

2021 Town of Ulysses Preliminary Budget
Information for the October 29, 2020 Public Hearing
Prepared by Nancy Zahler on behalf of the Ulysses Town Board

Ulysses Town Board Members

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The Town Board began budgeting in April 2020 when COVID-19 began to affect sales tax revenue, which represented 20% of our Town income. 2020 spending was curtailed and the COVID economy informed the 2021 budgeting process. The 2021 Preliminary Budget evolved from the Tentative Budget developed by Supervisor Nancy Zahler and Deputy Supervisor/Budget Officer Michelle E. Wright based on requests from Town staff and contractors, and strategic direction from the Town Board on September 22, 2020.

The full Town Board carefully reviewed every line item in the Tentative Budget during six open review sessions from October 1-21st which included opportunities for public comment. The Town Board made changes to incorporate updated information and adjusted spending and revenue estimates to address its priorities and achieve what it believes is a high level of town services at a reasonable tax rate for these uncertain times.

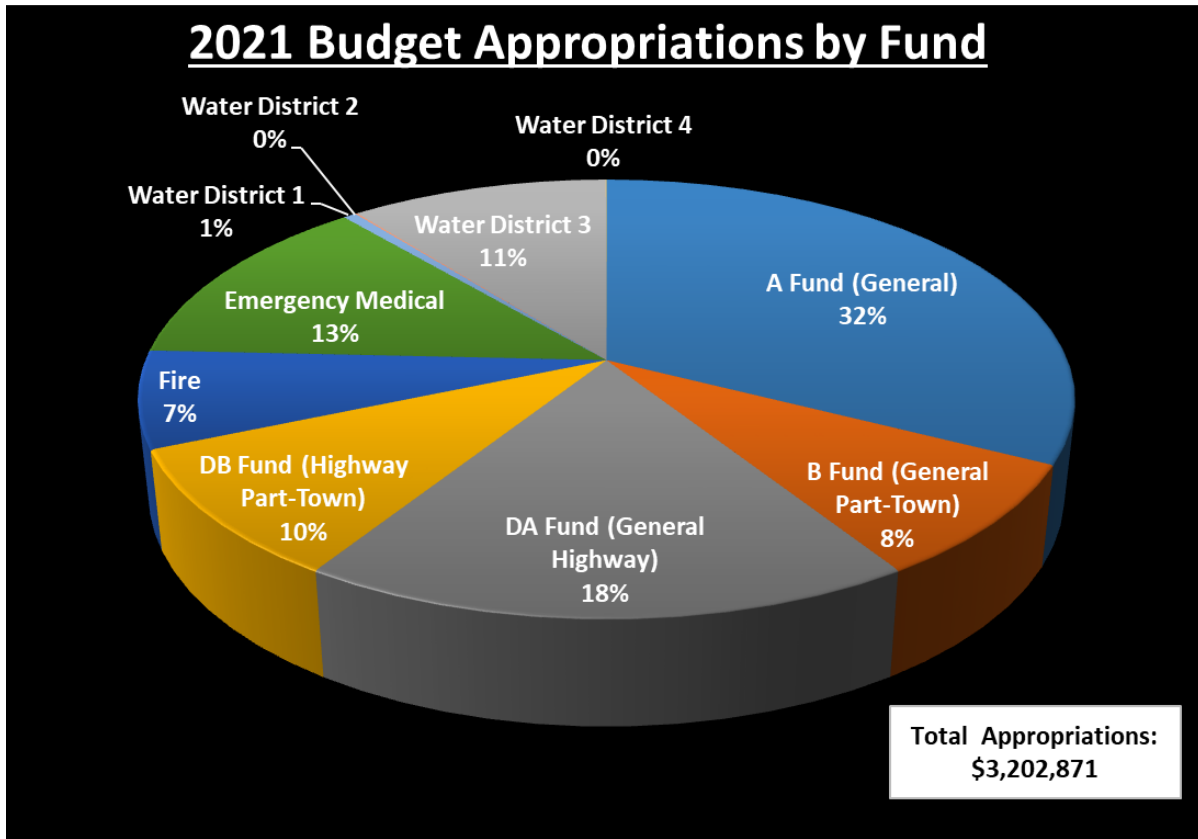
INTRODUCTION:

Section 6-12 of the NYS Home Rule Statute allows town boards to budget for and adopt local laws concerning the property, affairs or government of the town, including: the care of highways; the protection and enhancement of its physical and visual environment; and the protection, order, conduct, safety, health and well-being of persons or property.

