



Henrietta Fire District

2023 Budget Hearing

October 18, 2022



2023 Proposed Budget Key Take-Aways

- Proposed 2023 total appropriations of **\$17,548,320** (down \$100K from 2022)
- Proposed 2023 tax levy of **\$17,197,320** (up \$2.3M from 2022)
 - Limited fund balance to offset tax levy as was done in 2022
- Proposed 2023 tax rate **\$3.35** (up \$0.17 from 2022)
- The 2023 tax levy represents an accurate view of the operating costs of the Fire District as it does not include a significant offsetting fund balance



2023 Budget Process

- Evaluate YTD expenses for all budget lines
- Determine projected year-end totals based on known expenses or linear extrapolation to create a basis for 2023 budget
- For non-discretionary expenses (payroll and benefits, contractual services, debt service, utilities, etc), adjust 2023 budget based on trend analysis (actuals from past 5-7 years), quotes or other service agreements, CBA, known events (new hires / retirements / one-time expenses), inflation and other trend data
- For discretionary expenses (equipment, capital projects, training, travel, etc), adjust 2023 budget based on trend analysis (actuals from past 5-7 years) or identified 2023 projects / initiatives
- Evaluate reductions to each line item based on realistic adjustments that can be made without significant disruption to District operations
- Identify projected fund balance that can be assigned to the 2023 budget to reduce the tax levy

Event	When
✓ Initial planning process	8/2/2022 – 9/15/2022
✓ Budget Workshop	9/15/2022
✓ Adopt Proposed Budget	9/20/2022
⇒ Public Hearing	10/18/2022
Adjustments as needed	Before 11/4/2022
Adopt Final Budget	On or Before 11/4/22
File budget with Town Clerk	Within 3 days after adoption



2023 Budget Summary

Summary	2023(\$) Proposed	2022 (\$) Budget
Total Appropriations	17,548,320	17,652,094
Total Revenue	151,000	698,000
Appropriated Funds to offset tax levy	200,000	1,788,000
Station 5 Capital Inter-fund Transfer	0	287,000
Amount to be raised by taxes	17,197,320	14,879,094
Total Assessed Value (,000s)	5,132,318	4,675,350
Tax Rate	3.35	3.18

	2018	2019	2020	2021	2022	2023 Proposed
Appropriations	\$ 11,829,600	\$ 12,424,614	\$ 12,723,059	\$ 14,291,167	\$17,652,094	\$17,548,320
Appropriated Funds	\$ 3,028,124	\$ 2,445,681	\$ 885,000	\$ 1,024,856	\$1,788,000	\$200,000
Amount raised in taxes	\$ 9,511,600	\$ 10,652,831	\$ 11,560,059	\$ 13,069,311	\$14,879,094	\$17,197,320
Tax Rate	2.71	2.93	3.05	3.18	3.18	3.35



2023 Estimated Fund Balance

Fund Balance	Proposed Estimate 2023	Notes
Assigned Appropriated Fund Balance	\$ 200,000	These excess funds would be used to offset the 2023 Tax Levy
Unassigned Unappropriated Fund Balance	\$ 1,396,000	These funds remain unassigned / unallocated per the District's Fund Balance Policy (target 15% of budget)
TOTAL	\$ 1,596,000	

Estimated Reserve Balances*	Proposed Estimate 2023	Notes
Truck Capital Reserve	\$ 1,437,500	Reserve funds for purchase / major repair of apparatus
Capital Bldg & Improvement Reserve	\$ 324,000	Reserve fund for significant facilities projects
TOTAL	\$ 1,761,500	

* Expenditures from these reserve accounts are subject to a permissive referendum



