



September 28, 2022

To Brighton Residents and Taxpayers:

Tonight, Town of Brighton Finance Director Paula Parker, Assistant Finance Director Suzanne Zaso and I present the 2023 Town of Brighton Tentative Operating Budget to the Brighton community. Last year as we developed our Budget for 2022 we were very much concerned with what the ongoing impact of COVID might be and how that might influence our actual operational and spending needs. COVID did significantly affect our operations and our financial position, and it continues to do so, although that impact is now greatly reduced. On the other hand, the recent increase in inflation, as well as the accompanying rise in interest rates, is impacting our budget planning. The rate of inflation, as measured by the consumer price index, rose by 1.4% for 2020 as compared to 2019. However, the CPI increased 7.0% for 2021 as compared to 2020, and that rate of increase has continued in 2022. The Town has experienced many of the same cost pressures that households experience for items like fuel and electricity, and we are also experiencing dramatic price increases in vehicles and equipment, construction materials and many other items. Those price increases and more are reflected in the 2023 Tentative Operating Budget. We are grateful to every member of Town staff, who has worked hard during often difficult circumstances to make the needs of Brighton's residents their top priority.

During the last two years, we prepared our Tentative Budget with very little visibility as to what the future would bring. We anticipated a dramatic loss of revenue due to COVID, particularly sales tax revenue, and accordingly we budgeted very conservatively. As a result, we have continued to be successful in meeting our twin budgetary goals of maintaining Brighton's financial strength and enhancing the quality of life in Brighton, and this 2023 Tentative Operating Budget will again do exactly that.

Just last week, we received extraordinary recognition of our responsible budgeting practices during the pandemic. The State Comptroller annually rates the fiscal stress level of every municipality and county in New York State. While we have always received strong scores on this evaluation, this year for the first time, Brighton received a perfect score. That perfect score reflects not only the strength of our local economy, which was recognized recently when the 14618 zip code was recognized as the hottest zip code in America by Relators.com, but also the prudent and careful financial and budgetary planning we have maintained even during the uncertain pandemic times. We are proud of this recognition and are committed to working to maintain as strong a fiscal stress rating from the State as possible.

As a result of renewed inflationary pressures, we are projecting larger increases in many of our expense lines in the 2023 Tentative Budget, as compared to 2022. The 2023 Tentative Budget for the Town's Operating Funds proposes an increase of \$649,780 in the property tax levy for 2023. The Operating Budget tax rate would increase 3.81%, or by just under \$0.20 per thousand dollars of your home's assessed valuation, from 2022 to 2023, or \$40.00 for a home valued at \$200,000. Your own tax bill may increase more or less, depending largely on the special districts, such as sewer, water, sidewalk snow plowing and refuse districts, among others, under which the Town ensures that only those who receive the services in question have to pay for them. Of course, any changes in the assessed value of your property will also affect your personal tax bill. While far less than the current rate of inflation, this increase in the tax levy will exceed the New York State tax cap and therefore tonight we will set a public hearing to consider a local law permitting the Town to exceed the cap in its 2023 Budget.

Each year, the open and transparent process that the Town of Brighton uses to develop and approve the Town's budget, far exceeds the State's mandated procedures for budget development and approval. We strive to ensure that the public has access to the budget process and the ability to give input throughout. Each year, the development of the Town Budget begins in the spring, when Department Heads prepare a three year Capital Improvement Plan for their Department, so we can plan ahead for important Town projects and significant capital expenditures. The New York State Comptroller recommends that municipalities prepare a Capital Improvement Plan in order to plan ahead for spending on major infrastructure efforts, equipment and vehicles. Brighton does this every year to help us plan and fund capital expenditures in advance. We will be taking action on the 2023 Capital Improvement Plan at tonight's meeting of the Town Board. The Capital Improvement Plan anticipates continued maintenance and improvements to our streets, sidewalks and sewers, purchases of vehicles and heavy equipment and technology and sustainability advances for the Town, among other important needs. Many of these expenses are funded through grants, borrowing or as incentive zoning amenities, but over \$3.5 million dollars of capital improvements are directly included in the Tentative Operating Budget for 2023.