The annual budget for any municipality is a policy document that reflects local values and describes the services and priorities the elected officials believe are in the best interest of its residents. A public hearing is not only required but it is an opportunity for the Town Board to inform our residents about how the proposed services and priorities will be funded and to seek feedback on the proposed spending and taxation levels. The structure and format of the budget are defined by the NYS Comptroller's Office and are not always labeled with user-friendly titles. This narrative is an effort to offer a clearer summary of the proposed budget. A few key points:

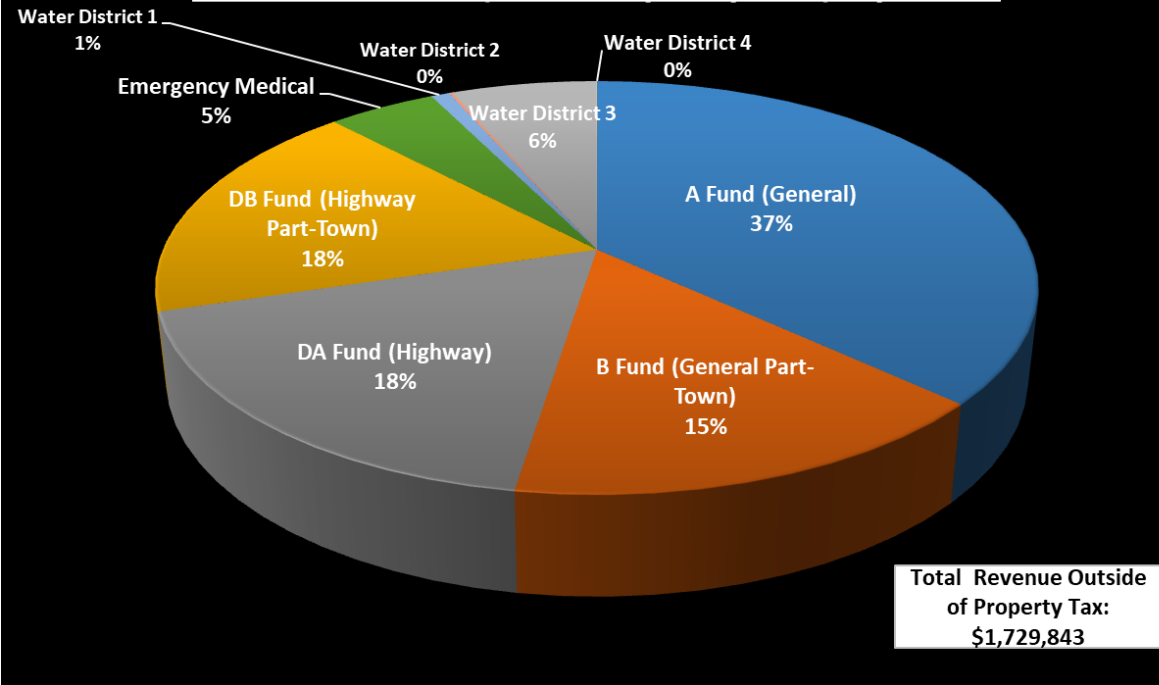
- The Town Budget provides some services for all town residents through the A General Fund and DA Highway fund. Additional services are provided for just those residing outside the Village of Trumansburg and are included in the B Fund and the DB Highway Fund. These are two distinct tax bases and there are separate tax rates to reflect this distinction.
- Town tax bills vary depending on whether you live in the Village or outside and on the assessed value of your property.
- The budget must be balanced. The total proposed appropriations or spending must be offset by revenues which can come from sales tax, mortgage tax, state and county aid, fees for services, town savings and/or property taxes.
- The tax levy (or the number of dollars raised by property taxes) is calculated after all other forms of revenue are used to offset total spending (appropriations). The gap is filled by taxpayers through property taxation. The tax rate/\$1000 of assessed value is determined by the total to be raised by taxes (the tax levy) divided by the total assessed value of all property in the town and multiplied by 1000.
$$\text{Tax Rate} = (\text{Tax Levy} \div \text{TAV}) \times 1000$$
- If you live within a water district, your assessed cost is based on the number of units in each district and costs are distributed proportionally. Your tax bill will reflect your units and your share of the costs.

