

**State of the Village Address**  
June 1, 2021- May 31, 2022 Budget Overview

*March 23, 2021*  
*David Smith, Mayor*

## Accomplishments

- Maintained adequate operations and fiscal responsibility during the COVID Pandemic
- Improved communication and information to the community
- Reduced debt in anticipation of WWTP Capital Project, Point Peter, and Thatcher Brook
- Received funding to repair the Business District Parking lot
- Received FEMA Approval to move forward with the Point Peter Reservoir Project
- Executed the updated Supplemental Site Agreement with EPA to provide funds to maintain and operate Gateway Park per testing and regulatory requirements

## Accomplishments

- Converted Street Lights to LED lighting – up to 50% cost reduction
- Started the NYSERDA Study as a first step to WWTP Capital Project and Infrastructure Improvements
- Zombie Property on 93 Erie Ave
- Thatcher Brook Flood Mitigation Project is moving to the Design Phase
- Waterfront Development Project will be complete by August 2021
- Hollywood Theater Opening in 2021
- BOA Phase II Market Analysis and Re-use Plans
- No Fiscal Stress Designation – 4<sup>th</sup> Consecutive Year

## Operational Improvements

- ▶ Empowering department heads to lead departments with Support of Board Liaisons
- ▶ Supervisors Accountable for Department Budgets
- ▶ Maintaining Department Staff
  - Highway 4 FTE
  - Sewer 3 FTE- adding 1 FTE after June 1 2021
  - Water 3 FTE
- ▶ Succession Planning - Increased Operational Licensing
  - Water (2) Fully Licensed
  - Sewer (2) Fully Licensed w/ (1) Additional working on License
- ▶ Code Enforcement and Property Improvements

## Fiscal Stress Designation

- | Fiscal Stress |                     | Environmental Stress |                    |
|---------------|---------------------|----------------------|--------------------|
| ▶ 2015        | 60.8 Moderate       |                      |                    |
| ▶ 2016        | 55.8 Moderate       | 30.0                 | Susceptible Stress |
| ▶ 2017        | 19.2 No Designation | 30.0                 | Susceptible Stress |
| ▶ 2018        | 3.3 No Designation  | 33.3                 | Susceptible Stress |
| ▶ 2019        | 5.0 No Designation  | 23.3                 | No Designation     |
| ▶ 2020        | 1.67 No Designation | 16.67                | No Designation     |

Fiscal Stress Indicators	Environmental Stress Indicators
Year End Fund Balance	Change in population
Operating Deficits	Households with Public Assistance
Cash Position	Percent Change in Home Value
Use of Short Term Cash Flow Debt	Median HH Income/Unemployment Rate
	Reliance on State and Fed Aid

## Continued Efforts

- ▶ Continue to build Fund Balance to allow for increased reserves in 2022-2023 fiscal year
- ▶ Continue to reduce flooding impact within the Village
- ▶ Continue to seek agreements and funding to make necessary improvements to the WWTP
- ▶ Continue to develop our waterfront to impact economic growth
- ▶ Continue to support the opening of the Hollywood Theater to impact economic growth
- ▶ Continue to improve employee culture and morale
- ▶ Continue to license appropriate staff
- ▶ **Continue to hold department heads accountable for their People, their Public, and their Budgets**

## Continued Challenges

- ▶ COVID/Public Health Mandates and regulations
- ▶ Potential unknown revenue impact of COVID
- ▶ Timeliness of Project Completion
- ▶ Waste Water Treatment Plant Aging Infrastructure
- ▶ “Zombie” Properties/Code Updates
- ▶ Long Term Funding necessary for large projects (WWTP, Flood Mitigation)
- ▶ Ambulance Building Re-Use
- ▶ Succession Planning for employees entering retirement stage
- ▶ Balancing Increasing Operating Expense and limited Tax Levy Increases
- ▶ Budget management while meeting department needs
- ▶ Project Capacity for Admin & Staff



## Project Support

- ▶ Point Peter Reservoir – FEMA **\$3 Mill-** approved
- ▶ Thatcher Brook Flood Mitigation - DEC/Army Corp. **\$10 Mill-** design phase
- ▶ Waterfront Dev.- Empire State Development **\$2.5 Mill** complete 2021
- ▶ Brownfield Assessment/Revitalization – Dept. of State **\$200K** complete April 2022
- ▶ WWTP Capital Improvement Project – Department of Corrections **\$2.6 Mill** NYSERDA Study Phase
- ▶ Parking Lot Improvements- Erie County CDBG **\$150K-** complete by Oct 2021

**\$18.5 Million of project support will provide future economic impact in the Village of Gowanda**

- Creates additional administration of Board/Staff to carry-out projects and financial responsibilities.
- Additional Legal, Consultant, and Borrowing fees are often necessary for project completion
- Village is responsible for Interest Payments

