



Town of Sweden *Snapshots*

Special Edition—2016 Budget

Your tax dollars at work:

- Snow plowing—129 lane miles
- Road maintenance
- Sanitary sewer system
- Storm sewer system
- Seymour Library
- Community Center
- Senior Center
- Town Park
- Veterans Support
- Medical Loan Closet
- Lakeview Cemetery
- Five other historic cemeteries
- Spring junk pick-up
- Fall brush pick-up
- Sidewalks
- Public parking lots in village
- Electronic recycling
- Justice Court
- Dog Control
- Rabies clinic
- Farmers Museum
- Assessment services
- Building Code Enforcement
- Planning & Development
- Fire Marshal
- Handicapped parking passes
- Hunting, fishing licenses
- Marriage licenses
- Notary services
- General election coordination
- Town Historian
- Street lights
- Newsletter

I am pleased to announce that all the services listed in the column on the left, and more, are included in the 2016 Sweden Town Budget **and** that most of you will pay a few less Town tax dollars in 2016.

In addition, the 2016 budget is well under the NYS-imposed property tax cap—despite the cap dropping to less than one percent.

How did we do this? First, we cut spending by \$31,059. Most of that can be attributed to the elimination of one justice position. The town court has never been, nor should it be, a profit center. The 2015 town budget dealt with the \$70,000 loss in court revenues due to the Village of Brockport's new court. The loss in revenue led to the tax cap override in 2015.

The 2016 budget allows us to off-set some of that loss by the elimination of one judge position and decreasing some court contractual costs.

We are also seeing a decrease in some areas of employee benefits—our workers' compensation premiums have decreased and the rate of contribution to the New York State Retirement fund decreases for 2016.

We used some of that decrease to increase appropriations in the highway department. We've had two difficult winters in a row and the cost of road salt has increased dramatically. Hard winters are a double-edged sword—not only do they create more costs in snow removal—but we've had to up our road repair budget lines because more remedial work needs to be done.



Rob Carges, Supervisor

The bottom line is that the tax rate will drop in 2016—two cents per thousand for properties in the Village of Brockport and five cents per thousand for properties in the town outside. That's good news for property owners.

On the next page, you'll notice that a village home assessed at \$125,000 is only paying \$4.99 more in Town taxes than it did in 2008; a \$125,000 home in the town outside the village is paying \$34.17 more in Town taxes than it did in 2008—the difference is the highway levy, to which village taxpayers do not contribute.

If you have any budget questions, please give me a call at 637-7588 or attend the budget public hearing on October 27 at 7 pm at the Town Hall.

Understanding the New York State property tax cap law

The 2016 Sweden Town Budget is the fifth budget subject to the New York State 2% property tax cap law. However, the 2% cap tax cap is not really 2% and has not been for the past three years.

The 2016 budget levy tax cap is less than one percent—.73%. The Town of Sweden's preliminary budget levy is well under this .73% tax cap. The 2015 tax cap was 1.56% (meaning that the 2016 cap is less than half the cap of 2015) and the 2014 cap was 1.66%.

To further complicate taxpayers' understanding of the property tax cap law—the cap is not really a percentage increase over the previous year's levy. There are several factors that are added, subtracted or used as a multiplier. Some of the factors are:

- Tax base growth factor
- Pilots receivable prior fiscal year
- Pilots receivable coming fiscal year
- Carry over prior year
- Net transfer of function
- Tort actions in excess of 5% of prior levy
- Increase to the average actuarial contribution rate of pension funds over 2 percentage points

The NYS property tax cap law requires a municipality to hold a public hearing if it is planning to override the tax cap. Since the Town of Sweden is **not** planning to exceed the cap, no public hearing will be necessary this

year. There will be a public hearing on the budget itself on Tuesday, October 27 at 7 pm at the Town Hall.

The Town of Sweden's tax cap calculations are included as part of the budget presentation. At this point in the process, the tentative budget is \$11,588 **under** the allowable tax levy. Once the final budget is adopted (either following the budget public hearing on October 27 or at a subsequent Town Board meeting in November), the tax cap calculations will be filed with the New York State Comptroller's Office for validation.