2023 Tax Cap Summary

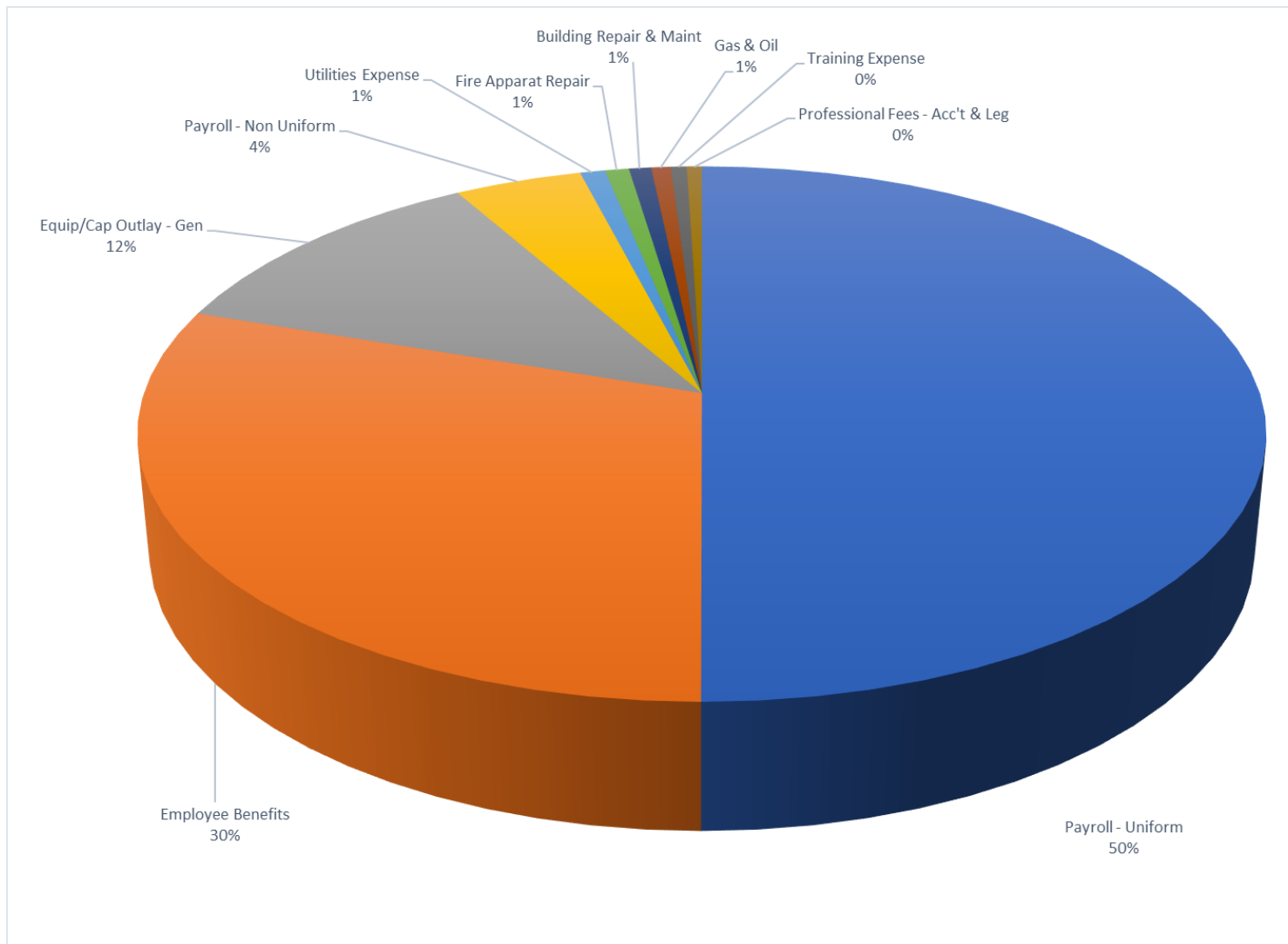
$$\left(\left[\left(\begin{array}{l} \text{Total} \\ \text{taxes} \\ \text{levied for} \\ \text{prior} \\ \text{fiscal} \\ \text{year} \end{array} \right) + \begin{array}{l} \text{Prior year} \\ \text{reserve} \\ \text{offset} \end{array} - \begin{array}{l} \text{Reserve} \\ \text{amount} \\ \text{(including} \\ \text{interest} \\ \text{earned)} \end{array} \right] \times \begin{array}{l} \text{Tax base} \\ \text{growth} \\ \text{factor}^1 \end{array} \right) + \begin{array}{l} \text{PILOTs} \\ \text{receivable in the} \\ \text{prior fiscal year} \end{array} - \begin{array}{l} \text{Capital tax levy} \\ \text{exclusion, prior} \\ \text{fiscal year} \end{array} - \begin{array}{l} \text{Tort exclusion,} \\ \text{prior fiscal} \\ \text{year} \end{array} \\
 \times \begin{array}{l} \text{Allowable levy} \\ \text{growth factor} \\ \text{(1.00 to 1.02)}^2 \end{array} - \begin{array}{l} \text{PILOTs} \\ \text{receivable in} \\ \text{coming fiscal} \\ \text{year} \end{array} + \begin{array}{l} \text{Available} \\ \text{carryover, if} \\ \text{any} \end{array} = \text{Tax Levy Limit}$$

