



September 25, 2024

To Brighton Residents and Taxpayers:

Tonight, Town of Brighton Finance Director Earl Johnson, Assistant Finance Director Marcia Adams, and I present the 2025 Town of Brighton Tentative Operating Budget to the Brighton community. Each year we have four primary goals that guide us in developing the Town of Brighton's budget. Our first goal is to maintain and enhance the quality of life in Brighton by making investments in our community's future and funding important Town operations. Our second, is to ensure that even as we invest in Brighton's future and meet the community needs of today, we take appropriate steps to control the cost of government for our taxpayers. Our third, is to maintain the fiscal strength of Brighton, to ensure that we have sufficient reserves to guide us through unexpected crises, and to allow us to borrow as needed at the lowest possible interest rates. Our fourth, is to ensure that our budget development process is transparent and open to the public. As we approach this process, while the rate of inflation has fallen, we continue to face cost increases in wages, salaries and especially employee benefits, in various mandated expenditures and in materials needed to maintain and construct much needed infrastructure, many of which are rising far above the rate of inflation. In addition, while sharp rises in home prices reflect the desirability of Brighton for families, rapidly rising home prices also impact our budget in several ways. I will discuss these and other issues in this budget message so that you, the public, can thoughtfully participate in the development and approval of our budget.

The process that the Town of Brighton uses to develop and approve the Town's budget is thorough, open and transparent in a way that few, if any, other communities can match. We strive to ensure that the public has access to the budget process and the ability to give input throughout. Each year, the development of the Town Budget begins in the spring, when Department Heads prepare a three-year Capital Improvement Plan for their Departments so we can plan for important Town projects and significant capital expenditures. The New York State Comptroller recommends that municipalities prepare a Capital Improvement Plan (CIP) and the Town of Brighton does this every year to help us plan and fund capital expenditures in advance. We do so in a very public way, with review of the CIP in public meetings of the Finance and Administrative Committee of the Town Board, before action is taken to consider and approve the CIP in public by the full Town Board, which was done at our last Board meeting. The Capital Improvement Plan anticipates continued maintenance and improvements to our streets, sidewalks and

sewers, purchases of vehicles and heavy equipment and technology and sustainability advances for the Town, among other important needs. Many of these expenses are funded through grants; in fact, in the past twelve months, we have received grants totaling over \$3,500,000 to support law enforcement, bridges and other infrastructure, recreation and sustainability projects. We also fund capital projects as incentive zoning amenities, provided by developers of projects that also build our tax base, or through borrowing, but over \$3.55 million of capital improvements are directly included in the Tentative Operating Budget for 2025, up from \$3.30 million in the 2024 Budget. Going forward, projects like the planned renovation of Town Hall, driven largely by the need to replace our HVAC system, as well as plans for our Community Center, will create significant new capital expenditure requirements, but will also ensure that we maintain important town infrastructure, promote sustainability by using renewable energy, and enhance the quality of life for Brighton residents.

One item of note included in the CIP for 2025 is a proposed town-wide revaluation of property values for property tax purposes, made necessary by the rapid increase in property values, particularly residential property values, in Brighton. County, town and school taxes are property taxes, and for those taxes to be imposed fairly, it is important that homes and other properties be assessed at their fair market values. Revaluation does not increase taxes; the tax levy is established through the budget development process. Revaluation simply ensures that all properties, both residential and commercial, are valued at 100% of their fair market value, so the taxes that are levied are assessed fairly. In fact, some taxpayers who receive exemptions, such as senior or veterans' exemptions, may notice increases in the value of those exemptions, because they are calculated as a percentage of assessed value. To maintain equity in our assessments, we began the revaluation process this year, with completion in 2025, in time for the school taxes due in 2025. A portion of the cost of revaluation will be paid from a Town reserve fund established for that purpose that will mitigate the short-term financial impact of revaluation.

The State Comptroller annually rates the fiscal stress level of every municipality and county in New York State. While we have always received strong scores on this evaluation, we have just received our notice that in 2024, for the third straight year, Brighton received a perfect score for low fiscal stress. That perfect score reflects the prudent and careful financial and budgetary planning we have maintained even during uncertain pandemic times, which is also reflected in the town's high Moody's credit rating. We are proud of this recognition and are committed to working to maintain a strong fiscal stress rating from New York State because it not only helps reduce the cost of borrowing, but it also ensures that sufficient resources are available in case of a natural disaster, pandemic or other future unforeseen crisis.

As a result of double-digit increases in mandated expenditures for personnel costs like state retirement contributions and employee health insurance premiums, and even greater increases for retiree health care coverage, as well as other increased costs, we are projecting larger increases in many of our expense lines in the 2025 Tentative Budget. The 2025 Tentative Budget for the Town's Operating Funds

proposes an increase of \$853,245 in the property tax levy for 2025. The Operating Budget tax rate would increase 4.75%, or less than \$0.27 per thousand dollars of your home's assessed valuation, from 2024 to 2025. Your own tax bill may increase more or less, depending largely on the impact of special districts, like sewer, water, sidewalk snow plowing and refuse districts, under which the Town ensures that only those who receive the services in question have to pay for them. A mix of residential and commercial uses is important to mitigate property tax increases for our residents, and therefore incentive zoning projects like Whole Foods Plaza and the proposed Top Golf facility not only provide new jobs and economic activity in Brighton, but they also shoulder a greater portion of the cost of providing necessary government services, thereby reducing tax increases for residential properties. However, due largely to the significant increases in the cost of employee and retiree health care, as well as other mandated cost increases, the tax levy increase proposed in this 2025 Tentative Budget exceeds the New York State tax cap, and we will hold a public hearing to consider a local law permitting the Town to exceed the cap in its 2025 Budget at our next Town Board meeting in October.

Property tax receipts are the largest source of town revenues, but they are not the only source. The town also receives revenues from mortgage and sales taxes, fees for programs and services, and cable television franchise fees, among other sources. The Town of Brighton, like other towns in Monroe County, receives a portion of sales tax revenues generated from retail sales throughout Monroe County under an agreement among Monroe County, local municipalities, and school districts. Sales tax revenues are the second largest source of revenues for the Town, and they have been generally flat for the past year. Therefore, we are conservative in our estimates of sales tax revenues for 2025. Mortgage tax revenues have been depressed by the lack of real property closings, due to a severe lack of inventory of residential homes in Brighton and the dramatic reduction in mortgage refinancings due to increases in interest rates. Now that rates have begun to fall and the inventory squeeze is abating, we may see some growth in mortgage tax revenues in 2025, but we continue to be conservative in our estimates, recognizing that while lower interest rates may boost mortgage tax income, they also reduce revenues from interest income earned by the Town. Although property tax receipts are by far our largest source of revenue, increasing non-property tax revenues is important to mitigate the need for property tax increases, and we also look to control costs where possible through operational efficiencies.

I want to, again, thank everyone involved in the preparation of this Tentative Budget, particularly our Finance Director, Earl Johnson and Assistant Finance Director, Marcia Adams. Developing the town's budget is never easy because we recognize the impact that property taxes have on our residents, particularly our seniors on fixed incomes, but the 2025 Budget will maintain and enhance services while finding new ways to control the cost of government. I also want to thank in advance members of the community who have provided input on our spending plans and who may comment on the Tentative Budget at our two budget hearings on October 9 and 23. We look forward to hearing from you , and we appreciate the efforts of every community volunteer and Town staff member who assisted in the preparation of this Budget.

Sincerely,

William W. Moehle

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