

Budget Message

2020 Budget Public Hearing

As Town Supervisor, I believe the 2020 tentative budget is an optimistic but aggressive budget. The overall goal; a sound but sustainable fiscal status for the Town with as minimal impact as possible upon the tax payers, has been maintained through this and the three budget cycles I have presented. Following the budget cycle of 2016, and based upon a review of a three-year fiscal period, the NYS Comptroller's office issued a report officially determining the Town of Oswego to be under fiscal stress. This consequentially led to an audit review by the NYS Comptroller's Office. Starting with my first budget in 2017, and with the help and support of the Oswego Town Board, I have presented aggressive budgets, which while initially not well received, have been aimed at fiscal strength and sustainability. These budgets also worked to implement the many and detailed recommendations of the team of auditors from the State. I am very pleased to announce that, based upon a recent letter from the NYS Comptroller's office, the Town of Oswego is no longer in Fiscal Stress. There are three main reasons why the Town was removed from the Fiscal Stress category:

1. While our Fund Balance still does not meet recommended levels, we have increased our Fund Balance. Additionally, the Highway Department had negative Fund Balances for many years and now has a positive Fund Balance.
2. The Town has reduced its level of indebtedness. One main reason for this is the refinancing of the Town Hall, which saves the Town about \$85,000 over about 15 years.
3. The Town has reduced the percent of expenditures devoted to personnel and fringe benefits to below the recommended 65% limit. In 2015 66.69% of expenditures were personnel related. In 2019 this was reduced to 54.44%. This was done by replacing full time staff who retired with part time staff and by reducing the fringe benefit costs in the labor contract.

An additional reason for removing the Fiscal Stress indicator was the Town has placed increased emphasis on meeting its budget. Looking at the combined General Fund Budget and Highway Budget, the Town of Oswego exceeded the budget every year from 2006 to 2016. Additionally, for 8 of those 11 years, there was deficit spending, that is the Town's expenditures exceeded the total revenues. During this period, the Town's Fund Balance was reduced by over \$618,000. By the end of 2018, the Fund Balance was increased by over \$153,000 from 2016 levels.

While the main focus of the 2016 audit from the State was implementation of some additional financial and IT standards and practices, they also had detailed recommendations regarding how funds are allocated between the General Fund and the Highway Fund. While NYS statute is quite clear in giving the Highway Superintendent complete control of the Highway Department, the auditors repeatedly emphasized that if an expense or revenue is not directly related to the maintenance of the Town's highways, bridges and culverts, it is not a highway expense or revenue. That is; "if it doesn't directly pertain to the roads, it doesn't pertain to the highway budget". This budget therefore continues the efforts to remove the unrelated expenses and revenues from the highway budget. Past budgets removed all expenses related to the maintenance of buildings, including the highway garage, from the highway budget. This budget moves the cost of residential brush pickup from the Highway Fund budget to the General Fund Budget. Additionally, this budget recognizes that any revenues or contracts received by the Town for services to roads other than Town roads must be reviewed and approved by the Town Board in addition to approval of the Highway Superintendent.

Finally, it was a key recommendation from the NYS Comptroller's office that all budgets must examine more than one year of history and future financial status. Accompanying this budget are detailed histories of at least five years of revenue and expenditures. Schedules of expenditures or revenues, such as indebtedness or PILOTs, which are incurred over more than one year are also fully listed and detailed as part of this budget. A main emphasis of eliminating the Fiscal Stress designation has been the establishment of a Fund Balance Policy and a fiscally healthy Fund Balance. This budget reflects a level of sustainability and fiscal growth and stability, while having minimal impact upon the tax payers and remaining within mandated Tax Cap requirements.

By implementing new budget practices and accounting procedures recommended by the NYS Comptroller's office, the Town of Oswego has reached a sustainable level of expenditures and revenues which will provide for a more consistent tax rate. It is expected that the focus on saving, efficiency and achievable budgets will continue. The Town is committed to maintaining its current fiscal status and monitoring of the Town's costs and procedures.

The Town of Oswego has implemented quite a number of cost reduction procedures in addition to those mentioned above. Some of these include limiting spending, reducing energy costs and using better energy conservation practices, and becoming more efficient overall. However, an emphasis has been placed on increasing revenues and bringing additional resources to the Town. The overall value of taxable property in the Town has increased, thus helping to reduce the burden upon individual home owners. We are beginning to see increased benefits from such additions to the Town as the new Dollar General Store, Lakeside Commons student housing and expansion at the apple processing plant.

The following is a summary of the Town's tax rates for the past four years.

Year	Tax per \$1000	Previous year	Increase per \$1000	% increase
2020	\$481.33	\$475.28	\$6.05	1.27%
2019	\$475.28	458.41	\$16.87	3.68%
2018	\$458.41	388.46	\$69.95	18.01%
2017	\$388.46	\$346.29	\$42.17	12.18%