

November 17, 2009

TOWN OF OWEGO 2010 FINAL BUDGET INFORMATION
BY CAROL SWEENEY, TOWN SUPERVISOR

The Town receives its operating revenue through two tax rates. The TOWN WIDE rate is paid by everyone in the Town including those people living in the Village of Owego. The TOWN OUTSIDE rate is paid only by those people who live outside the Village. These two tax rates are needed because the people in the Village do not receive some Town services (i.e. snow plowing, road repair, etc.) and legally cannot be charged for them. They instead pay for these services through their Village taxes.

Examples of what the TOWN WIDE rate covers include the cost of the following services: Town Clerk and Tax Collector, Town Attorney, Assessor, Dog Control, Town Supervisor and Board, Town Court, Coburn Library, Summer Youth Program, Town Historian and Worker's Compensation costs for Village and Town Firefighters. The TOWN OUTSIDE rate covers such things as Highways (Paving, Snow Removal, Brush and Leaf Pickup, Machinery), School Crossing Guards, Hickories Park and other Town parks, Apalachin Library and Planning and Zoning. The Utilities Department (Water and Sewer) is not funded by Town taxes but is supported entirely through user fees.

The following is the projected 2010 Final TOWN WIDE and TOWN OUTSIDE tax rate stated per \$1,000 of assessed valuation:

TOWN WIDE	\$0.871537
TOWN OUTSIDE	\$2.073382
TOTAL	\$2.944918

2010 Final Budget Message

The 2010 Final Budget includes a 20% increase in health insurance premiums for 2010, 13% increase in dental insurance premiums. Workman's Compensation costs for the Town decreased for 2010. Contributions to the State of New York's retirement system are projected to be set at 11.3% of payroll costs, which is approximately 50% more than last year. The steep increase in contributions to the retirement system will continue to put a strain on the Town's budget for years to come. The Town tax base grew by about 12.6 million this year which was due mainly to the construction of the Millennium Pipeline which runs through the Town. Due to the severe economic conditions in our area, the Town Board has chosen not to fill an open position in the Highway department and to use additional funds from the unexpended fund balances to keep the tax increase to a minimum.

Residential taxpayers that pay only the Town Wide rate (Village residents) will pay on an average residential Village assessment of \$65,700 total Town taxes of \$57.26. ($65.7 \times \$0.871537 = \57.26). This total amount is \$1.10 higher than the average Village resident paid this year. (An average Village residence in 2009 assessed at \$65,700 paid \$56.16 for Town taxes.)

An average residence outside the Village is assessed at approximately \$99,000. Therefore, for 2010 total Town taxes on an average residence will be \$291.55. ($\86.28 Town Wide ($99 \times \$0.871537 = \86.28) and $\$205.27$ Town Outside ($99 \times \$2.073382 = \205.27)). For 2009, total Town taxes on an average residence that was assessed at \$99,000 were \$285.85. ($\$84.63$ Town Wide and $\$201.22$ Town Outside). Therefore an average residential taxpayer that pays both the Town Wide and Town Outside rate will pay, on average, \$5.70 in additional total Town taxes next year.

In 2010, there will be no changes to our water and sewer rates.

The current water charge of \$3.38 per thousand gallons of water will stay the same. The \$76.86 per year water capital charge will also stay the same (\$25.62/bill). The 2010 water capital charge will be paying the principal and interest on a \$3.7 million bond that was needed for the major upgrade that was done to the Town's water system. The Town installed emergency power to all its wells and refurbished or replaced the town's six aging water tanks.

The sewer charge which is based on water consumption is currently \$3.71 per thousand gallons of water and the 2010 rate will be the same. For homeowners the \$81.60 per year sewer capital charge will stay the same (\$27.20/bill). The entire sewer capital charge is used toward debt payments for our two sewer plants and sewer infrastructure.

Homes that have municipal sewer but do not have municipal water will be charged \$222.60 per year (\$74.20/bill) for sewer use and also charged the \$81.60 per year sewer capital fee.

These budget figures are based also on camping rates at the Hickories increasing two dollars to \$21 per night for water and electric and increasing one dollar to \$15 per night for tent sites. Rates at the Hickories have been the same for the last four years.