While the Capital Improvement Plan was being prepared and reviewed, Town staff had already begun the preparation of the Tentative Budget that is being presented tonight. Each Department Head prepared and submitted a budget request to the Finance Department and the Town Board held two public Budget Workshop meetings during August, at which each Department presented its budget request to the Town Board. Again, these workshop sessions go beyond anything required by State law, but provide an opportunity for Town Board members and the public to hear directly from each Town Department Head his or her spending and operational plans for the coming year.

It is important to stress that the submission of this Tentative Budget tonight does not end the public review process; in fact, quite the opposite is true. The Finance Committee will review the Budget in an open

meeting and the Town Board will again hold two public hearings to take public comment on the 2023 Tentative Budget, at Town Board meetings on October 12 and 26. 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. 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, or by mail to Town Clerk Daniel Aman, 2300 Elmwood Ave. Rochester, NY 14618. Comments submitted in writing 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 and the Sustainability Oversight Committee, both of which are made up of Brighton volunteers who take the time to meet with Town staff and review budget and financial matters with an eye towards financial stability and sustainability.

Independent third party analysis continues to confirm the fiscal strength of the Town of Brighton. As I previously mentioned, just this past week, the State Comptroller issued his Fiscal Stress Monitoring System scores, evaluating the financial strength of every municipality in New York. Brighton received the best possible score on this fiscal stress evaluation, indicating that Brighton is not under fiscal stress and that the economic climate in Brighton is strong. Moody's, the national debt rating agency, continues to give Brighton an AA2 credit rating, one of the highest in New York State, and our independent auditor has again found that those financial statements have been prepared in accordance with the Government Accounting Standards Board requirements.

Despite this very positive news, we continue to be concerned at the slow growth in Brighton's real property tax base, particularly our commercial tax base. The total taxable assessed valuation of real property in Brighton rose only by one quarter of one percent (0.25%) from 2022 to 2023. Maintaining a balance of residential and commercial tax base is important, because well planned commercial development often places less of a burden on local services than residential development, and commercial development helps shoulder the cost of services that benefit residents.

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, and cable television franchise fees, among other sources. The Town of Brighton, like other towns in Monroe County, receives a portion of sales tax revenues generated from retail sales throughout Monroe County under an agreement among Monroe County, local municipalities and school districts. Sales tax revenues in Monroe County were severely impacted by COVID in 2020, but have recovered strongly in 2021 and 2022. Given the uncertainty about the economy, we are making conservative estimates of sales tax growth in 2023. Mortgage tax revenues have been the most volatile source of Town funding, tied to the economic and homebuilding cycles as well as interest rate cycles. The residential housing market remains strong in Brighton, but the significant increase in interest rates over the past year will likely have a negative impact of

mortgage tax transactions. As a result, we will continue to budget conservatively for mortgage tax receipts in 2023.

Of course, the reason that increasing non-property tax revenues is so important is that expenses continue to rise, in many cases at a rate far above the inflation rate. Personnel costs are by far the largest expense for the Town of Brighton, and most local governments. Wages and salaries have continued to grow while employee and retiree health insurance premiums, and the cost of other employee benefits, have risen even faster.

The Town of Brighton continues to focus on reducing costs with shared service agreements. We partner with other municipalities as members of the Finger Lakes Municipal Health Insurance Trust, a consortium of municipalities that collectively procure health insurance for member employees and retirees. We are also members of the New York Municipal Insurance Reciprocal, a similar consortium that allows us to obtain lower cost property, casualty and liability insurance. By participating in these groups, we not only ensure the availability of insurance coverage, we do so at a cost significantly less than open market rates.

I want to again thank everyone involved in the preparation of this Tentative Budget. Developing the Town's budget is never easy, but the 2023 Budget will maintain and enhance services, while finding new ways to control the cost of government. 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 who assisted in the preparation of this Budget.

