

A VIEW OF THE FALLS

Office of the Mayor - Richard B. Milne

February 3, 2008

Dear Friends;

The Village of Honeoye Falls has entered its fiscal 4th Quarter of the 2007-2008 year and with that comes the preparation of the 2008-2009 village budget. The village staff and trustees have been meeting to review department budgets, department needs and capital plans for all village departments for the upcoming year and in the future. This work is actually part of an on-going program that the village staff is continually reviewing and planning for.

The village trustees are confident that we have reviewed the proposed budget and are all in agreement with what we feel is the final appropriate budget to move forward with. Our public hearing for the approval process is Monday, April 7, 2008 at 6:30 PM. This public hearing will be immediately before the Village Annual Meeting that takes place at 7:00 PM at the Village Hall. The budget is currently set at \$1.67/1000 which represents a 4.4% increase from the 2007-2008 budget approved last year. This tax-rate increase stems mainly from the increase in health care costs and fuel costs which affect us all at home and at work. Department budgets are actually quite flat as compared to last year and we are happy with the leadership in all departments that work tirelessly to keep these numbers in line. This budget does also include minimal increases in the village employee salaries as well as an increase in the compensation for the Board of Trustees.

We have budgeted an additional \$25.00 increase in the sewer rental rates for the upcoming year. This added rate helps to maintain an aged system that has not had major upgrades for many years as explained in the last (Village Connections) newsletter sent out after the first of the year. Our sewer rents continue to be below many of the surrounding municipalities. It is, however, imperative that we continue to upgrade the waste water treatment plant, its infrastructure and the equipment that keeps it running. Without these upgrades and necessary maintenance our costs for unscheduled repairs and the potential for fines from the DEC relating to system discharges (refer to Village Connections Newsletter) would create charges that would be passed along to our residents as well; but as unplanned and emergency expenditures.

Capital Spending: We continue to struggle with the amount of money we are able to put into our capital reserves for all departments. Through sound planning we are able to put money away every year; however it does not begin to cover the cost of equipment purchases, maintenance and upgrades that are necessary to run a municipality. All municipalities struggle with this same issue, like many, we have tried to rotate much of our equipment in a two to three year rotation. This plan allows equipment to be purchased (usually off the state bid list) and then after two or three years use, sold at municipal auctions at a price close to 2/3 the cost of the original purchase. The thought here is to keep equipment for a shorter amount of time and incur less in maintenance costs and get much more for the sale of the equipment. We believe this has been a positive program for the village and in the end saves tax-payers money.

It is difficult however to add enough money to the capital reserves at the (Village) tax rate we all enjoy and keep up with the continual maintenance and upgrades common to communities such as ours. The following capital expenditures are planned for 2008-2009:
>The purchase of a new Ambulance for the HFMVA, this will replace an ambulance that is 10-years old with 80,000 miles on it. Although to look at this "rig" it appears to be in decent condition, maintenance costs have become very high over the last two years and we are concerned about patient care. The cost of the new ambulance is estimated to be around \$165,000.00.

- Two new trucks for the highway/DPW departments are needed and will be ordered, one will be a pick-up with plow and the other a stake-body truck needed to replace older vehicles.
- A loader will be purchased that will be used by both the highway and DPW departments.
- We have more (village) roadways that will be resurfaced this summer at an estimated \$185,000.00 in cost.

After these monies are spent, our capital reserves will be very low in most departments.

For every penny the Village Trustees raise in our tax-rate, the village gains only \$1500.00 thus the 4.4% increase will net us only \$10,500.00 What does this mean for the future of the village? I believe we remain financially solid; however we have some serious concerns coming in the near future. In reviewing capital plans we know that there's another \$300,000 in capital expenses in the next few years for the Ambulance Department. There is concern of replacing another fire-truck along with fire-department capital expense plans that total close to \$500,000 or more. There are the necessary upgrades to the waste-water treatment plant and highway department as well as general maintenance expenses. We have a road resurfacing program that will cost close to \$650,000 over the next five to six years for village streets alone. And lastly, I believe we need to develop a plan to enhance our current fire-house.

In my opinion, to summarize, we have some very serious issues in the years ahead. We need to continue to develop our capital plan and work in any way we can to spend money wisely, save well and plan accordingly. We also need to support our local businesses and welcome more businesses to the area as this support helps our tax base greatly. We need to spend our money locally whenever

possible and we all need to think about what's important to us and what we want for the future of our village, town and surrounding area. This is not an easy task, we continue to look for support from outside sources but we need to plan to move ahead on our own because in the end, we are the ones to sustain Honeoye Falls. I continue to be proud to serve this village and community; I am proud of all our village staff and proud to serve with the Village Board of Trustees. We are working hard to keep this community a beautiful, clean and respectful place to live and work. Please work with us in continuing the path forward.

Sincere Regards,
Richard B. Milne
Mayor, Village of Honeoye Falls