PARAPLEGIC VETS	RPTL 458(3)	1	\$250,000	0.01

Exemption Code	Exemption Name	Statutory Authority	Number of Exemptions	Total Equalized Value of Exemptions	Percent of Value Exempted
41400	CLERGY	RPTL 460	25	\$39,894	0.00
41700	AGRICULTURAL BUILDING	RPTL 483	1	\$63,830	0.00
41720	AGRICULTURAL DISTRICT	AG-MKTS L 305	1	\$195,244	0.01
41800	PERSONS AGE 65 OR OVER	RPTL 467	243	\$12,776,436	0.35
41930	DISABILITIES AND LIMITED INCOM	RPTL 459-c	21	\$1,204,553	0.03
41963	HISTORIC PROPERTY	RPTL 444-a	4	\$89,149	0.00
47100	Mass Telecomm Ceiling	RPTL S499-qqqq	5	\$1,614,076	0.04
47200	RAILROAD - PARTIALLY EXEMPT	RPTL 489-d&dd	6	\$4,483,279	0.12
Total Exemptions Exclusive of System Exemptions:			1799	\$815,125,529	22.48
Total System Exemptions:			0	\$0	0.00
Totals:			1799	\$815,125,529	22.48

Values have been equalized using the Uniform Percentage of Value. The Exempt amounts do not take into consideration, payments in lieu of taxes or other payments for municipal services.

Amount, if any, attributable to payments in lieu of taxes: \$539,870

Exempt Code	Description	Statutory Authority	Payments in Lieu of Taxes
18020	Industrial Development (Comida)	RPTL 412-a	\$ 113,140.00
13100	County Owned	RPTL 406(1)	\$ 69,668.00
25130	Non Profit - Charitable	RPTL 420-a	\$ 1,717.00
25230	Non Profit - Moral/Mental Improvement	RPTL 420-a	\$ 4,875.00
25300	Non Profit - Community Service & Social Org.	RPTL 420-b	\$ 280,440.00
28110	Non Profit - Senior / Handicapped Housing	RPTL 422	\$ 4,030.00
28520	Non Profit - Nursing Home	RPTL 422	\$ 40,000.00
25120	Non Profit - Educational	RPTL 420	\$ 26,000.00
Total			\$ <u>539,870.00</u>

Fund Balances as of 12/31/2015

	General (A)	Highway (D)	Library (L)	Sewer (SS)
Nonspendable (Prepaid Expense)	\$483,789	\$77,590	\$39,198	\$23,814
<i>New York State Retirement Contributions</i>	\$483,789	\$77,590	\$39,198	\$23,814
Restricted (Reserves)	\$1,337,284	\$171,238	\$163,434	\$217,729
<i>Assessment Reserve</i>	\$96,433			
<i>Parks Reserve</i>	\$1,648			
<i>Quality of Life Reserve</i>	\$51,928			
<i>Streetscape Reserve</i>	\$109,842			
<i>Town Sidewalk Reserve</i>	\$199,583			
<i>Workers Compensation Reserve</i>	\$404,298			
<i>Police Seized Funds</i>	\$236,669			
<i>Repair Reserve</i>	\$93,681			
<i>Insurance Reserve</i>	\$143,202			
<i>General Highway Reserve</i>		\$171,238		
<i>General Library Reserve</i>			\$163,434	
<i>Sewer Equipment Reserve</i>				\$217,729
Assigned	\$1,562,137	\$280,044	\$54,857	\$45,802
<i>Prior Year Encumbrances</i>	\$202,188	\$5,044	\$9,857	\$802
<i>Other Post Employment Benefits (OPEB) - Retiree Health Care</i>	\$512,154			
<i>Appropriated Fund Balance - 2016 Budget Year</i>	\$847,795	\$275,000	\$45,000	\$45,000
Unassigned Fund Balance	\$2,673,463	\$1,327,265	\$222,014	\$308,327
<i>Unassigned Fund Balance</i>	\$2,673,463	\$1,327,265	\$222,014	\$308,327
Total Fund Balances	\$6,056,673	\$1,856,137	\$479,502	\$595,672
<hr/>				
Total Authorized Appropriations 2016 Budget	\$16,808,215	\$5,380,550	\$2,124,600	\$1,837,310
Actual Unassigned Fund Balance to Appropriations Ratio	16%	25%	10%	17%
Target Unassigned Fund Balance to Appropriations Ratio	15-20%	10-15%	2-5%	15-20%