Sincerely,



William W. Moehle
Town Supervisor



Paula Parker
Director of Finance

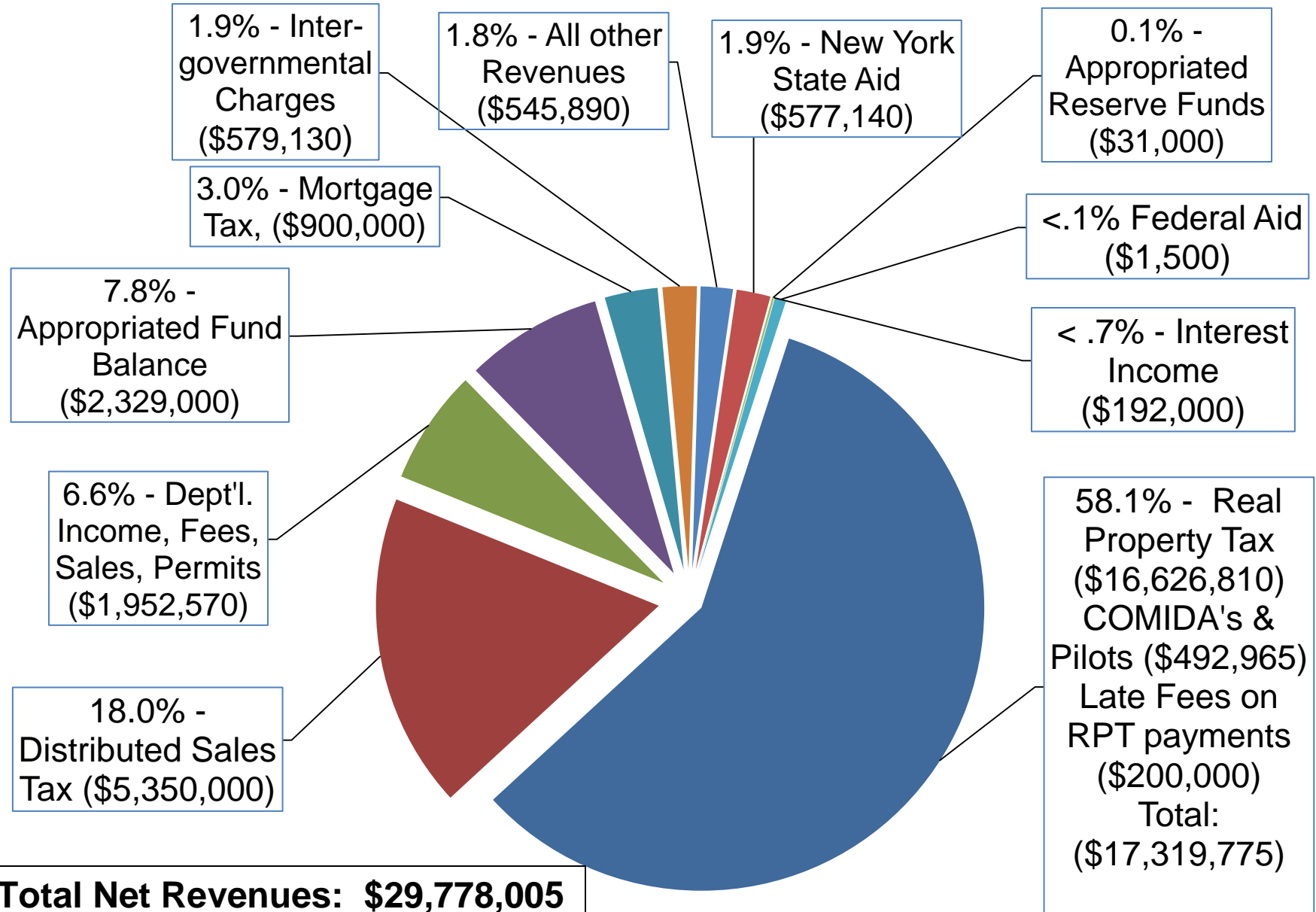


Suzanne Zaso
Assistant Director of Finance

TOWN OF BRIGHTON – 2023 BUDGET

(10/26/2022)

