Town of Penfield Supervisor’s Column
February 14, 2017

At this time of the year when many residents come to the town hall to pay their town/county taxes in person, I get a number of questions about taxes in general, the budget process, the importance of a good credit rating, the New York State Comptroller’s report on stressed towns, and much more! Because many Penfield residents pay taxes through an escrow account as part of their mortgage, many may not be fully aware of the budget and tax process. With that in mind, I am dedicating this week’s column to the topic of fiscal responsibility the town board and I undertake on behalf of Penfield residents as we prepare and manage the town’s budget.

The annual budget process begins in early June when I call for all our department heads to prepare their draft budget for the upcoming fiscal year, January 1 to December 31. From June to September I meet with the town comptroller and every department head to review all aspects of their draft budget submissions including general operations, headcount, capital, and anticipated revenues.

Following many rounds of department head meetings, the comptroller and I prepare and present the “tentative budget” to the town board and residents. Upon presentation, the tentative budget becomes known as the “preliminary budget” and it is open for public review and comments. (In 2010, we began publishing all budget documents on our website so that residents can review the proposed budget from the comfort of their homes instead of coming to the town hall or library to review printed documents.) In early October, the town board holds a public hearing to formally receive public comments.

On the third Wednesday of October, after reviewing public comments and making any adjustments, the town board adopts the town’s “final budget” and files it with Monroe County and New York State prior to the general election. Penfield has been following this process for more than 35 years.

The town’s 2017 town tax rate is $2.69 per $1,000 of assessed property value, the same as it was in 2016. As an example, a home property in Penfield with a valuation of $180,000 will pay $484.20 for general governmental services (180 X 2.69 = 484.20). This same home will pay $1,510.58 for Monroe County taxes. Those in the Penfield School District pay $4,586.55 in school taxes, Webster School District taxes are $3,855.32 in this scenario. With this year’s budget, as in the past, Penfield has stayed below the state required tax cap.

Penfield’s property tax remains one of the lowest of the 19 towns in Monroe County. I have provided the 2017 tax rates of all towns for your review and information. You will see the only towns with lower tax rates than Penfield have landfills or significant commercial development.

View town tax rates as a PDF here

How is our credit rating? In April of 2016, Moody’s Investors Services upgraded Penfield’s credit rating to an Aa1, one of the highest in the county and state. This rating allows Penfield to secure low-interest financing for capital projects (sewers, roadways, bridges) and assists with general cash flow throughout the year. The Moody’s rating also reflects Penfield’s history of stable financial operations and strong management practices. Moody’s had recently reaffirmed the Aa1 credit rating in December of 2016 as part of the Parkview-White Village sanitary sewer project.
A further measure of fiscal health is a Fiscal Stress Monitoring System implemented in 2013 by the Office of the New York State Comptroller to identify local governments experiencing fiscal stress. This system provides an objective picture of the fiscal challenges facing local governments. Essentially, it is an assessment of a government entity’s ability to meet expenditures with revenues. Nine financial indicators are measured within five categories: Year-End Fund Balance, Operating Deficits, Cash Position, Use of Short Term Debt and Fixed Costs. The categories are given different weights to reflect the relative importance in measuring financial stress.

In the latest fiscal stress review of the Town of Penfield we received a score of 14.2%. This may seem counterintuitive, but this low number is a positive “no designation” rating as shown in this table:

<table>
<thead>
<tr>
<th>Percentage of Total Points</th>
<th>Classification of Fiscal Stress</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–44.9%</td>
<td>no designation</td>
</tr>
<tr>
<td>45–54.9%</td>
<td>susceptible to fiscal stress</td>
</tr>
<tr>
<td>55–64.9%</td>
<td>moderate fiscal stress</td>
</tr>
<tr>
<td>65–100%</td>
<td>significant fiscal stress</td>
</tr>
</tbody>
</table>

I am proud to say that since this system began, the Town of Penfield has consistently received the highest possible rating from the Office of the New York State Comptroller.

I apologize in advance for the longer than normal weekly column; however, I thought it important to help residents appreciate some of the unique hurdles we face in developing our annual budget based on the many mandated requirements placed on us by our wonderful state government! Please continue to use our website at www.penfield.org to review all details of the budget and many other aspects of your local government.

Tony

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