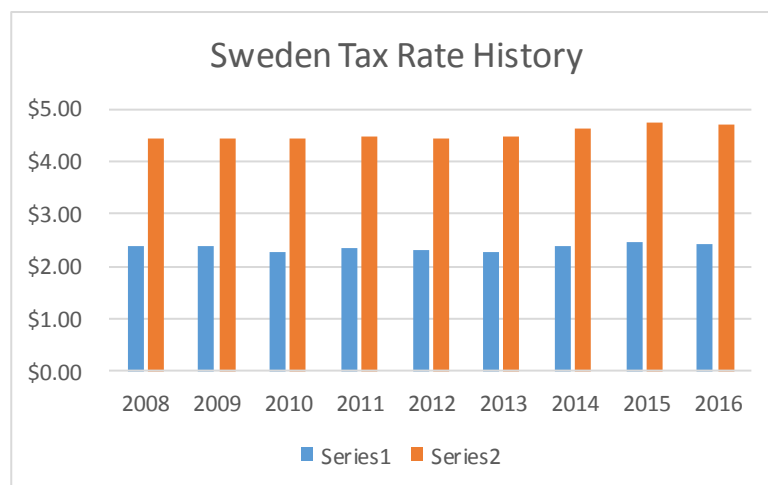
Some economists are predicting that the tax cap percentage will be even lower for municipal budgets in fiscal year 2017. The \$11,588 that the Town is under the cap this year may count as a "carry over of prior year" towards the 2017 tax cap calculation. That may be very helpful if the tax cap does indeed fall to even less than the 2016 cap of .73%.

The article below shows that actual taxes on properties in the Town of Sweden have grown at far less than two percent per year even prior to the tax cap. For example if taxes on a \$125,000 house in the town outside had grown by 2% a year, the homeowner would be paying \$648.81 in 2016, \$60.89 more than they actually are. Village homeowners would be paying \$351.49, \$46.50 more than they actually are.

The Town has done a better job at controlling taxes on properties than the state's property tax cap law might allow.

Sweden Town Taxes for a \$125,000 house over nine years

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Village	\$300.00	\$300.00	\$286.25	\$290.63	\$287.50	\$285.25	\$298.38	\$307.08	\$304.99
Outside	\$553.75	\$553.75	\$556.25	\$559.25	\$557.50	\$558.63	\$581.38	\$593.94	\$587.92



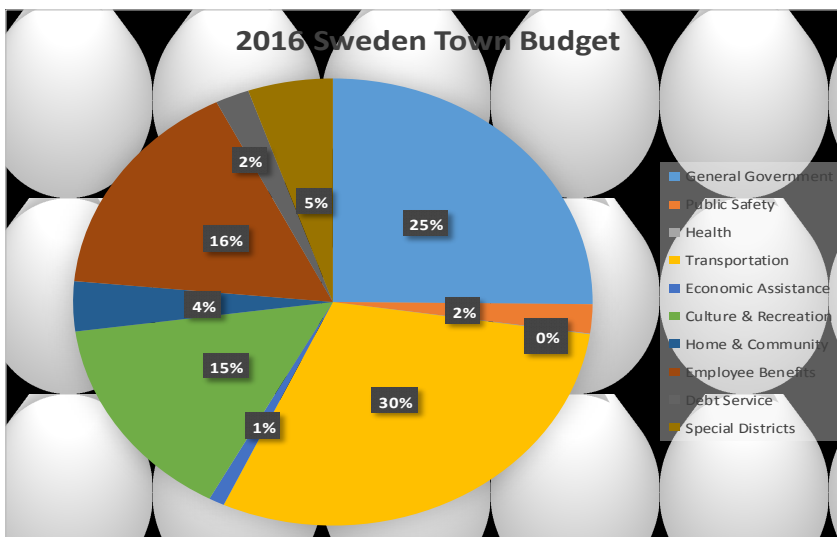
The graph at the left shows the Town of Sweden Tax Rate for properties in the Village of Brockport in blue and for properties in the Town outside in orange. As you can see, the tax rate has stayed relatively flat over the nine-year period. For 2016 the rate drops slightly from 2015.

The chart above shows the town taxes paid on a house assessed at \$125,000 both inside and outside the village. As you can see, the homeowner in the village will pay \$4.99 more in taxes in 2016 than she did in 2008; a homeowner outside the village will pay \$34.17 more in 2016 than 2008. The difference in the increase is the Sweden highway budget. Some houses in the Town outside the village pay special district charges also, some do not.

2016 budget by category

NYS requires municipalities to report its budget in the following categories:

Transportation	\$1,453,000
General Government	\$1,235,153
Culture & Recreation	\$ 736,986
Employee Benefits	\$ 791,405
Home & Community	\$ 176,800
Debt Service	\$ 103,525
Public Safety	\$ 103,198
Economic Assistance	\$ 47,850
Health	\$ 2,500
Special Districts	\$ <u>259,320</u>
TOTAL	\$4,909,737



Sweden Town Board cuts spending in 2016 budget

The Sweden Town Board has cut spending in the 2016 budget by \$31,059. The list above shows the dollar amount proposed for each of the major budget categories. What follows here is the dollar amount of change from the 2015 budget by category. You will note, that some categories did increase, most notably transportation (the highway budget).

