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**TOWN OF TONAWANDA  
2020 PRELIMINARY BUDGET MESSAGE**

**JOSEPH H. EMMINGER, SUPERVISOR**

**As Supervisor and chief fiscal officer of the Town, it was my responsibility, under state law to submit the 2020 town budget by September 30<sup>th</sup> to the Town Board for their review. During the month of October, the Town Board held two budget work sessions (on October 8<sup>th</sup> & 10<sup>th</sup>) with department heads to review the 2020 tentative budget.**

**There are parts of this budget that have been over 2 years in the making and at the outset, I want to this opportunity to say thank you to all of our department heads and my colleagues on the Town Board, Deputy Supervisor and Councilman John Bargnesi and Council members, Dan Crangle, Bill Conrad and Shannon Patch for their assistance in making this budget one that reflects our continuing goal of conservative and sound fiscal responsibility. Our town continues to face many challenges going forward, due, in part, to the retirement of the NRG Huntley Power Station in 2016 and the subsequent reduction in State Aid as we transition out of being a coal power plant community. 2020 marks the 4th year the Town will “tap” into the State Mitigation Funds to assist us in the transition from the loss of over \$2,000,000 in revenue from the NRG Huntley site. I know the Town Board is well**

**aware of this fact but as a reminder to the public, the mitigation funding sunsets in 2023 and we have to be prepared for when that day arrives and your Town Board have already begun planning for that day! As in past years, ongoing Federal and State regulations as well as unfunded and underfunded mandates and replacing aging infrastructure and recreational facilities also prove to be difficult challenges. Even with these challenges, the Town of Tonawanda, will continue to provide more services to its residents than any other municipality in Erie County, and I believe this budget not only addresses the needs and concerns of our residents and business owners, but it also takes into consideration the many challenges we face together.**

**Our challenge and responsibility, as elected officials, remains in finding the balance between cost of the service provided and the service, while continuing to provide the highest quality services at the lowest possible cost. We take this responsibility seriously, and it remains the goal of this Town Board!**

**Eight years ago, in 2011, the New York State legislature approved a property tax cap of the lesser of the Consumer Price Index rate of inflation (better known as the CPI) or 2%, allowing for certain exclusions and adjustments. Based upon the current rate of inflation, the New York State property tax cap for 2020, for the second year in a row, has been established at the full 2.00% level.**

**Since the inception of the tax cap mandate in 2012, the Town Board has made sure the budget has always been under the property tax cap mandated level and I am very happy to report in 2020, that once again, we will be under the Tax Cap Mandate.**

Typically, the budget process begins in January with the start of the fiscal year, and then in July I review the budget issues and constraints with Town Board members, the Town Comptroller and Deputy Comptroller. Department heads are then requested to submit their initial budget requests. Due to the tax cap imposed on all local governments and the NRG Huntley plant closing in 2016, our Town, more so than most Towns, is challenged to find additional ways to reduce spending, coordinate and share resources both within town departments and with other municipalities, and to seek new ways to provide services for town residents in 2020. In the 4<sup>th</sup> quarter of 2016, my colleagues on the Town Board and I recognized that the budget process was going to be very challenging over the next 5-7 years due to the declining State Mitigation Funding from the NRG Huntley closing and the anticipated ratification of one of our bargaining unit contracts. Over 2 years ago, in March 2017, I asked our Department Heads to start investigating ways to restructure their departments and I am pleased to report that our department heads have met this challenge and I am very appreciative of their efforts on this very important task. Changes were made to the initial department requests in subsequent meetings held by myself with Town Board members, department heads, Town Comptroller and the Deputy Comptroller. Due to the planning and work performed by these individuals, the Town residents in 2020 will see only

a nominal .42% increase, less than one half of one percent, in their town taxes with little or no cuts in services.

The 2020 cost per day of town government for the typical homeowner will be \$3.72, up less than 2 cents per day or .42% from last year. Based upon the change in the town's current equalization rate over the past 7-years from 47% in 2013 to the current 35%, a typical town home, which is a home assessed at \$50,000 in the town, over the past 7 years has increased in market value from approximately \$106,383 in 2013 to \$142,857 in 2020. In other words, residential property owners have seen the market value of their home appreciate in value over \$36,000 over the past 7 years; and beginning in 2020 those same residents will be only paying only an additional \$.40 per day or \$146 annually in town taxes for essentially the same services they were receiving 7 years ago. By providing good fiscal stewardship over the town finances, the Town has been able to add value to our resident's largest and most important asset, their home, while providing high quality services at the lowest possible cost!

The 2020 budget does include a tax increase for the second time in four years for our non-homestead, commercial property owners. In 2020, the commercial, non-homestead property owners will see a 3.38% increase in their tax bills; however, if you include the tax decreases totaling over 13% for the 3 of the 4 previous years (2016 thru 2019), the total taxes for commercial, non-homestead properties has decreased 5.19% over the past 5 years! The town continues to see real growth in our commercial and industrial base for the first time in decades due to

**the completion of the North Youngmann Commerce Center, Riverview Solar Technology Park and other development and redevelopment projects and with these tax decreases we can continue to be an attractive destination for companies to relocate and expand in our community!**

**The 2020 tax levy, the amount of money needed to be raised by property taxes, stands at \$48,504,348, which is an increase of 1.98% from the 2019 tax levy of \$47,563,290. Which is well below the adjusted New York State property tax cap mandate of 3.6% that is arrived at by taking the 2.0% tax cap for 2020 and adding the carryover from last year that we were under by, or 1.6%.**

**The budget appropriations for 2020, excluding special assessments which only affect specific property owners, totals \$102,855,583, as compared to \$101,636,062 for 2019, an increase of \$1,219,521 or 1.2%. Slight increase is attributable to various factors, but the largest contributors include wage increases for both full time and part time employees, slightly higher town employees', retirees' and their families' hospitalization and medical insurance costs, NYS pension costs as well as our overall debt service increasing slightly.**

**The proposed budget includes over \$19.0 million for health care, which alone still represents over 18% of the total budget appropriations. In addition, the Town will be making over \$5.5 million in debt payments on various town projects, including the Parker/Fries Sewer Interceptor and other sewer projects as required by the New York State Department**

of Environmental Conservation. These significant improvements are crucial in order for the Town to adequately provide these services and to attract young families and businesses to our community.

