

Village of Livonia Budget Update

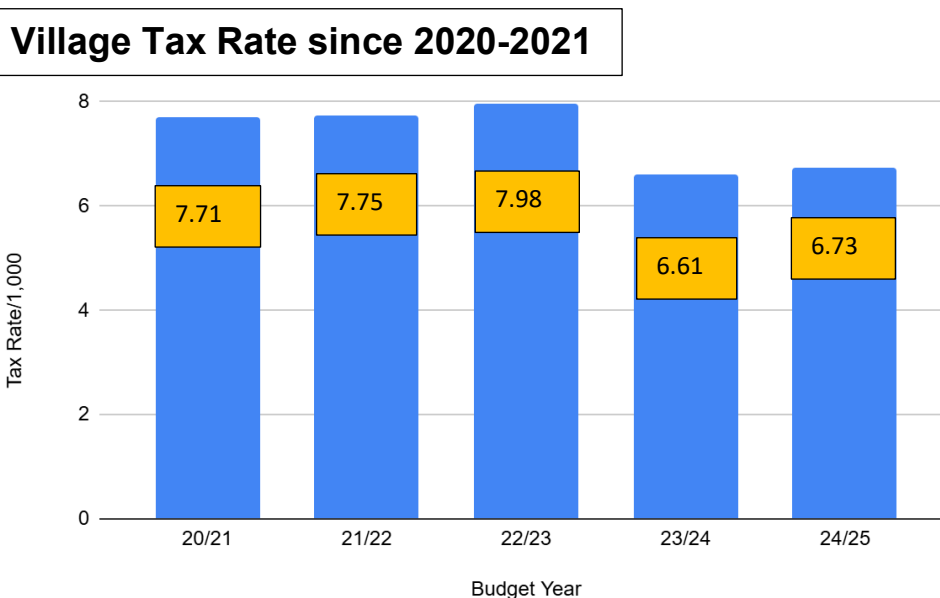
The recent Village of Livonia Newsletter highlighted our financial challenges in the 2025-26 budget cycle.

While the NYS tax cap has kept tax rates relatively stable over the past 12 years, the cost of doing business has significantly outpaced the 2% tax rate increase allowed by law. In 2025, the County exceeded the tax cap. After careful consideration, financial needs require the Village to follow suit in our 2025-26 budget and institute an 8% tax rate increase.

I have several pieces of information to share with you that will help you understand how we arrived at this decision and provide perspective on the financial situations in other communities.

- When considering the Village budget, a significant figure to remember is \$6,500.
- This amount represents the revenue generated by a 1% increase in the Village tax rate.
- Therefore, complying with the NYS tax cap provides roughly \$13,000 in additional funds for the Village budget.
- When examining price increases in areas such as fuel, property and health insurance coverage, and refuse collection, the 2% will not cover all of these three costs.
- This year, increases in wages and benefits (which include modest cost-of-living raises for full time employees and double-digit increases in health insurance rates for full-time employees) surpass the amount we would collect under the 2% tax cap
- Hiring and retaining quality staff ensures that Village residents receive the services they deserve. We have an excellent team of Village employees in the office (2 part-time) and the Department of Public Works (3 full-time). These employees must be compensated and provided with benefits enabling them to take care of themselves and their families.
- An 8% increase will bring in \$52,000 in additional funds for the Village budget.

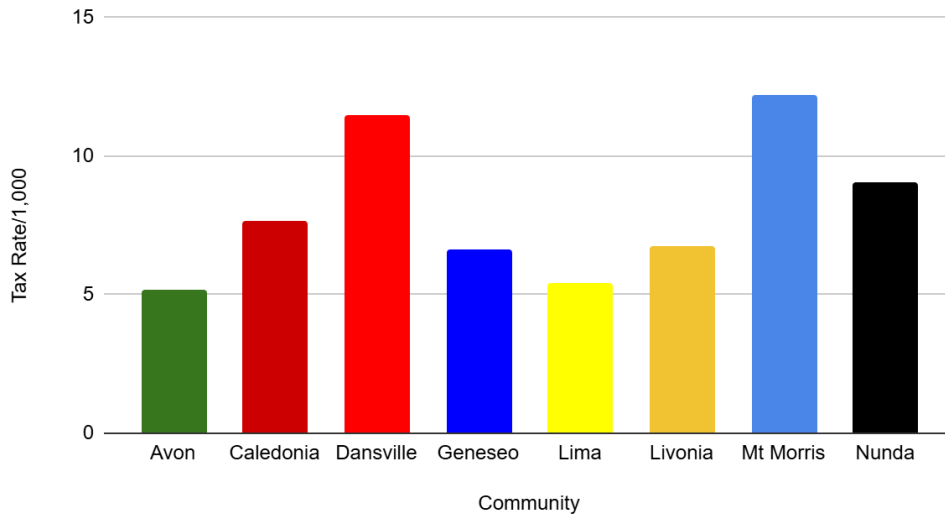
The chart below shows that Livonia's village tax rate will remain among the lower rates in Livingston County.



Notes:

- The NYS tax cap law took effect in 2012. Village tax rate increases have consistently remained at or below the tax cap. The cap is established at 2% or the rate of inflation, whichever is lower.
- The tax rate decrease for 23/24 reflects the countywide reassessment in 2022.

Tax Rates Around the County - 24-25



Community	Tax Rate 2024-2025 per \$1,000	Proposed Tax Rate 2025-26 (per \$1,000 assessed value)
Avon	5.17	5.79 (10% increase)
Caledonia	7.65	7.65 (no change - removed village refuse service)
Dansville	11.50	11.50 (no change)
Geneseo	6.61	6.90 (4.5% increase)
Lima	5.43	6.12 (17% increase)
Livonia	6.73	7.17 (8% increase)
Mt Morris	12.23	12.23 (no change)
Nunda	9.03	Unknown

From this chart, you can see that our 2025-26 village tax rate is among the lower rates for villages in the county (not all villages have released their 2025-26 rates yet).

For the past 13 years, we have adhered to the 2% tax cap by closely monitoring our finances, taking advantage of many grants, and carefully researching options for large expenses (such as employee benefits packages and DPW equipment).

Our budget will receive a boost in 2026 and 2027 when we finish paying off the street improvement bonds from our last two street improvement projects.

As our economy continues to recover from the pandemic and we encounter changes in funding from the federal government, we believe that this 8% tax rate increase is in the best interest of the Village and aligns with tax rates in neighboring communities.

We understand that some people may be concerned about this increase. Our public hearing on the budget is April 21st at 7 pm, If you have questions, please contact the Mayor (mayor@villagelivonia.org or 585-447-0203) and I will get back to you as soon as possible.

Thank you