THE BUDGET AT A GLANCE

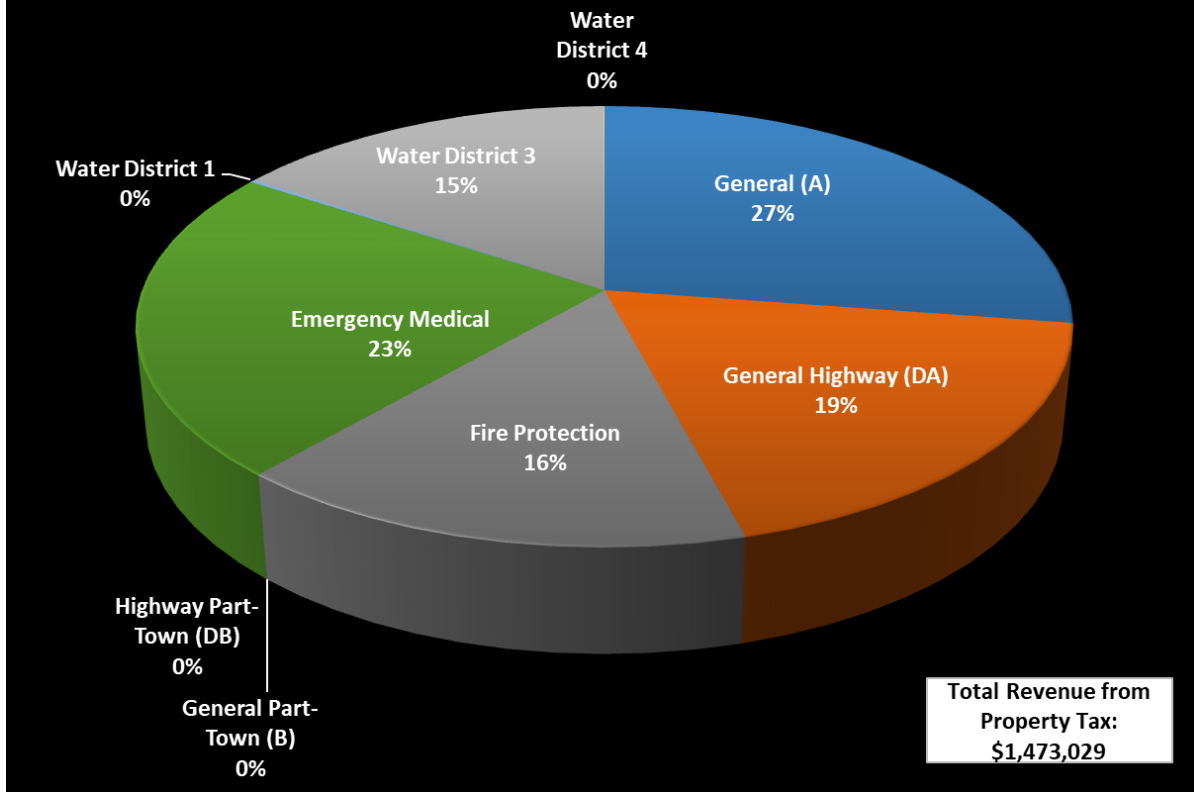


Fund	Fund expenses	Who pays for it through the tax levy
A "General fund"	Town Hall and Town Court staff salaries, Highway superintendent salary, benefits, facilities costs, Town Hall utilities, communication and mailing costs, youth, community, and environmental services, attorney costs	Town and village residents
B	Building code officer salary, Zoning/Planning officer salary, benefits as applicable, flood and erosion control administrative costs	Funded primarily by sales tax. No property tax is used.
DA	Machinery costs, bridge maintenance, brush and weed control, snow removal, highway staff salaries and benefits	Town and village residents
DB	Highway maintenance, highway staff salaries and benefits	Funded primarily by sales tax. No property tax is used.
Water	Water purchases, administrative costs, infrastructure and maintenance costs SW3 = Water District 3	Those in the water district
Fire/ EMS	Fire (SF) and EMS (SM) services	Town residents, outside the Village
Other	Lighting	Town and village residents

2021 Revenue (Not Property Tax) by Fund



2021 Budget Property Tax Revenue by Fund



2021 BUDGET HIGHLIGHTS

- Property values in the Town increased. The County Assessment Department determined that the Total Assessed Value or TAV of all taxable properties in the Town increased slightly for 2021 to \$551,791,930 after a larger increase in 2020.
- The 2021 Town of Ulysses total budget is \$ **3,202,871** or 8.22% less than the 2020 total budget.
- The 2021 Budget reflects a **2.27% decrease** in the overall final tax rate of **\$2.5801/\$1,000** taxable assessed value (TAV) for Ulysses residents living outside the Village of Trumansburg **and \$1.2236/\$1,000** TAV for residents of the Village of Trumansburg.
- The tax bill on a home in the Town outside the Village with a 2019 median value of \$216,000 will be **\$557.30 or \$12.96 less than 2020**. The members of the Ulysses Town Board understand that many of our residents are struggling in this COVID economy. And since the tax bill for Ulysses taxpayers will also include the County's taxes which will be increasing for 2021, we endeavored to be prudent stewards of public funds by keeping the Town portion of the tax bill as stable as possible while maintaining current services.
