

# TOWN OF CHEEKTOWAGA



2021 Preliminary Budget Hearing  
October 27, 2020

# The Budget Process

- ⦿ Early August - requests are sent to each department head
- ⦿ Late August - departmental requests due to Supervisor and are then reviewed and evaluated
- ⦿ Late August/early September – departmental budgets accumulated and department heads meet with the Supervisor and Director of Finance
- ⦿ Mid September - payrolls, benefits, debt service, estimated revenues are all computed
- ⦿ Mid September – complete budgets for each fund, determine tax rate implications and make adjustments
- ⦿ September 30 - File tentative budget
- ⦿ October - hold public hearing, consider comments and make adjustments
- ⦿ November - Adopt budget and submit to County (by 11/20)

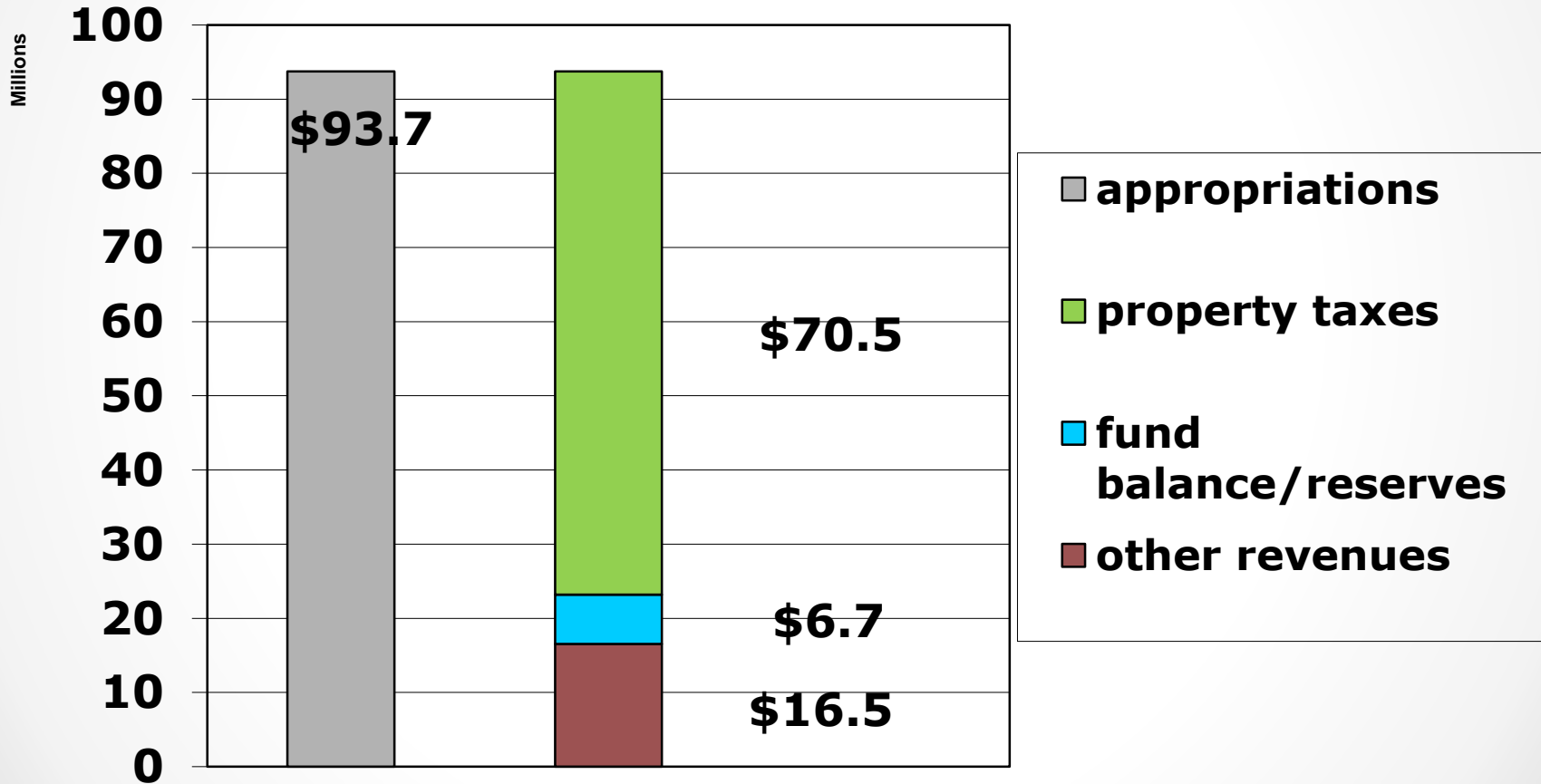
# TOWN OF CHEEKTOWAGA

Two budgets for consideration:

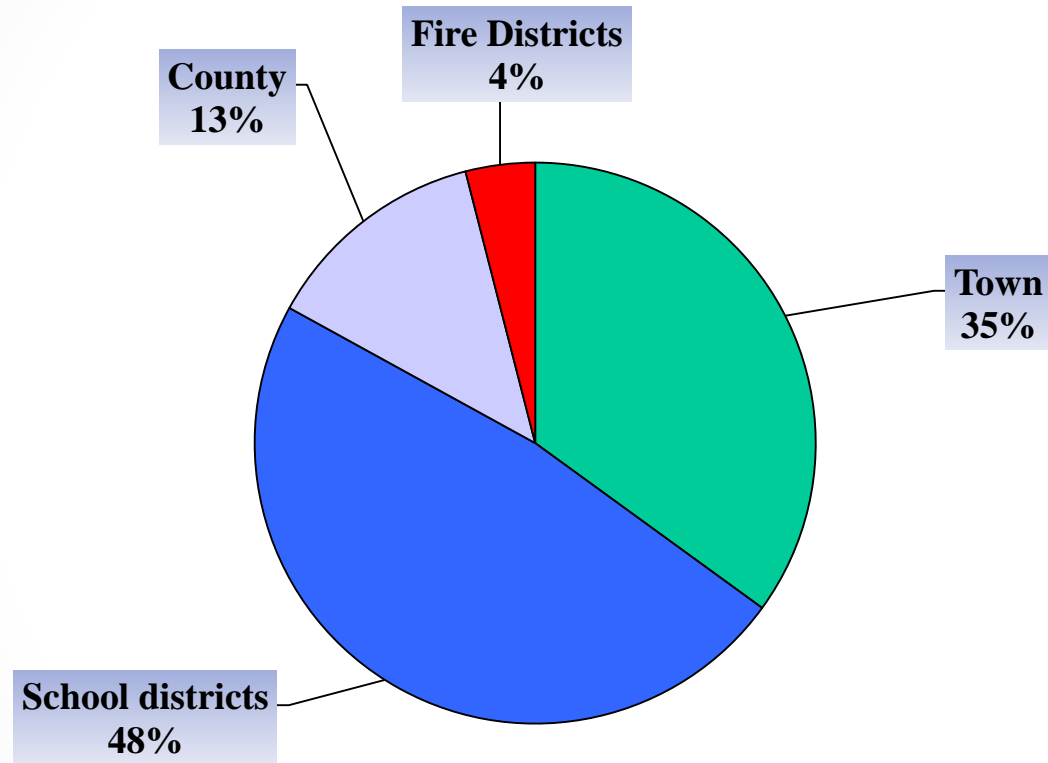
- **Benefit Basis Budget**
  - Termed such because taxes are levied on the basis of the level of services received
  - Includes sewer, hydrant districts, and drainage
- **Ad Valorem Budget**
  - Termed such because taxes are levied based on assessed real property value
  - Includes general, town-outside village, highway, garbage and lighting funds