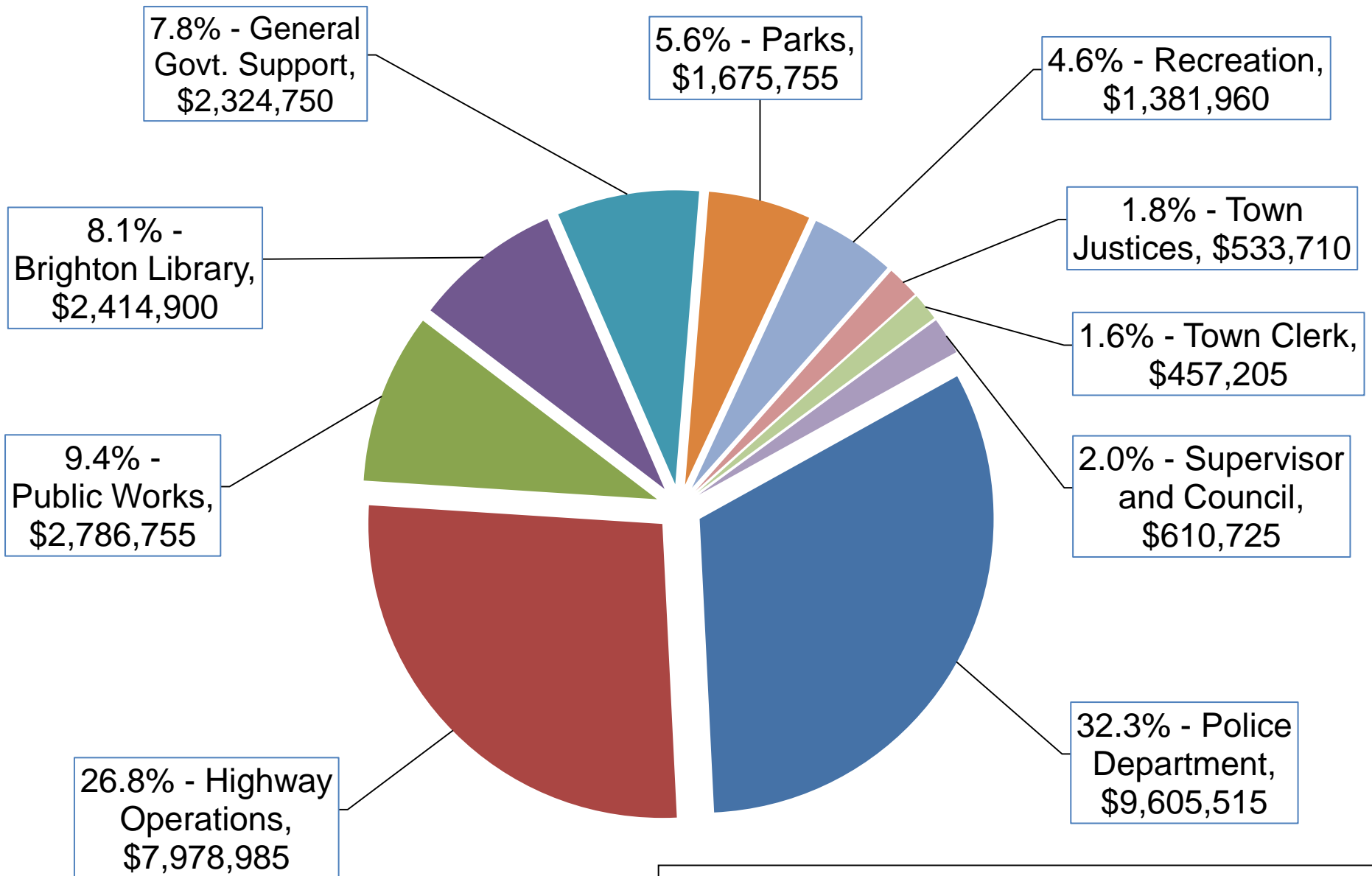
WHERE TOWN BUDGET DOLLARS COME FROM



TOWN OF BRIGHTON – 2023 BUDGET

(09/28/2022)

