

November 15, 2018

Dear Richmond Residents,

On November 13th, the Richmond Town Board adopted a 2019 budget for our municipality, after holding a budget hearing and two tax cap override hearing sessions. Taxpayers should be aware that this budget proactively addresses several pending financial impacts for the Town of Richmond.

The 2019 budget does increase overall town property tax levy by 11.8%. This generates an additional \$111,000 in revenue for the Town, offsetting an estimated reduction in fund balance expenditure from 2018 to 2019, as well as a modest reduction in other anticipated revenue such as sales tax.

\$100,000 of the additional tax revenue will be placed in reserve to replace several pieces of aging equipment that have become costly to continue to repair. This will allow the Town to purchase equipment outright in the future rather than finance it, which will ultimately reduce interest costs and the bottom line for taxpayers. The remaining \$11,000 will be put in the Parks fund to replace the roof on the Sandy Bottom bath house, a deferred maintenance item that will prevent more costly repairs to an asset of the community in the future.

It is important to note that Town tax makes up a small portion of property owners' January tax bill, so the impact to property owners will be a modest increase of approximately \$3 a month (\$34 annually) for a parcel valued at \$103,000. By making this small increase now, the goal is to stave off larger increases in the future.

Additionally, the tax levy increase will not prevent local taxpayers from receiving a NYS property tax relief credit in 2019, as was recently incorrectly reported in media coverage. Changes in the state's tax relief program now tie these rebates only to local school districts, not municipalities.

No local official wants to raise taxes. The Town Board has opted over the past few years to utilize Richmond's fund balance to keep tax increases as low as possible with the goal of meeting New York State's 2% tax cap. However, while Richmond is in good financial shape, it is not sustainable to draw more from the fund balance than is replaced during the year. There are also several additional reasons not to spend down the operating capital in Richmond's unallocated fund balance at this time.

First is the anticipation of upcoming highway repairs. Several culverts have been recently repaired, but others still need work and maintenance has now been deferred for several years. And, if we experience another 100-year storm in 2019, we will need an unallocated fund balance. The current Town Board plans to explore the creation of a gully, culvert and road maintenance reserve fund for future years to ensure that the Town does not have to resort to financing 100% of such infrastructure repairs while waiting for reimbursement grants.

Second, we must be prepared to match grant funds that may be awarded to Richmond to address key community needs. The Town has already applied for a Mill Creek Streambank Stabilization and Remediation grant, to mitigate flood risks for local homes and businesses; and for The Honeoye Hamlet Transportation Corridor Study Grant, which would improve walking, biking and parking within the community while helping to fund the current Comprehensive Plan update. Additionally, should DEC studies to address persistent blue green algal blooms in Honeoye Lake be successful, Richmond would need unallocated fund balance to take advantage of matching grant opportunities for implementing a solution. All of these projects are exciting and needed, and it is important that as financial stewards we prepare our community to move forward.

If you would like to ask additional questions or share your thoughts regarding the newly passed budget, I will have extended office hours this coming weekend on **Sunday, November 18th between noon and 4 pm**. To schedule a half-hour time slot, please email csauers@townofrichmond.org.

Sincerely,

Caroline Sauers
Richmond Town Supervisor