The 2020 estimated non-property tax revenues total \$46,351,235 compared with \$46,072,772 for 2019, an increase of \$278,463.

The 2020 tentative budget also includes funds to purchase six new police vehicles.

For the first time in 20 years the Town Budget does include is an increase in the Supervisor/Budget Officer salary. Actually, the Supervisor's and Budget Officer salary is actually less now than it was back in 2000. I proposed this increase when I delivered the Tentative Budget a month ago because I wanted to be as transparent as possible on this issue and I wanted the residents of the town to have this information prior to the election which occurred two days ago, of which I was a candidate. The Supervisor of the Town of Tonawanda is the CEO of the third largest town in Erie County and the position carries the responsibility of being accountable for a \$100+ Million Dollar budget. The position also carries more responsibility with it than any other position in the Town and must be available 24/7, 365 days a year. The Supervisor/Budget Officer pay in 2020 is budgeted for \$86,575 which will put the pay well outside the Top 100 in pay for the Town. Of the 8 larger towns in Erie County, the proposed salary will rank 6<sup>th</sup> out of 8 on a cost per resident basis and will be amongst the lowest. Also included in next years budget are pay raises for the Town Clerk and Highway

**Superintendent. What is not included in the 2020 budget for the 20<sup>th</sup> consecutive year are pay raises for the Councilmembers, and that is a conscious decision made by them. Further, the councilmembers do not receive, as part of their compensation, paid health insurance from the Town. The elimination of health insurance alone for the councilmembers, which was voted on and implemented by three of the members of this town board has saved the town over \$600,000 alone since we voted to eliminate it in 2006.**

**The overall town budget is composed of nine separate budgets: the General Fund-Townwide, General Fund-Town Outside Village, Highway Fund-Town Outside Village, Lighting Districts, Water Acquisition and Storage District, Fire Protection Districts, Sewer Consolidated District, Drainage Consolidated District and Refuse and Garbage Consolidated District. The cost to taxpayers for each of these functions is based upon assessed valuation, frontage, area, water and sewer usage or a combination of these factors.**

**The Town of Tonawanda has long been known as a premier full-service residential community by offering quality services that are unmatched and by running government in an efficient manner. I believe that this budget continues to provide the department heads with the resources they need to continue with this tradition without impacting the quality of service. With the cooperation of our department heads and employees, the town will continue to provide the highest quality of services at the lowest possible cost as we continue to look for additional ways to become more efficient and cost effective.**

**I wish to extend my thanks to the all of our Department Heads for their input on this budget which will serve to maintain the town’s fiscal condition and our tradition as the finest full-service residential community in Western New York. I especially want to thank Town Comptroller Debbie Schwarz and Deputy Comptroller Megan Lowe for their guidance and assistance with the budget. I would also like to thank all our Town employees who work daily to ensure quality services for our Town. Thank you all.**

**I also want to thank my colleagues on the Town Board for their continued input, guidance, support and cooperation in a budget process that is more difficult every year. Their comments and suggestions are always of immeasurable benefit during this process and allow the presentation of a responsible budget that keeps our taxes at the lowest possible level.**

**Finally, I believe that during these economic times, our Town is on track to continue to meet these challenges head-on as we work for a brighter future and as we continue to look for ways to cut costs, improve efficiency, strengthen the Town’s fiscal conditions and keep the Town as one of the premier full-service communities in Western New York.**

**TOWN OF TONAWANDA**  
**2020 PRELIMINARY BUDGET FACT SHEET**  
Joseph H. Emminger, Supervisor

- **The 2020 cost per day of town government for the average homeowner will be \$3.72, up less than 2 cents a day or .42% from last year, however when looking at a 7-year window the cost of the average homeowner is up 40 cents from the \$3.32 per day cost in 2013; or an increase of 12.05% over 7 years or less than 1.75% annually. The total 2020 town tax for all funds and special districts for the average homeowner living in a home assessed at \$50,000 will be \$1,357.77 compared with \$1,352.15 for 2019, an increase of \$5.62 or approximately \$.02 per day. At the town's current equalization rate of 35.0%, a home assessed at \$50,000 in the town generally has a market value of approximately \$142,857.**
- **The 2020 tax levy, the amount of money needed to be raised by property taxes, is \$48,504,348 as compared to \$47,563,290 for 2019 which is an increase of 1.98 (tax levy increase).**
- **The 2020 tentative budget appropriations total \$102,855,583 as compared to \$101,636,062 for 2019, an increase of 1.2%. The increase is attributable to various items including health care costs, NYS pension costs as well as our debt service increases.**
- **Estimated revenues for 2020 are \$46,351,235 up \$278,463 over the 2019 budget of \$46,072,772 or .6%. The largest revenue items to decrease include State Aid for the NRG Huntley site; interfund revenue between departments and a decrease in revenue due to the recycling rebates.**
- **The proposed 2020 town budget provides the department heads with the resources they need to continue to offer high quality services that are unmatched at the lowest possible cost as we continue to look for additional ways to become more efficient and cost effective.**