HOW TOWN DOLLARS ARE SPENT

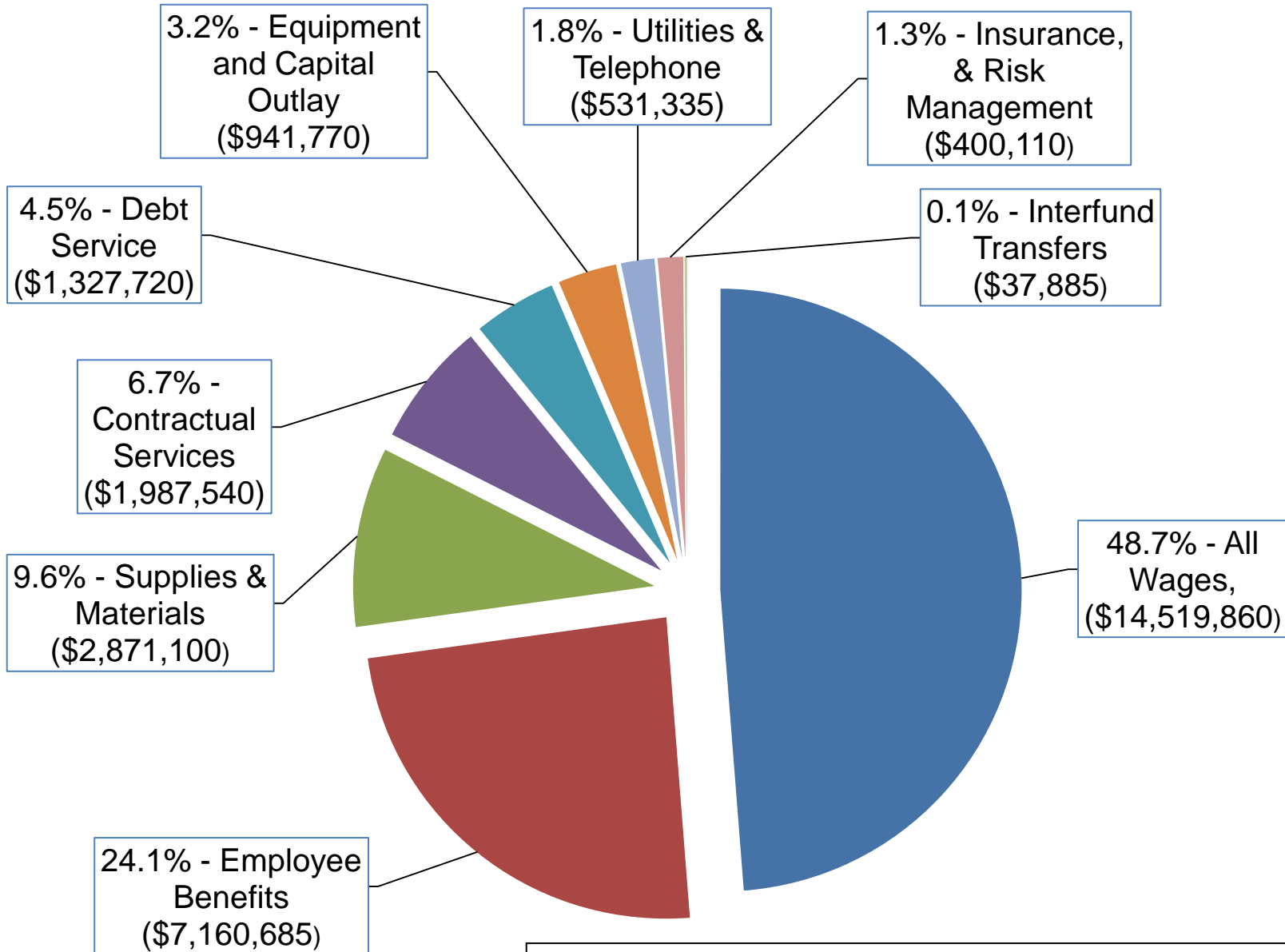


Total Net Appropriations: \$29,770,260

TOWN OF BRIGHTON – 2023 BUDGET

(10/26/2022)