- The total taxes proposed to be raised through the levy will be **\$1,473,029 or \$15,442 more than 2020**. This represents a 1.06% increase in the tax levy and falls well below the NYS Tax Levy Limit of 3.1050%, or the equivalent of \$45,258, set for 2021 for Ulysses.
- Costs for Fire and Emergency Medical Services (EMS) are down slightly for 2021 but will increase significantly over the next five years. The combined cost of Fire & EMS is \$647,683 and represents **38.42% of the Town's budget** over which the Town Board currently has no control.
- Due to the economic impact of COVID-19, the Town expects to collect a total of \$506,760 or 18% less revenue from sales tax in 2021 than budgeted in 2020. With less sales tax and more 2021 COVID-related cuts from New York State and Tompkins County, our total revenues, not including property tax, are expected to be \$193,564 or 10% less than the 2020 budgeted amount.
- With less revenue anticipated, the Town Board **reduced total spending by \$286,987 or 8.22%** by trimming general operational costs and making targeted reductions in highway spending recommended by the Highway Superintendent. Additionally, some reductions are related to the completion of two major projects in 2020.
- Non-union employees will receive a 1% raise.
- Union employees in the Highway Department will receive a \$.25/hour increase for 1.1% raise in 2021.
- With careful tightening of non-personnel costs, the Town was able to maintain a staffing model that allows the Town to continue to provide full services to the public. We were able to avoid the layoffs that we've seen elsewhere because our budget relies less heavily on sales tax and state aid and years of careful budgeting created a buffer to ease tax increases.
- All contracts with community organizations providing environmental, cultural and social services for youth, seniors, and veterans were maintained at the 2020 funding levels and the Town gathered more information about the programs to better track performance and inform future budgets.
- We have set aside an amount equal to 25% of the appropriations in our A, B, DA and DB fund in the Town's Fund balance as a hedge against uncertain economic times.
- A total of \$90,00 has been recommended across all funds to add to reserves for planned future expenses.
- **In summary, the 2021 budget has maintained current services and saved for uncertainty while increasing funds for priorities and keeping property taxes stable.**

