

Town of Stanford
Five Year Financial Planning Report
2021 through 2025
March 1, 2021

Overview

Stanford's Five Year Financial Plan is a tool intended to help guide the Town in planning and controlling budgets and taxes into the future. Multi Year Planning is among the New York Comptrollers* "Best Practices" for identifying the major elements of a Town's finances, understanding how they work together, and envisioning how future goals may be achieved.

Objective

Stanford's planning tool will enable short term, immediate budgetary demands to be met within a broader financial horizon by encouraging foresight, conducting research, and integration with the Town's Strategic Plan. Budgeting will remain flexible; the Town Board will always maintain the authority to create budgets that meet the particular needs of the Town.

What's Involved?

There are seven major elements to the annual budgeting:

1. Inflows:
 - a. Local real estate taxes
 - b. Other Revenues
 - c. Town property assessment growth
2. Outflows:
 - a. Administrative, court, recreation and other expenses
 - b. Highway Maintenance, paving, plowing costs
 - c. Capital Equipment & Building Repairs
3. Savings
 - a. Fund Balances - monies retained for emergencies

Each of these elements is forecast for a five year period. Adjustments are made as deemed necessary based upon current information and financial conditions.

What are Stanford's Financial Goals

The goals of Stanford's five year planning period are: financial and tax stability, continuation of all operations and services, achievement of capital and equipment needs, service growth in response to community interest, need, and affordability.

What are the five year estimates?

1. Inflows

- a. **Local Real Estate Tax levy** (all money collected) in fiscal years 2022 through 2025 are estimated to increase at 1.8% or lower and not to exceed 2%.
 - i. March 2021 status - 2020 tax calculations for property owners has been confirmed. No changes for future years is required at this time.
- b. **Revenues** other than real estate tax are assumed to grow by at least 2% a year by restoring normal operations in recreation activities, the Haunted Fortress Program, and through ongoing review of the competitiveness of Town fees.
 - i. March 2021 Status - no adjustments at this time. Monthly analysis and forecast is essential.
- c. **Property assessments** are estimated to continue to grow at a rate of at least 0.75% in light of the full 1% growth in 2021. Assessment growth is seen to continue in home improvements, expansions, new homes and potential business properties.
 - i. March 2021 status - no adjustments at this time

2. Outflows

- a. **Administrative and other operational expenses** will be limited to increases of 2.5% or less each year from 2022 through 2025. This will be achieved by monitoring actual expenses as compared to appropriations and also by innovative means of cost reduction and efficiencies.
 - i. March 2021 - No adjustments to 2021 or future budgets other than inter-fund transfers are required at this time
- b. **Highway Expenses** are also assumed to increase no more than 2.5% per year or less from 2022 through 2025..

- i. March 2021 - No adjustments to 2021 or future budgets other than inter-fund transfers are required at this time
 - c. **Capital Expenses** will initially be contained within either annual budgets or Fund Balance (savings) Capital accounts. High priority will be given to vehicle safety and cost/benefit as well as to energy and cost reduction measures. Some repair work will be needed in the Town Hall Building which will lead to savings for the cost of fuel in the future.
 - i. March 2021 - No adjustments at this time. Monthly account reconciliations will continue to report capital bank account balances and budget appropriations and transfers will report equipment purchases in the 2021 fiscal year.
- 3. **Savings (Fund Balances) retained for emergencies** is guided by the Town Board's policy to retain 35% of the prior year's expenditures. This effort will depend in large measure by the annual fund balance (monies not spent) in both the Highway Fund and the General Fund.
 - i. March 2021 - The AUD report of 2020 fund balances in both General and Highway Funds will determine any adjustments in anticipated future savings and will be included in future reports.

How will this plan affect the Town and the average taxpayer?

The Town's plan is to collect in any given year only those property taxes that are required for the next year's operations, capital needs, or restoration of emergency savings, all of which will be identified clearly and transparently. Actual taxes paid by property owners in years 2022 through 2025 for the median home assessed at about \$300,000 is projected to be less than a \$5.00 increase per year, equivalent to about 1%.

Where do we go from here?

Reports will be issued to the Town Board and the public in March, June, September and December of each year. Any adjustments to the five year planning outlook will be made prior to annual budget development.

* See Office of the State Comptroller publication Multi-Year Financial Planning, 2017.