

Mayor's Budget message  
For the 1 March 2015 Budget Workshop

**A reflection of the past year**

As we begin the planning for our finances for the coming year, we should reflect on accomplishments of the past year and our goals for future. The priorities we defined last year, as expressed verbally and in the resource allocations in our budget were **sustainability and improved quality of life**. Quoting from last year's budget message: "... we planned improvements to our administrative infrastructure for sustainability – in particular the treasury and the building departments; community character features that enhance the environment and help bring the village together as a community; and enhancements to our road network planned over the previous year that we hoped will improve the livability of the neighborhoods." Here's a list of the some of the results of our efforts:

- We transitioned our payroll function to a commercial service which provides streamlined accounting and tax filings as well as reduces our reliance on in-house accounting expertise
- We invested in our building department with a newly certified Code Enforcement Officer. Our new CEO has re-organized the Building Department with documentation and processes that will help increase compliance with state and local codes and regulations and increase the quality and safety of the building stock in our community. With this investment, we have already seen improvements in services from the building department and compliance with codes in the community.
- We re-surfaced Gardner Hill Road with a "double chip seal" over the excellent gravel base we had invested in for years. This new hard surface should reduce dust and improve drivability in this densely developed area. This should be a substantial improvement for the livability of the Gardner Hill neighborhood and, if the surface maintenance and quality prove to be as good as we expect it to be, we hope to be able to re-surface other unpaved roads similarly in the future.
- We made some progress on the build out of our Bell Park. Our Cookie Contest in the Fall proved to be an enjoyable community event which raised funds for the construction effort in the Bell Park. Hopefully, we will be able to utilize those funds to bring the vision of the Bell Park to fruition.
- We have formed a Senior Advocacy Committee to identify unmet needs of our senior residents and look for solutions to satisfy those needs. This committee is just getting started in their efforts to enhance our community's support of, and engagement with, our most experienced neighbors.

Progress was made on many fronts in pursuit of our priorities of sustainability and improved quality of life in our village. Much of our budget is non-discretionary, but we should continue to use the budget process to make sure our modest discretionary financial resources are allocated wisely to have the greatest impact on the important issues of our community.

### **Our current financial picture – the summary**

The bottom line is that we are still in good shape financially. Revenues were impacted by a dramatic reduction in mortgage tax receipts and a slowdown in sales tax income. Expenditures were mostly in line with expectations with the exception of the snow removal line – the very harsh winter we are enduring has been a significant drain and may continue to be so. We must plan for the worst and rely on our fine DPW team to make the most of the resources we've allocated to keep our roads clear and safe. We will spend about \$12,000 more this year on snow removal over last year (over a third more!). And we supported our new CEO's goals of re-organizing the Building Department by increasing the salary line for the department by \$8,000. Even though these reductions in revenue and increases in expenses tilted our balance sheet negatively, my proposed budget for the coming year includes only a 1% increase in our tax levy while returning our projected balance sheet positive again.

### **What changes are reflected in the proposed budget?**

There are several significant changes in the proposed budget:

- I have proposed keeping the building department salary line at the increased \$12,000 level while adding a deputy position to the department. I propose the salaries for the positions be \$8,000 for our CEO and \$4,000 for the deputy CEO. This brings the department up to the standard configuration we have tried to put in place for all of our critical roles. We will try to fill the deputy's position with another certified CEO to give Mike a real backup and to distribute the workload more reasonably.
- Additionally in the Building Department, I expect that we will spend the \$1,000 we have allocated in the contractual line in the budget for the department, even though we have not spent it in the past. The department desperately needs some information technology support. This year, I expect that Digital Towpath will have a viable codes module available that will greatly improve the records and processes of the department. If the new module meets the needs of the CEO, this budget line will be used. Otherwise, we will continue to look for a cost-effective way to acquire some IT resources to support the department.
- I expect that we will do no road construction this year. We will observe the performance of Gardner Hill Road and start planning for surface improvements on other roads in the coming years. We will roll over the CHIPS allocation for this year into next year to help fund a major surface improvement as we did with Gardner Hill Road this year. And I expect that we will realize a reduction in road maintenance expenses as Gardner Hill Road will no longer need dust control or grading.
- I have included a very modest increase in the salaries of the DPW staff. While they are still clearly undercompensated for the tremendous time they invest in their jobs, I hope the increase will at least let them know that their efforts are greatly appreciated. The increase amounts to just over 2%. No other salaries are changed in the proposed budget.
- I certainly hope that this winter's snow and ice load will not become the norm. But we must assume the worst and plan for a comparable load. While I have kept the budgeted amount the same, I expect to see some savings in lower costs from our contractors since

fuel costs have come down considerably. If our current contractors cannot lower their costs, we will have to try to re-bid the contract this summer.

- I have included \$3,000 in the Parks budget, reflecting the amount raised through donations and the Cookie Contest in support of the Bell Park construction effort. While it is technically an allocation from our general funds, it is really setting aside what has been generously contributed by donors and does not represent an allocation from our taxes or other revenues. We may decide to spend other funds on the construction effort once plans and proposals have been received and evaluated, but at this point, the Parks budget only reflects donations.
- I have also created a new budget line called Senior Advocacy Projects (A8670). At this point, the new Senior Advocacy Committee is just getting started. But I am hopeful that we will have another (second annual?) Cookie Contest this Fall that will raise funds for the SAC effort. Like the Parks budget line, I expect this line to be funded, at least initially, by donations and fundraising, not from the general fund. That is reflected in the revenue side of the budget. Note that I expect they will raise \$1,500 and spend only \$500 this year as they begin to formulate programs in pursuit of their mission.
- A change not in the budget itself, but in the presentation is the addition of an Estimated Target column. I used this column to show what I expect to actually be spent on each line. While the budget in many cases covers what we hope to be the worst case scenario, if we actually spend the complete appropriation on each line, we would have no carry-over to the following year. The unexpended balance is typically between 40% and 50% of the budget each year. So we certainly don't expect to spend all that we appropriate each year. The new column shows what I expect our target expenses will be.

### **What about taxes?**

As mentioned above, the proposed budget includes a 1% increase in the total levy. That translates to about a 1¢ per \$1,000 increase to \$1.846/\$1,000. In contrast, the current town DB-fund tax (for town residents outside of the village) is \$3.306/\$1,000. So, residents of the village save about \$1.46/\$1,000 in taxes with this proposed budget.

### **Summary**

I am proposing a budget that just barely breaks even (revenues just slightly above expenses). I certainly hope the economy continues to improve, which should increase sales tax revenues. And I certainly hope next winter is easier than this winter. But I believe the budget is an appropriately conservative plan that should preserve our current strong financial health even if neither the economy nor the weather cooperates, while continuing to allow us to make progress on our priorities.