## Fund Balance Summary

	<u>General</u>	<u>Water</u>	<u>Sewer</u>
Previous Fund Balance- Actual	\$693,377	\$289,060	\$145,325
Fund Balance Fiscal Yr.5/31/20	<u>\$-18,190</u>	<u>+\$6,614</u>	<u>+\$18,517</u>
	\$675,187	\$295,674	\$163,842
Fund Balance Allocated 2020-2021	<u>-\$130,000</u>	<u>-\$32,000</u>	<u>-\$30,000</u>
Fund Balance Available 2021-2022	\$545,187	\$263,674	\$133,842
Anticipated 2020-2021 End of Yr FB*	\$125,000	\$70,000	\$25,000
Fund Balance Allocated in 2021-2022	<u>-\$100,000</u>	<u>-\$50,000</u>	<u>-\$50,000</u>
Projected FB for 2022-2023 (next F/Y)	\$570,187	\$283,674	\$108,842
Percentage of Increase from last year	+23.8	+11.9%	-40.3%

\*This is the budget fund balance we are anticipating to have remaining at the end of the 2020-2021 fiscal year ending 5/31/2021.

## Fund Balance Allocations 2021-2022 Budget

- ▶ **General \$100,000**
  - To provide \$100,000 to maximize the General Fund Contingency
- ▶ **Water Fund \$50,000**
  - To accelerate Water Meter BAN Debt \$45,000
  - To Water Equipment Reserve for Meter/VAC Truck Replacement \$5,000
- ▶ **Sewer Fund \$50,000**
  - To accelerate Sewer Meter Replacement Debt \$25,000
  - To provide \$25,000 to maximize the Sewer Fund Contingency

## LONG/SHORT TERM DEBT

DEBT CATEGORY	GENERAL	WATER	SEWER
FEMA Point Peter	\$0.00	\$154,000	\$0.00
Water Line/Meters 2016	\$0.00	\$785,000	\$0.00
Water Plant 2001 Bond	\$0.00	\$75,000	\$0.00
WWTP-Meter-Portion*	\$0.00	\$0.00	\$70,000
Water Portion Flood 2009 Bond	\$0.00	\$120,000	\$0.00
Gen Fund Portion Flood 2009	\$265,000	\$0.00	\$0.00
<i>consolidated in 2014</i>			
<b>Equipment</b>			
Street-Sweeper*	\$45,000	\$0.00	\$0.00
Plow-Truck*	\$25,095	\$0.00	\$0.00
John-Deere-Backhoe*	\$6,673	\$6,673	\$6,673
Total Balance Jan 2021	\$341,748	\$1,140,673	\$76,673
Projected Debt Payments 2020-2021	-\$136,768	-\$140,673	-\$76,673
Projected Debt Balance Jan 2022	\$205,000	\$1,000,000	\$0.00
<b>Debt Reduction</b>	<b>-40%</b>	<b>-12%</b>	<b>-100%</b>

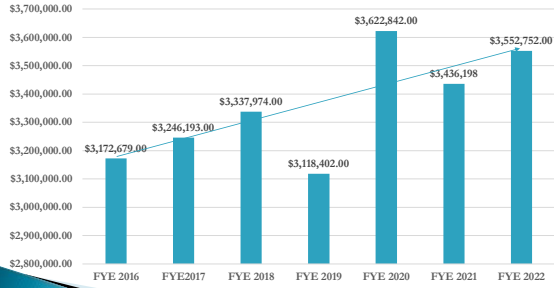
\* Will be paid off in the 2021-2022 Fiscal Year

## Village of Gowanda 2021-2022 Budget Summary

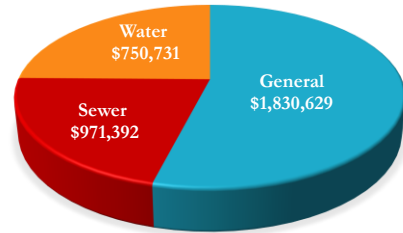
*A "snap-shot" of the upcoming fiscal year*



## Village Total Budget Trends



## 2021-2022 Budget Categories



General Includes: Highway, Police, Fire, Recreation, Parks, Clerk/Admin, Trees, Library, Historian

## Budget Comparison General

	General Fund 2019-2020	General Fund 2020-2021	General Fund 2021-2022
Tax Revenue	\$1,062,298	\$1,077,232	\$1,081,004
Estimated Sales Tax	\$280,000	\$286,000	\$292,000
Other Estimated Revenue	\$360,019	\$361,429	\$357,625
Fire Rescue Truck Revenue <small>(Grant, Fire Reserve, Sale)</small>	\$310,000	\$0	\$0
Appropriated Fund Balance <small>(Fire Truck)</small>	\$83,000	\$130,000 <small>(Contingency &amp; Debt)</small>	\$100,000 <small>(Contingency)</small>
Total Anticipated Revenue (includes FB)	\$2,095,317	\$1,854,661	\$1,830,629
Budgeted Expenses	\$2,095,317	\$1,854,661	\$1,830,629

2020-2021 Operating Budget \$1,754,661 (Deduct \$100,000 of contingency)  
 2021-2022 Operating Budget \$1,730,629 (Deduct \$100,000 of contingency)

\*Difference: \$ -24,032 (13.6% decrease)

## Budget Comparison Water

	Water Fund 2019-2020	Water Fund 2020-2021	Water Fund 2021-2022
Metered Sales Revenue	\$450,000	\$450,000	\$450,000
Services to Other Governments	\$164,170	\$166,632	\$169,131
Other Anticipated Revenue	\$81,250	\$81,800	\$81,600
Plus Allocated Fund Balance	\$11,000	\$32,000	\$50,000
Total Anticipated Revenue	\$706,420	\$730,432	\$750,731
Total Budgeted Allocations	\$706,420	\$730,432	\$750,731

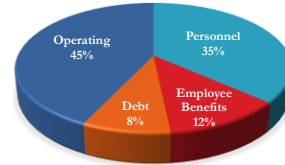
\*Most of the increase in revenue is a reflection of allocated fund balance to maximize contingency and additional debt pay-down. The remaining increased revenue is annual service contract increases.