2021 Town of Ulysses Revenue projections:

- Sales Tax revenue projected for 2021 is proposed at \$506,760 or 82% of the 2020 adopted amount. This is more optimistic than the 70% loss scenario adopted by the Town at the beginning of the pandemic-related economic shutdown in April 2020 and is based on economic indicators, County confidence, and cautious optimism.
- The Mortgage Tax projection was increased to \$90,000 from \$65,000 budgeted for 2020. Although the 2020 projection has already been exceeded, a larger increase in this volatile source was not deemed prudent.
- New York State Aid has been reduced: Assistance to Municipalities is projected at \$0 based on uncertainty and represents a \$33,000 loss in 2021.
 - NYS CHIPS funding for highway repairs is projected at 80% of the 2020 allocation.
- Tompkins County Aid cuts range from 12% for youth services to 13.48% for plowing county roads.
- Anticipated grant revenue is projected for Court/Town Hall improvements in safety and accessibility which may not be made if the grant is not funded in 2021.
- Fee revenue is projected to be relatively stable. New ambulance fees are under consideration but no additional revenue increases are included in the 2021 budget.

2021 Changes in spending across all funds

- Health Insurance premiums through the Greater Tompkins Health Care Consortium will increase 3.8%
- Of the 17 employees of the town, 14 are eligible for insurance. 7 staff and 1 retiree participate in the Town's high deductible health insurance Gold Plan. Others have independent coverage. The Town will increase Health Savings Accounts contributions by providing 50% of the increased out of pocket maximums, per the Town's Personnel Policy.

2021 Changes in the A fund- serving the whole Town

- Realignment of the functions within the Supervisor's office continues to include both supervisory and budget officer duties for the Supervisor while slightly increasing the hours for the blended budget officer/ deputy position to offset the planned decrease in bookkeeper hours and added responsibilities for capital projects and water district planning and administration.
- An 80% reduction in spending in the Town Hall equipment line reflects the completion of the largely State-funded Heating, Ventilation and Air Conditioning project.
- The increase in the Contingency Account line to a total of \$40,000 reflects a shift from including informal contingencies in each non-personnel line to allocating funds for unanticipated spending in the Contingency Fund as recommended by the NYS Comptroller. This will require board-approved budget modifications to transfer funds to address unanticipated needs.
- The Highway Department will replace and relocate old bulk fuel tanks to an improved location at an estimated expense of \$25,000 as well as add LED lights at the Town Barn to save energy and costs. GPS units will be installed on all Highway trucks to track activity and efficiency.
- Expansion of Highway Superintendent duties related to maintaining the Town Hall facility, parks, and increased supervisory responsibility for water operations are reflected in a corresponding salary increase of 2% for the added responsibilities.
- An additional \$350 has been included in the Streetlights account line to convert 10 LED streetlights owned by NYSEG in 2021, an expense with a 4-month payback resulting in future savings of around \$900/year.
- Recreation Department: The 20 hour/week Recreation Director position is being flexed to reduce hours for the recreation director during late Fall and Winter increasing to ~20 hrs/week to prepare for Spring and Summer programming. Since taking over the Recreation Program from the Village in 2019, the Town budget lines are becoming more clearly defined by seasonal programming. Increased fees are planned to offset nearly all program expenses. When United Way reduced funding for recreation and youth services, local funds were reduced from the youth employment program to make up the shortfalls.

2021 Changes in B fund- serving the Town outside the Village

- Priority spending on enforcement and planning:
 - Attorney fees, which are a combination of Town counsel and enforcement counsel fees, were increased by \$5,000 or 20% to support increased 2021 code and zoning enforcement.
 - Code enforcement officer hours are increased from 20 to 27 hours/week to manage current projects and assist with zoning enforcement and a job title change will expand the duties.
 - Software costing \$20,000 will improve the efficiency in and coordination between the building and zoning departments and come from the B fund's Capital Reserve account.
 - Consulting and Engineering fees were increased by \$9,500 to \$17,500 to pay for possible water district engineering, the Fire Service research proposal and for plans to update planning data in anticipation of updating the Comprehensive and Agricultural Protection Plans.
- The Planner contract expenses line is 70% less due to less spending to update zoning codes.
- \$20,000 in capital reserve spending is proposed to pay for the automation software upgrade for building and zoning staff.