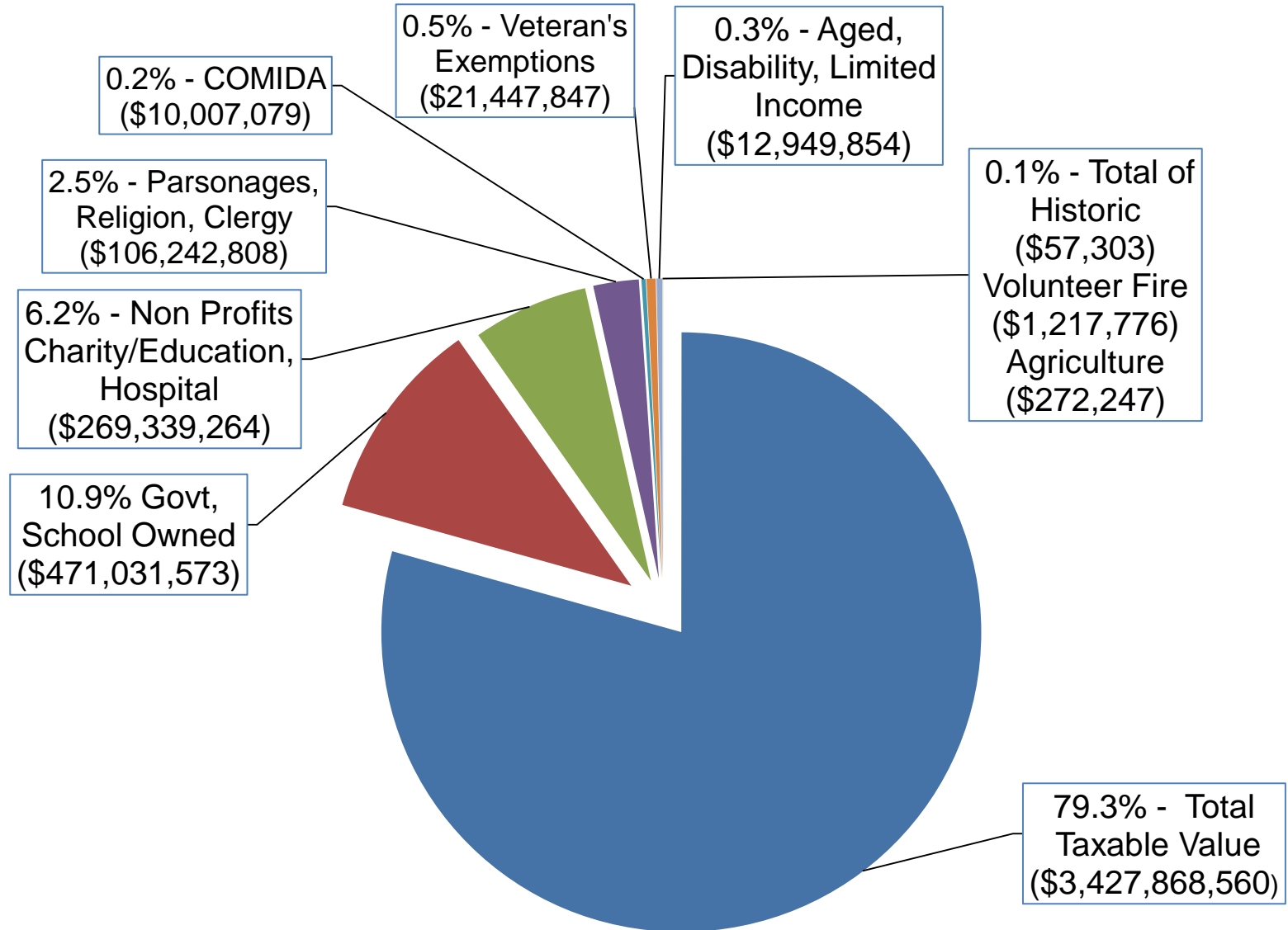
NET APPROPRIATIONS BY EXPENDITURE TYPE



Total Net Appropriations: \$29,778,005

TOWN OF BRIGHTON – 2023 BUDGET

DISTRIBUTION OF ASSESSMENT EXEMPTIONS (for illustration only 89% Equalization Rate)



