

Memo

To: Farmington Town Board Members
From: Peter Ingalsbe, Budget Officer
CC: Farmington Town Clerk, Confidential Secretary, Accountant 1
Date: 9/9/2022
Re: Tentative Budget for 2023

This year the task of creating a Tentative Town Budget for 2023 was a little bit easier than the 2021-2022 budget done towards the end of COVID. Sales tax has increased over 2021, and we have received the full amount of the VLT money. Mortgage tax is lower, but our second payment should cover expected revenues.

Other factors that are taken into account are the State's tax cap, no relief from state mandates and increased operating cost (i.e., fuel, road materials, workman's Comp. wages & medical coverage). The Town continues to be fiscally solvent as we have savings for our Capital projects and building fees were up this year and are projected to be healthy again in 2023.

Our current General and Highway funds continue to be debt free, our reserves for equipment replacements continue to be acceptable and our savings are adequate for the time being. We have fully funded the new Beaver Creek Park and improvements to other town parks. There are three budget sessions scheduled in the next three weeks before we finalize this budget. Currently the General & Highway tax rates as listed in this tentative budget are slightly higher (.13%) than the 2022 tax rate. (\$1.0247 per thousand verses \$1.0260 per thousand for 2023)

This Tuesday September 13, 2022, Farmington Town Board and the Town Board from Victor have a joint meeting in Farmington to discuss with the Victor-Farmington Ambulance Board the request for additional funding. The VFVAC is up over 200 calls from 2021 and Medicare reimbursements do not cover the costs to outfit a crew. The financial support requested from each Town is \$250,000 for 2023. The increase in funds would add increase ambulance coverage. There would be more trained members to be hired with an increase in pay to keep competitive as well as funds set aside for a Capital Project. We have addressed this below and as always is subject to change.

Here is a summary of the Tentative Town Budget for 2023:

General Fund: Is a \$9,057,569. or a decrease of \$8.28% with a \$1.02 tax rate per thousand of assessed value.

Highway Fund: Is a \$3,659,533 budget an increase of 18% from last year. Tax levies are the same tax rate as the General Fund.

Drainage District: The Tax Levy increased from \$.212 cents per thousand to \$.221 per thousand or 4.33%.

Fire Protection: Tax Levy is up slightly, projected to be \$0.58 cent per thousand or + 1.74%

Lighting Districts: Six lighting districts are down, five have the same tax rate, and seven districts are up. Energy costs have generally leveled out and fund balance has been used wherever possible to lower the tax levy. We still do not have the LED streetlight total costs from the New York Power Authority but we expect to be making payments by the end of the year.

Water Districts: This continues to be tough to project financing due to varying water usage, nonpayment by customers and expensive projects required to update our aging waterlines. Overall, we have increased expenses by \$562,837.00 compared to 2022. Some of those fund amounts are offset as we are using Federal ARPA funds. The amount of water fund balance used this year is \$200,000.00. Major expenses are proposed for BAN/BOND funding to the Brickyard Water Tank Project, another phase of a new water line on North Road in Canandaigua, additional water line work with intersection improvements at 332 & Collett. We also budgeted a waterline replacement on Mertensia road North of NYS Route 96. Funding of the reserve for a future equipment building will continue. The tax rate will go up from \$.85289 to \$.86785 per thousand of assessed value. We will also increase the water usage rate for 2023 even if there is no increase in water costs from the City of Canandaigua. If there is an increase from the City of Canandaigua that will also be added to the water usage rate in January 2023.

Sewer District: This is a \$4.8 million-dollar budget supported entirely by user fees, and for major Capital projects the Town of Victor also contributes to the projects in Victor or at the WWTP. The budget has increased by \$388,434 for 2023. We will be looking at some cuts during the workshop sessions as the draft sewer budget uses \$573,810.00 in fund balance. The other option is to increase the sewer rates.

Sidewalk Districts (7): While expenses are up due to higher personnel costs and equipment purchases, the tax rate is down in three districts, and there is an increase in the tax rate for four districts.

I would like to thank the department heads for their budget input and a big Thank-you to my Confidential Secretary Marcy Daniels and our Accountant 1, Jeannine Marciano for their many hours putting the budget numbers together and making the budget books for the Town Board.

This tentative budget has been filed with the Town Clerk; and is to be presented to the town board. The Board will review my budget and adjust. The Town Board has three workshops scheduled in September with each Town department and our outside agencies. October 4th will be the final time any adjustments can be made prior to the Preliminary Budget. October 25th is the proposed date to approve the 2023 budget once the Public Hearing on the budget is held on the same day. The last date to approve the budget by law is November 20, 2022.

Pl:md

Enclosure

2023 Tentative Budget