1	A	B	C	D	E
1	<b>Town Of Cheektowaga</b>				
2	<b>Summary by fund</b>				
3	2021 Tentative Budget - September 30, 2020				
4			<i>Tax</i>	<i>Appropriated</i>	<i>Other</i>
5	<i>Description</i>	<i>Appropriations</i>	<i>Levy</i>	<i>Fund Balance</i>	<i>Revenues</i>
6	<b><i>BENEFIT BASIS BUDGET</i></b>				
7	<i>SANITARY SEWER DISTRICTS</i>				
8	Sanitary Sewer #1	\$ 12,542	\$ 10,842	\$ 1,650	\$ 50
9	Consolidated Sewer District	13,196,060	12,132,460	775,000	288,600
10	Sub-total	13,208,602	12,143,302	776,650	288,650
11					
12	<i>DRAINAGE DISTRICT</i>				
13	Master Drainage District	535,476	496,706	37,510	1,260
14					
15	<i>HYDRANT DISTRICTS</i>				
16	Hydrant District #1	88,972	86,907	2,000	65
17	Hydrant District #2	33,192	32,466	700	26
18	Hydrant District #3	39,668	38,642	1,000	26
19	Hydrant District #4	120,149	118,061	2,000	88
20	Hydrant District #5	40,447	39,417	1,000	30
21	Hydrant District #6	115,337	106,192	9,000	145
22	Hydrant District #8	39,919	38,889	1,000	30
23	Sub-total	477,684	460,574	16,700	410
24					
25	<b>Benefit Basis Grand Total</b>	<b>\$ 14,221,762</b>	<b>\$ 13,100,582</b>	<b>\$ 830,860</b>	<b>\$ 290,320</b>
26					
27	<b><i>AD VALOREM BUDGET</i></b>				
28	<i>GENERAL FUND</i>				
29	Town Outside Villages	45,425,899	37,774,841	2,726,643	4,924,415
30	Village of Depew	5,432,869	3,958,015	885,901	588,953
31	Village of Sloan	1,209,793	992,712	85,933	131,148
32	Village of Williamsville	21,441	17,594	1,523	2,324
33	<i>Total General Fund</i>	52,090,002	42,743,162	3,700,000	5,646,840
34	<i>Highway Fund</i>	13,460,369	3,339,510	1,300,000	8,820,859
35	<i>Part-Town</i>	2,098,841	0	450,000	1,648,841
36	<i>Consolidated Garbage</i>	9,536,006	9,109,956	300,000	126,050
37	<i>General Lighting</i>	2,325,410	2,246,958	70,000	8,452
38					
39	<b>Ad Valorem Grand Total</b>	<b>\$ 79,510,628</b>	<b>\$ 57,439,586</b>	<b>\$ 5,820,000</b>	<b>\$ 16,251,042</b>
40					
41	<b>TOTAL BUDGET</b>	<b>\$ 93,732,390</b>	<b>\$ 70,540,168</b>	<b>\$ 6,650,860</b>	<b>\$ 16,541,362</b>
42					
43					

# How The Budget Works



# Average homeowner's tax bill



# Tax cap

- The NYS Property Tax Cap is limited to an increase in property taxes to the lower of:
  - Two percent; or
  - the rate of inflation which for 2021 has been determined to be 1.56%
- The Town's allowable increase in tax levy per the NYS calculations is \$2,452,669
- Our proposed increase is \$1,586,853
- The Town is within the tax cap per NYS guidelines

# Appropriations by function

Public Safety (Police & code enforcement)	35.2%
Highway & Street Lighting	16.9%
Sewers, Storm Drainage & Hydrants	15.6%
General Govt –courts, assessor, town clerk, & admin offices	11.8%
Garbage & recycling	11.4%
Culture & Recreation – parks, youth, recreation & seniors	9.1%



# Other Revenues

- Our “other revenue streams” are decreasing due to impacts of the pandemic
  - Sales tax estimate has been decreased by -\$700,000
  - Interest rates significantly decreased impacting interest income by -\$195,870
  - State payments of Aid and Incentives to Municipalities (AIM) is expected to be reduced by 20% or -\$164,000
  - Court fines have been impacted with lower allowed cases being heard due to social distancing requirements. Our estimates are a loss of -\$110,000
  - Town clerk fees have been reduced due to the pandemic by -\$80,000
  - Our scheduled Payments in Lieu of Taxes (PILOTs) are down -\$58,755

**Overall our Other Revenue number is down a total of \$1,275,935**

# Appropriation changes

- Savings from newer employees replacing higher paid employees who retired:
  - Salaries - \$124,066
  - Vacancies until new hire employees start - \$100,000
  - Lower longevity payments -\$31,990
  - Lower amount of sellbacks due to less time - \$18,347
- Decrease in OT budgets – cut \$12,739
- Union wage increases for step adjustments +\$41,000
- New computer support assistant due to high technology demand with remote work and new technologies being implemented
  - Net of part time salary cuts adds a net cost of \$17,307