Total Assessed Value: \$4,320,434,311

Exemptions: \$892,565,751

Equalized Total Assessed Value 4,320,434,311

LOCAL GOVERNMENT EXEMPTION IMPACT 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	52,792,022	1.22
13100	CO - GENERALLY	RPTL 406(1)	178	233,228,764	5.40
13500	TOWN - GENERALLY	RPTL 406(1)	266	26,323,034	0.61
13800	SCHOOL DISTRICT	RPTL 408	15	142,387,640	3.30
13870	SPEC DIST USED FOR PURPOSE ES	RPTL 410	11	6,255,169	0.14
18020	MUNICIPAL INDUSTRIAL DEV AGENC	RPTL 412-a	3	10,007,079	0.23
18180	UDC OWNED NON-HOUSING PROJEC	MC K UCON L 6272	1	10,044,944	0.23
21600	RES OF CLERGY - RELIG CORP OWN	RPTL 462	3	686,067	0.02
25110	NONPROF CORP - RELIG(CONST PR	RPTL 420-a	36	105,526,404	2.44
25120	NONPROF CORP - EDUCL(CONST PR	RPTL 420-a	11	73,458,034	1.70
25210	NONPROF CORP - HOSPITAL	RPTL 420-a	3	25,272,860	0.58
25230	NONPROF CORP - MORAL/MENTAL IM	RPTL 420-a	17	7,438,539	0.17
25300	NONPROF CORP - SPECIFIED USES	RPTL 420-b	22	145,758,257	3.37
25500	NONPROF MED, DENTAL, HOSP SVC	RPTL 486	3	3,071,461	0.07
25600	NONPROFIT HEALTH MAINTENANCE	RPTL 486-a	1	702,697	0.02
26250	HISTORICAL SOCIETY	RPTL 444	1	430,449	0.01
26400	INC VOLUNTEER FIRE CO OR DEPT	RPTL 464(2)	2	330,225	0.01
28110	NOT-FOR-PROFIT HOUSING COMPAN	RPTL 422	1	667,978	0.02
28520	NOT-FOR-PROFIT NURSING HOME C	RPTL 422	1	12,538,989	0.29
41001	VETERANS EXEMPTION INCR/DECR	RPTL 458(5)	64	5,124,526	0.12
41121	ALT VET EX-WAR PERIOD-NON-COMI	RPTL 458-a	328	6,146,309	0.14
41131	ALT VET EX-WAR PERIOD-COMBAT	RPTL 458-a	198	6,151,798	0.14
41141	ALT VET EX-WAR PERIOD-DISABILI	RPTL 458-a	90	3,831,596	0.09
41151	COLD WAR VETERANS (10%)	RPTL 458-b	20	167,933	0.00
41171	COLD WAR VETERANS (DISABLED)	RPTL 458-b	1	25,685	0.00
41400	CLERGY	RPTL 460	18	30,337	0.00
41640	VOL. FIRE & AMBULANCE WORKERS	RPTL 466-c, 466-f, 466-j, 466-	32	887,551	0.02

Equalized Total Assessed Value 4,320,434,311

Exemption Code	Exemption Name	Statutory Authority	Number of Exemptions	Total Equalized Value of Exemptions	Percent of Value Exempted
41700	AGRICULTURAL BUILDING	RPTL 483	1	67,416	0.00
41720	AGRICULTURAL DISTRICT	AG-MKTS L 305	1	204,831	0.00
41800	PERSONS AGE 65 OR OVER	RPTL 467	170	11,659,843	0.27
41930	DISABILITIES AND LIMITED INCOM	RPTL 459-c	16	1,290,011	0.03
41963	HISTORIC PROPERTY	RPTL 444-a	2	57,303	0.00
Total Exemptions Exclusive of System Exemptions:			1,525	892,565,749	20.66
Total System Exemptions:			0	0	0.00
Totals:			1,525	892,565,749	20.66

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: **\$493,400**

<u>PILOTS SUMMARY</u>	
Industrial Development (COMIDA)	\$ 43,555
County Owned	18,500
Non-Profit Charitable, Mental, HCP	5,375
Non-Profit Community Services	376,680
Non-Profit Nursing Homes	49,290