<u>Budget category</u>	<u>Change from 2015</u>
Transportation	+\$33,150
General Government	- \$1,746
Culture & Recreation	- \$24,329
Employee Benefits	- \$40,400
Home & Community	+ \$6,305
Debt Service	- \$4,145
Public Safety	+ \$1,048
Economic Assistance	+ \$1,150
Health	\$0
Special Districts	- <u>\$2,092</u>
TOTAL CHANGE	- \$31,059

The General Government category includes the court, town clerk, assessment, tax collection, town and support boards, legal and audit services, as well as buildings. Culture and Recreation includes the Town of Sweden’s share of the Seymour Library, the Community Center, Park, and Farmers Museum. The Public Safety portion of the budget provides dog control, building inspection and fire safety. Economic Assistance is a specialized portion of the budget for programs for the aging. This is in addition to senior programming covered in the Culture

and Recreation budget. Health is a tiny portion of the budget that pays for drug testing of employees in the highway department and buildings and grounds/park department.

Special district summary

As a whole, the special district levy is declining by \$2,092. However, with 23 separate special districts, some are increasing and some are decreasing.

There are nine lighting districts in the Town. The combined levy is increasing by \$1,415. Two of the districts have declining levies; one has a flat levy; four have increases of less than \$100. The Hilltop Estates lighting district levy is increasing by \$1,005; the Fieldstone Acres levy by \$500. The only expense in a lighting district is the National Grid bill for street lights.

There are seven water special districts. Six of those water districts have debt service and those debt service charges are not included in the special district summary. The biggest increase will be for the new water district on Monroe Orleans County Road. Five homeowners are participating in a water district cooperatively with the Town of Clarendon. Those homeowners will share a debt service payment of \$3,710.

There are three sewer special districts, combined those levies are decreasing by \$131. There is one sidewalk district with a flat tax levy; one special park district with a flat tax levy. There are two drainage districts; only one with a tax levy this year and that levy is increasing by \$1,010. View the full special district budgets online at www.townofsweden.org

Town of Sweden bonded indebtedness

The Town of Sweden’s bonded indebtedness is very low—far below the state constitutional debt limit. The constitutional debt limit is calculated by multiplying the taxable assessed valuation of the Town by seven percent. $\$618,029,397 \times 7\% = \$43,262,058$. The Town’s bonded indebtedness year end 2016 will be \$285,000 in the general fund; and \$962,220 in water and sewer districts for a total bonded indebtedness of \$1,247,220. As you can see, the Town carries 42 million dollars **less** in debt than it is allowed.

The general fund debt consists of bonds for the reconstruction of Hollybrook Road and for the development of the Sweden Town Park. The majority of Sweden’s debt is in water and sewer district debt. The only taxpayers who contribute to the repayment of water and sewer bonds are those who live in those special districts. Principal payments scheduled in 2016 are:

General Fund:	\$85,000	Shumway Water:	\$4,000
Gallup Water:	\$10,000	Swamp/Salmon Water:	\$2,000
Colby Water:	\$ 4,000	4th Section Sewer:	\$3,000
East Ave Water:	\$ 3,581		

* Interest payments are additional

Schedule of Elected Officials	Salary
Supervisor	\$25,918
Councilperson (4)	\$7,559
Justices (2)	\$19,987
Highway Superintendent	\$75,949
Town Clerk	\$46,290
Receiver of Taxes	\$21,328

Town taxes are a very small % of your property tax bill, especially if you live in the Village

The graphs to the left show the breakdown of property taxes in the year 2015—they do not reflect the decrease that taxpayers will see in the 2016 Sweden Town Budget.

The top graph shows that a \$125,000 house in the Village of Brockport paid \$6,360 in total true taxes (STAR exemptions were left out of the calculations for this analysis as were all other possible exemptions). Of the \$6,360, only \$307 or 4.8% was paid to the Town of Sweden.

The bottom graph shows that a \$125,000 house in the Town outside the Village of Brockport paid \$4,947 in total true taxes (again STAR and all other exemptions were excluded). Of the \$4,947, \$594 or 12% was paid to the Town.

Some properties in the Town of Sweden have special district charges—it is not possible to show all the different combinations here.

For 2016, the dollar amount of Town taxes the typical property owner in and outside the village will drop. The percentage of the total taxes attributed to the town may also drop depending on what the other taxing authorities—the county, the school district, the village, the fire district—do in their next budgets.

The Town is responsible for setting assessments for all tax authorities. The Town has the least to gain or lose (other than the fire district) by raising or lowering assessments. For example, a \$20,000 assessment increase on a \$125,000 home only nets the Town \$49 in the Village; \$94 in the Town outside. More importantly taxes gained by raising assessments are **EXCLUDED** from the tax cap. Assessment increases do **NOT** benefit cap calculations.

