Portion of Chapter 5: Financial Capacity to provide Fire Protection

Assessment. Property value is the basis for the community’s municipal tax levy and therein, its capacity to support and sustain public services. In the 1980’s, the Town of Mendon was established as a single Assessing authority for the Town and the Village of Honeoye Falls. In accordance with NYS Law and regulations, the Town Assessor determines property values, establishes parcel assessments, authorizes exemptions, applies equalization rates in computations and adjudicates the appeal process with the Town Assessment Review Board. All actions follow calendar requirements that are determinate dates impacting municipal budgets, exemption filings, and property tax payment schedules.

The property tax levy is calculated at a rate per thousand determined by dividing the municipal budget by the total taxable assessed value of the municipality. The Tax Roll closes on July 1st each year and establishes the Real Property Assessments for the tax levy beginning January 1st of the next year. For example, the Final Roll established July 1, 2021 is the basis for the 2022 levy.

The Mendon Assessor aligns property parcels within their designated Fire Protection boundaries to ensure the tax levy for the service areas are accurately assigned:

* The Mendon Fire District provides its annual budget to the Town. The Assessor calculates the rate per thousand on the taxable assessment and then, on behalf of the District, the Town levies the tax on its Real Property Tax Bill.
* The Village proposes its annual Fire Contract to the Town Board for the Mendon Fire Protection District #1. When the Town authorizes the contract, the Assessor calculates the rate per thousand on the taxable value and the Town levies the tax on its Real Property Tax Bill.

Both Town and Village tax levies are guaranteed by Monroe County, meaning that neither municipality collects back taxes, nor are they responsible for the procedural process associated with collections. The County guarantees payment on both municipal Tax Warrants (Town Clerk, July 18, 2022).

Real Property Tax Exemptions in the Town of Mendon are established by New York State and by Local Law. These Local Laws are in Appendix \_\_\_. Allowable Exemptions are enumerated in Figure \_\_\_, and wholly exempted parcels are quantified by number and value in Figure \_\_\_.

Fire Protection Budgets. Revenue source estimates support, and must balance, Appropriation estimates for contractual and personnel expenses within the municipal Fiscal Year (FY): January 1 to December 31 for the Town of Mendon and the Mendon Fire District; and, June 1 to May 31 for the Village of Honeoye Falls. Annual budgets are presented and proceed to adoption by their respective Legislative authority according to legal procedures and calendar requirements. Property tax levies on residents in the Mendon Fire District, Mendon Fire Protection District #1, and the Village of Honeoye Falls are noted respectively on Figures \_\_\_, \_\_\_ and \_\_\_.

Cost considerations include administration, equipment, staffing, property and building maintenance among others. Each governing authority has autonomy and control of its budget within the State’s legal parameters, i.e. Constitutional Tax Limitations, Debt Limitations and the State 2% Tax Cap on municipal budgets.

Indebtedness. Beyond daily and routine operational requirements there is expense associated with capital investment in equipment and property.

Mendon Fire District does not have debt expense. Town debt service and Village debt service are expressed for their respective 2022, and 2022 – 2023 Budgets on Figure \_\_\_. Note:

* The quoted Village Bond for fire equipment was a $500,000 loan with principal and interest payments totaling $720,190.97 (“Final Dunbar Register, 6.7.13,” Village File).
* The quoted Village Bond for the Waste Water Treatment Plant (WWTP) was a $270,000 loan with principal and interest payments totaling $337,913.89 (“Final Dunbar Register, 6.7.13,” Village File).
* The quoted New York State Loan for the WWTP Filter was $180,000. The Interest payments over the period of the loan were subsidized reducing the interest amount to the Village. There are no interest payments required from the Village for FYs 2022-23, and 2023-24. The final payment in FY 2023-24 will be on the remaining principal balance of $30,000.00 and will satisfy the obligation (Anderson, 11.7.22).
* The quoted Town Bond for the Library was a $1,350,000 loan with principal and interest payments totaling $2,052,726.56 (Kelli Parmelee, Town Finance Director, 10.19.22 and 1.24.22).
* The capital expenses for Water Districts within the Town of Mendon are bonded by the Town and repaid by the Town across the life of the Bonds. But, the cost of the loans is not a Town-wide property tax obligation. The respective Water District property owners are billed for the annual principal and interest cost thereby reimbursing the Town for the cost of these Bonds. Because the cost is not Town-wide, these Bonds are not included for Town indebtedness on Figure \_\_\_. NOTE. Town indebtedness is not directly attributable to fire protection service: Town debt is included in this Report to convey financial obligations as they relate to each of the three (3) governing jurisdictions.

The Village Bond and Loan payment schedules are in Appendix \_\_\_. The Town Bond payment schedules are in Appendix \_\_\_.

Municipal indebtedness is limited by the State in Local Finance Law as indicated on Figure \_\_\_.

Revenue. Other than real property tax, revenue sources may include: interest and earning on investments, contracts, rentals, sales, refund of expenditures, gifts/donations, state and/or federal aid, transfers from Capital and/or Reserve Funds, grants, and sources available to the Town and the Village such as utilities receipts, payments in lieu of taxes, penalties on real property taxes, franchise fees, Court fees, shared services fees, ambulance service receipts, mortgage tax, and license and permit fees (Adopted 2022 Town and 2022-2023 Village Budgets).

Grant revenue is awarded on a case-by-case basis. The Mendon Fire District and the Village/HFFD have success with various public and private sources as represented on Figure \_\_\_.

Reserve Funds. The Town, Village and the Mendon Fire District each maintain Reserve Funds. Their annual budgets identify the specific entitlement of each fund, designate appropriations from these funds for expenditure and identify transfer amounts for deposit. The Town does not have Reserve Account status for Fire Protection as it does not have Fire Protection assets. The monetary balances in the Village and Mendon Fire District Reserve accounts are represented from their respective 2022-2023 and 2022 Budgets on Figure \_\_\_.

Contracts are mutually agreed by the participating parties and they generally involve the exchange of money or other tangible value for a service. For example: purchase orders to obtain goods and services; property lease/rental for a specific purpose and designated time; and, for the Town of Mendon, an annual review and renewal of two long-standing service contracts for Emergency Services with the Village.

Each is prepared by the Village according to the joint Agreement adopted by the Legislative bodies. Each of these contracts proceeds through Town Board review and Public Hearing prior to authorization. Our focus is the Fire Protection Contract (2022 Contract is Appendix \_\_\_): the other is for Ambulance Service.

The Property Tax Levy expressed on Figures \_\_\_ and \_\_\_, reflects the Village’s all-inclusive cost to provide Fire Protection service within its corporate limits and in Mendon Fire Protection District #1. NOTE: The contract value (cost) is based on the previous Village FY expenditure with adjustment for overage and shortfall considered as credits and/or debits to the contract parties and the Village taxpayers. The Village Fire Protection Contract for the years 2000 – 2022 is represented on the update of Figure 4-j originally prepared for another report and now represented in Appendix \_\_\_.

Although the Village FY does not coincide with the calendar year, the Fire Protection Contract is written and subscribed for a 12-month period beginning January 1st of each year.

Other. The New York State Comptroller issues annual “Fiscal Stress” and “Environmental Stress” scores for local governments. For FY 2021, both the Village of Honeoye Falls and the Town of Mendon received “No Designation” scores for both reports (NYS Comptroller, 10.24.22). The “Fiscal Stress” reports are in Appendix \_\_\_.

11.8.22