	2022 Tax Levy	\$ 14,879,094
x	Tax Base Growth Factor	1.0088
+	2022 PILOT	\$ 55,000
x	Allowable levy growth factor	1.0200
-	Anticipated 2023 PILOT	\$ 55,000
+	Carryover	\$ 228,566
=	2023 Tax Levy Limit	\$ 15,539,897

- 2022 Tax Levy lower than appropriations by ~\$2M due to allocated fund balance.
- This has a negative impact on the 2023 tax levy limit as the same level of appropriated fund balance is not available
- Meeting the 2023 operating needs of the Fire District will require the tax cap to be exceeded



Top Expense Categories



Top 10 expense categories account for > 95% of total budget

Expense Category	2023 Budget	% of total budget
Payroll - Uniform	\$ 8,495,000	48%
Employee Benefits	\$ 5,121,920	29%
Equip/Cap Outlay - Gen	\$ 1,962,500	11%
Payroll - Non Uniform	\$ 719,000	4%
Utilities	\$ 141,000	<1%
Fire Apparat Repair	\$ 135,000	<1%
Building Repair & Maint	\$ 125,000	<1%
Gas & Oil	\$ 110,000	<1%
Training	\$ 89,500	<1%
Prof Fees, Legal	\$ 84,600	<1%



Proposed Budget Details – Non-Tax Income

Acct	Category	2023 (\$)	2022 (\$)
A2401	Interest Income	15,000	15,000
A2701	Refunds of Expenditures / Misc	16,000	13,000
A2702	Insurance Reimbursements	20,000	20,000
A2705	Gifts and Donations	45,000	45,000
A2770	Grant Income	0	50,000
A2770	Unclassified Income	0	500,000
A1081	PILOT Income	55,000	55,000
	Grand Total	151,000	698,000

Acct	Category	2023 (\$)	2022 (\$)
A5031	Inter-Fund Transfer	0	287,000
	Appropriated Fund Balance	200,000	1,788,000
	Grand Total	200,000	2,075,000

2023 Key Points

- Revenue sources are considerably less as compared to 2022
 - No Brighton Engine funds
 - No Grant income
- Unlike the Town, the Fire District receives no revenue from State aid, COVID reimbursements, permit fees, mortgage tax or sales/occupancy taxes
- Station 5 capital fund balance liquidated and used for Station 5 debt service in 2022
- \$1.8M fund balance from prior years used in 2022 to reduce tax rate. Estimated fund balance considerably lower in 2023.



Proposed Budget Details - Expenses

Acct	Category	2023 (\$)	2022 (\$)
	Salary - Uniform	8,495,000	7,971,000
	Salary - Non Uniform	719,000	573,300
A3401.1	Total Personal Services	9,214,000	8,544,300
	Truck Capital Reserves	350,000	723,000
	Building Capital Reserves	150,000	168,000
A3401.2	Equipment	473,000	887,500
A3410.4	Contractual Expenditures	1,249,900	1,158,500
A9010.8	State Retirement System	120,000	120,000
A9015	Fire & Police Retirement System	2,000,000	2,000,000
A9025.8	Local Service Award	140,000	140,000
A9030.8	Social Security	737,120	683,544
A9040.8	Workers' Compensation	204,200	250,000

2023 Key Points

- Payroll expenses include projected overtime expenses as well as anticipated increases per CBA
 - Higher than typical OT anticipated due to NYS-mandated officer training and long-term military service absences
- Non-Uniform payroll includes the potential addition of a part-time or full-time facilities manager
- Truck and building reserve funding to align with long-term capital plans
 - Typical basic pumper cost exceeds \$700K
 - Reserve funding plan should reduce or eliminate the need for bonding future replacement trucks



Proposed Budget Details - Expenses

Acct	Category	2023 (\$)	2022 (\$)
A9085.8	Hospital, Medical, Dental Insurance	1,820,000	1,866,000
A9040.4	Accident Ins. Volunteers	14,000	12,000
A9045.8	Life Insurance	53,000	52,000
A9055.8	Disability Ins.	2,000	4,000
A9608.5	Supp.Retire. Disabled Firefighter	31,600	29,000
A9710.6	Serial Bonds - Principal	585,000	688,700
A9710.7	Serial Bonds Interest	404,500	236,800
A9730.7	Bond Anticipation Notes - Interest	0	88,750
	Grand Total	17,548,320	17,652,094

2023 Key Points

- Serial bond payments include new amounts for Station 6 project