# Appropriation changes

- New full-time records clerk in the records dept – add a net cost of \$9,514
  - Cut the dept part time wages to reduce the impact
- Part-time & seasonal payroll
  - Reduce seasonal budgets in sewer and highway by total of \$58,000
  - Cut part-time budgets in many departments by \$76,494
- Total payroll adjustments – reduction of \$353,492
  
- Equipment purchases increased in total by \$8,932

# Appropriation changes

- Non Personnel (Outside contracts or services) appropriations
  - Erie County chargebacks for assessment challenges decreased \$113,844
  - Electricity savings by participating with the Erie County electric consortium \$199,775
  - Estimated outside legal cost increase \$39,750
  - Contracted cost for assessment project \$56,900
- Items that increased due to contractual agreements:
  - Erie County sewer district charges to our sewer district - \$40,000
  - Sanitation landfill costs increased for CPI - \$70,000
  - Recycling program contract - \$14,259
  - Police car and body camera data storage costs \$117,240
- Total Contractual lines increases were \$643

# Appropriation changes

- Fringe Benefit cost changes due to the following:
  - Payroll taxes decreased due to lower payroll costs by \$21,800
  - Retirement costs driven mainly by the NYS retirement system cost increases \$1,234,074
- Debt service decreases due to some debt being fully paid in 2020 totaled \$111,739
- Insurance cost increases related to workers compensation, general liabilities and unemployment cost additional \$53,000

# Appropriated fund balance

- This is basically what we believe we can use of our cash reserves.
- We plan to use additional reserves to lessen the impact of the loss of revenues that will hopefully return in 2022
- The amount we added in 2021 is \$498,700.

# Budget change summary

	<b>Appropriations</b>	<b>Other Revenues</b>	<b>Appropriated Fund Balance</b>	<b>Tax Levy</b>	<b>Total</b>
2020 budget	\$ 92,922,772	\$ 17,817,297	\$ 6,152,160	\$ 68,953,315	\$ 92,922,772
Adjustments for 2021					
Additional other revenues		(1,275,935)			(1,275,935)
Additional fund balance to use			498,700		498,700
Payroll decreases	(353,492)				
Equipment increases	8,932				
outside contracted costs increases	643				
Fringe benefits	1,212,274				
Debt service change	(111,739)				
Municipal insurance costs	53,000				
Amount of property taxes to balance budget	-	-	-	1,586,853	1,586,853
Total adjustments	809,618	(1,275,935)	498,700	1,586,853	809,618
% change	0.87%	-7.16%	8.11%	2.30%	0.87%
2021 Budget	\$ 93,732,390	\$ 16,541,362	\$ 6,650,860	\$ 70,540,168	\$ 93,732,390

# 2021 Benefit Basis Budget

	<u>2020</u>	<u>Preliminary 2021</u>	<u>avg tax bill change</u>
Consolidated Sewer Mandated User Charge	\$ 366.00	\$ 377.00	\$ 11.00
Consolidated Sewer Tax Amount	46.33	43.70	(2.63)
Hydrant District Tax Amount	15.22	16.06	0.84
Drainage District Tax Amount	14.67	12.17	(2.50)
	<u>\$ 442.21</u>	<u>\$ 448.93</u>	<u>\$ 6.71</u>

(Based on \$100,000 assessed valuation)



# Townwide (ad-valorem) taxes

	<u>2020</u>	<b>Preliminary</b> <u>2021</u>	<b>Avg home</b> <b>taxbill</b> <b>change</b>
Town General Fund	\$ 892.77	\$ 925.15	\$ 32.38
Highway Fund	80.35	81.79	1.44
Consolidated Garbage	207.90	220.46	12.56
General Lighting	54.48	52.85	(1.63)
	<u>\$ 1,235.50</u>	<u>\$ 1,280.25</u>	<u>\$ 44.74</u>

(Based on \$100,000 assessed valuation)