

Village of Trumansburg 2010-2011 Budget Explanation

Every year in June, property owners in the Village of Trumansburg receive a Village property tax bill. This year the proposed tax rate (amount of tax charged per every \$1,000 of assessed value) is \$6.57 or 5.3% higher than last year and the tax levy (amount of the budget that is paid for by property tax) is proposed to be 5.8 % higher than the previous year, though much lower than last year's 22% increase. Several residents have asked for an explanation as to why there is a proposed increase in the tax levy.

A brief word on tax rates, assessments, and the local real estate market

It is important to note that the assessed value of any property in Tompkins County is set by the Tompkins County Assessment Office. In the past, an assessor would base a property's assessed value, at least in part, on visual inspection. At present, assessed property values in Tompkins County are based primarily on recent sales prices of comparable properties within a defined area. Assessed property values (based on sales) have held steady in Tompkins County, bucking the national trend. Some areas, including the Village of Trumansburg, continue to see an overall increase.

The budget process

The budget process begins in September – for fire and emergency medical services (EMS) – and is finalized in April. For this year's budget there were four public meetings that the Village Board held to discuss the budget. The public hearing for the 2010-2011 will be held on April 5, 2010 at 7 pm in the Village meeting room. The Village operates on a June 1 to May 31 budget year. The general budget - which includes all Village operations except for water and sewer (which are funded by user fees) – is made up of expenses and revenues. Revenues come mostly from three major sources – the Village's share of Tompkins County sales tax (estimated to be \$240,000 for the 2010 – 2011 budget year), fire/EMS contract with the towns of Ulysses, Hector and Covert (\$531,910) and Village property taxes (\$728,318). Property taxes are actually the final number derived during the budget process. After expenses have been pared and tallied, non-property tax revenues are subtracted. The resulting "shortfall" becomes the property tax levy. These three sources account for about 86% of the total revenue of the \$1,737,828.00 in the 2010/11 budget. There is very little direct New York State funding, about \$45,000 per year, mostly in highway funds and some direct aid.

Expenses or "What does the Village spend money on?"

The Village provides many services to residents including police coverage, fire protection, ambulance/emergency medical service, street maintenance (paving, repair, snow removal), brush/leaf pickup, fire and safety inspections, building permit issuance, garbage/recycling pickup, the farmer's market, and youth programs to name a few. Some of these services have fees associated with them, but these fees do not cover the cost of the service. The Village has the equivalent of 13 full time staff spread over the various Village Departments. The Police Department represents 13% of the total budget (of

which 80% is salary); the Department of Public Works is 11%; Fire/EMS is 20% (of which 83% is in salary); and Village Office staff (Clerk, Treasurer, Zoning, Code Enforcement and fire inspections) is 3%. Staff benefits costs and energy costs represent about 10% and 20% of the budget, respectively. Additionally, this budget year included expenses related to building maintenance and repair (\$56,955.), required training of staff, elected officials pay (\$14,000), youth services (\$79,400. which was largely offset by fees), Main Street Project bond service (\$53,000) and small contribution to the Ulysses Philomathic Library.

Why is the tax levy going up by 5.8%?

There are two ways in which the tax levy can increase – either revenues decrease or expenses increase. On the revenue side, a major change this year was in the amount of County sales tax that the Village estimates it will receive. Because of the decrease in overall economic activity in Tompkins County, we are estimating that sales tax revenue will be down 10% from last year, or about \$25,000.

On the expense side, several areas saw notable increases in the 2010-11 budget cycle including employee benefits (\$41,879) and Workers Comp. (\$13,105). In addition, Village employees (which does not include elected officials) did receive a 3% cost of living increase. The combination of a drop in revenue along with these increases in expenses resulted in the tax levy increase of \$38,123.00, or 5.8%, over last year.

What does the Village do to lower/control the tax levy?

The Village Board has made several adjustments in an effort to reduce expenses, which is the only means we have at our disposal to control the tax levy. First, in 2008, the Village entered into a cooperative agreement with Trumansburg Central Schools to share our vehicle fueling facilities. Prior to this, the Village had purchased gas and diesel from Bowers Fuel. Upon their closing the Village was faced with the choice of either installing our own fueling tanks or purchasing fuel at higher prices from local gas stations. By entering into a shared services agreement with the School, the Village saves \$20,000 to \$30,000 per year in fuel costs through the sharing of tanks and facilities, and gaining access to state contract fuel prices.

Second, the Village is joining a health insurance cooperative made up of other municipalities in Tompkins County. By creating a “pool” of employees from all the member municipalities it allows the cooperative to purchase health insurance at more favorable rates. It is still being determined how much this will save the Village while maintaining the same high quality of coverage for our eight employees that use our health insurance plan.

Additionally, the Village received a grant to conduct a thorough energy audit to identify possible energy savings. We are also interested in other potential cooperative arrangements with the Town of Ulysses and the Trumansburg Central School District to share facilities and/or staff to reduce each of our costs. We encourage Village residents to

suggest ways for us to further cut costs and to look at our detailed budget available on the Village website (www.trumansburg-ny.gov) and make comments either in person at the April 5, 2010 public hearing on the proposed budget or in writing (or email) to by 4 pm April 5, 2010 to Tammy Morse, Village Clerk (Tammy Morse, clerk@trumansburg-ny.gov).

Sincerely,

Village of Trumansburg Board of Trustees

Marty Petrovic, Mayor

Debbie Watkins, Trustee

Christopher Thomas, Trustee

Rordan Hart, Trustee

Debbie Nottke, Trustee

April 1, 2010