2021 Changes in DA and DB funds for Highway

- \$65,000 requested by Highway for F550 truck with a dump body and plow (to be more versatile than an outdated truck) is recommended. This vehicle was originally scheduled for purchase in 2020 but was deferred to 2021 due to COVID cutbacks.
- Spending \$7,500 for a zero turn mower and trailer will enable existing Highway staff to mow cemeteries and parks rather than contracting out for the service, saving approximately \$4000-5,000/year starting in 2022.
- The Highway Superintendent plans to flex staff scheduling to make it safer for employees and more efficient for the Town by saving some overtime expenses.
- To improve winter road safety and reduce the negative environmental effects of salt, a new more expensive road treatment has been used since 2020 and will cost \$18,000 more in 2021.

2021 Water District 1 (CARS)

- A re-stated agreement with CARS has been approved by the Town to replace the 30 year old agreement.
- In the course of updating the contract, an analysis of the operation of the district identified an under-funded repair reserve. A \$3,000/year increase will be charged to users for the next five years to build a repair reserve of at least \$15,000, in anticipation of more frequent breaks in this aging system.

2021 Water District 3 (Jacksonville)

- A working group within the Town has been analyzing the staffing and administrative functions required to operate, bill for, and plan for the district. More detailed line items now break out expenses to improve tracking and planning. There are several changes being proposed for 2021:
 - The rate/water unit is proposed at \$607.28, a decrease of 1.3%
 - The rate/1000 gallons of water used will be \$9.6642, reflecting an increase from the Town of Ithaca and a share of water loss.
 - New water system tank and aerator technology will make monitoring more efficient, reducing the number of hours of water operator time needed.
 - More frequent testing at fewer hydrants will improve water quality monitoring data.
 - Repair funds are budgeted in anticipation of possible breaks in the aging system.
 - The debt on the water system will be higher in 2021 due to a balloon payment built into the interest-free loan ending in 2024.
 - WD3 users will also be paying off the remaining costs for the aerator upgrade over the next three years. By borrowing from other town reserves, the project saved bonding costs.
 - The Town will resume regular reconciliations with the Town of Ithaca to share the cost of water loss and a new line has been added to track that anticipated revenue.

Fire & EMS

- Combined, the Fire and EMS cost \$647,683 and represent 38.42% of the Town's total tax levy.
- The Village is projecting costs for both Fire and EMS to be less in 2021. However, the Village is planning to significantly increase our Town's share of the cost of fire protection starting in 2022 by shifting to a formula that relies heavily on the assessed value of properties in each of the municipalities served by the Village operated departments. As the municipality with the largest assessed taxable value, Ulysses will see the largest increase while the village and other municipalities served by the Village Fire and EMS departments will pay less.
- Similar changes are likely to increase the cost of ambulance services, but the specifics have not been released. To account for anticipated increases in contract expenses with the Village, the tax levy for ambulance service has been increased by 1.5% and the Town will be considering increasing ambulance fees for users and their insurance companies while maintaining its generous financial assistance policy to provide relief to those in need.
- In the current structure, the Town and other municipalities contract with the Village for fire and EMS and have no vote in decisions related to how services will be provided, including a possible expansion of the territory served by EMS, which could negatively affect the timeliness of service to Ulysses residents. Therefore, a nominal amount has been budgeted in the B Fund for a planning study to research the feasibility of alternative methods for providing fire and ambulance services and/or shared decision making.

In conclusion, I know the other members of the Ulysses Town Board join me in thanking all of the staff and volunteers serving on boards who have shown the highest level of commitment and resilience during this pandemic. Department heads provided thoughtful planning and full cooperation to enable the Supervisor's office to develop an improved budget. The new more detailed version of the working budget will enable departments and the Board to better track and analyze spending and revenues. Together, we have created a budget that we believe balances our fiscal responsibility to tax payers with spending to sustain our great services, improve efficiency, increase code enforcement, while planning and saving for the future.

TIME TREND DATA FOR TOWN OF ULYSSES