## Budget Comparison Sewer

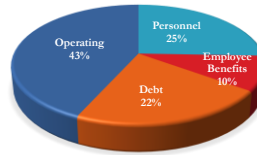
	Sewer Fund 2019-2020	Sewer Fund 2020-2021	Sewer Fund 2021-2022
Metered Sales Revenue	\$250,000	\$250,000	\$250,000
Services to Other Governments	\$525,750	\$525,750	\$628,892
Other Anticipated Revenue	\$45,355	\$45,355	\$42,500
Plus Allocated Fund Balance	\$0	\$30,000	\$50,000
Total Anticipated Revenue	\$821,105	\$851,105	\$971,392
Total Budgeted Allocations	\$821,105	\$851,105	\$971,392

The increase in revenue is a reflection of increased contribution from DOCCS per Waste Water Collection and Treatment Contract based upon prior year operating and maintenance expense. This is being watched with the proposed closure of Gowanda Prison.

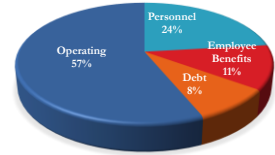
### GENERAL FUND



### WATER FUND



### SEWER FUND



## General Fund Expenses

Line Item	Budget 2021-2022	Budget % 2020-21	Budget % 2021-22	Erie Avg Tax Contribution	Catt Avg Tax Contribution
Board & Admin Personnel	\$155,102	8.2%	8.5%	\$ 126	\$ 98
Professional Services	\$46,500	2.3%	2.5%	\$ 37	\$ 29
Police	\$268,711	14.7%	14.7%	\$ 219	\$ 169
Code Enforcement	\$22,000	1.2%	1.2%	\$ 18	\$ 14
Disaster Coordinator	\$2,500	0.1%	0.1%	\$ 1	\$ 1
Fire	\$67,957	3.7%	3.7%	\$ 55	\$ 43
Highway	\$534,921	28.3%	29.2%	\$ 435	\$ 338
Parks & Recreation	\$51,100	2.7%	2.8%	\$ 41	\$ 32
Street Lighting	\$32,000	2.8%	1.7%	\$ 24	\$ 20
Operating Expenses	\$137,164	6.8%	7.5%	\$ 119	\$ 86
Fringe & Benefits	\$226,616	11.8%	12.4%	\$ 184	\$ 143
Debt Financing	\$145,228	8.7%	7.9%	\$ 117	\$ 91
Contingency	\$140,830	8.1%	7.7%	\$ 115	\$ 89
<b>TOTAL</b>	<b>\$1,830,629</b>	<b>100%</b>	<b>100%</b>	<b>\$1,491</b>	<b>\$1,153</b>

Average tax for each county is based upon a \$70,000 average home assessment. Any balance contributes to end of year Fund Balance.

## Water & Sewer Expenses

Water Fund Expense Categories	Budget Expenses	% of Budget
Personnel	\$187,838	25%
Fringe & Benefits	\$71,700	10%
Operating	\$271,895	36%
Debt Financing	\$164,193	22%
Contingency	\$55,105	7%
<b>TOTAL</b>	<b>\$750,731</b>	<b>100%</b>

Sewer Fund Expense Categories	Budget Expenses	% of Budget
Personnel	\$235,450	24%
Fringe & Benefits	\$102,700	11%
Operating	\$483,137	50%
Debt Financing	\$77,360	8%
Contingency	\$72,745	7%
<b>TOTAL</b>	<b>\$971,392</b>	<b>100%</b>

## Budget Summary

- ▶ We have increased our opportunity to be more efficient when developing budget allocations.
- ▶ Current budgets are very “lean” and not a lot of wiggle room.
- ▶ We have been able to maximize the allowable contingency within each fund.
- ▶ We were able to apply accumulated fund balance in each fund to pay down some additional debt.
- ▶ Our ultimate goals:
  - 1) Increase operational efficiencies
  - 2) Create justified budgets
  - 3) Continue to Increase Fund Balance & Reserves
  - 4) Continue with a No Fiscal Stress Designation



- ▶ *David Smith, Mayor*
- ▶ *Carol Sheibley, Deputy Mayor*
- ▶ *Aaron Markham, Trustee*
- ▶ *Paul Zimmerman, Trustee*
- ▶ *Wanda Koch, Trustee*



- ▶ *Danielle Wagner, Clerk*
- ▶ *Traci Hopkins, Treasurer*