

To: Ancram Town Board
From: Art Bassin 
Date: May 16, 2010
Subject: Supervisor's Report – April 2010

Financial Results Coming into Focus

Revenues through the end of March were \$1,027,000, reflecting the collection of property taxes and the first quarter 2010 sales tax revenue. We received \$50,000 in sales tax revenues for the first quarter, about the same as we got in 2009, and we appear to be on track to hit the \$175,000 full year budget. We also found out that we will receive \$18,000 in mortgage tax revenues, which puts us on track to hit the \$30,000 annual budget for mortgage tax. We are still "at risk" for about \$124,000 of budgeted State highway aid over the next 8 months, about 10% of our 2010 revenue budget. If we do not receive this budgeted State highway aid, our highway department will be forced to cut back on road repair this year.

Excluding the capital costs of the solar match (\$21,000) and the grader (\$34,000), expenses for the first four months totaled \$366,000, which is about \$101,000 better than the budget, and \$88,000 better than our spending during the same period last year. Excluding the cost of the grader, the highway department is running \$100,000 ahead of 2009, and is \$84,000 better than budget, benefiting from lower spending on snow removal and general repairs. Other spending was about flat to budget and 2009 in total. We have prepaid our full year insurance premium of \$20,000 and our 2Q rescue squad invoice of \$22,000. Cash in the bank totaled \$1,360,000 at the end of April, down about \$42,000 from March.

Expanding & Renovating Existing Garage Provides Savings

The Garage Committee continues to examine of the possibility of expanding and renovating the current garage facility at the Town Road site, and using the Milk Factory as a salt shed. This option appear to offer substantial savings over the previous plan to take down the Milk Factory and erect an 80x80 metal building on that site, and build a new salt shed. Our current estimates suggest that the "renovation option" could cost \$150,000 less in total (\$450,000) than building a new garage (\$500,000) and new salt shed (\$100,000). Over the next month we will complete the engineering analyses needed to develop bidding specs for this project. The Garage Committee will secure Town Board approval for this option after we get in bids which definitely lock in our costs, which should be by the July or August Town Board meeting. It is not yet clear if we will be able to get the garage built the end of the year, but we will try. If we are not able to get the project done by the end of the year, we will wait and start work next spring. If the garage comes in at under \$400,000, as appears is possible, we may be able to fund this construction effort from our existing reserves, and not incur any debt.

Budget Problems Addressed with Better Control

We have identified and are tracking budget problems and risks which now total over \$316,500:

- 1) \$85,000 excess of budgeted costs over budgeted revenues
- 2) \$33,000 unbudgeted town hall solar match (\$21,000 already spent);
- 3) \$34,500 unbudgeted cost of new grader (already spent);
- 4) \$15,000 unbudgeted costs for engineering and design work for the new garage
- 5) \$2,000 under budgeted lifeguard costs
- 6) \$2,500 under budgeted costs for the assessor's clerk
- 7) \$2,500 under budgeted costs for the deputy building inspector
- 8) \$2,000 budget overrun in animal control costs
- 9) \$124,000 in budgeted State aid which may not be available
- 10) \$4,500 GAR Revaluation analysis
- 11) \$10,000 playground contribution
- 12) TBD – Under budgeted State Retirement Fund contribution

In addition, we have identified a total of \$271,500 in possible cost and revenue opportunities, which could help offset the risks identified above:

- 1) \$44,000 from lowering the rescue squad costs to \$88,000 from \$132,000;
- 2) \$5,000 in insurance costs;
- 3) \$6,000 in legal from revising our legal retainer agreement;
- 4) \$8,500 in fees
- 5) \$84,000 if the highway department stays within budget for the rest of the year
- 6) \$124,000 reduction in road repair work if State highway aid is not available

Making Progress on Projects

1. Painting Town Hall – Jane Moore and her team of 17 volunteer painters completed repainting the Town Hall last month. Costs for the project were \$1355. We have received \$1750 in contributions from 44 individuals and businesses, plus lunch for the volunteer painters from the Farmer's Wife, to support the painting project. We expect to incur an additional \$1000 to repair some of the wood siding. Total cost to the Town for repainting and repairing the wood siding will be about \$605.

2. Town Hall Solar – Solar panels were installed at Town Hall last week, and Central Hudson will be integrating the solar system with the regular grid on Tuesday, 5/18. The cost of this project was about \$155,000, with the Town investing \$33,000 and the balance coming from a grant secured for us by Bob Murphy.

3. ATT Cell Tower – Jim Miller, Bob Roth and I talked last month with Kevin Brennan, the senior regional cell tower site selection manager at ATT, about the proposed location of the cell tower at Town Hall. Brennan commented that the only reason ATT was proposing the Town Hall site was because the previous town administration had told ATT the tower

had to be on town land. We told ATT that this was not a requirement, and said we wanted the towers where they could provide the best coverage for Ancram, Ancramdale and Boston Corner. Brennan noted that they were not happy with the Town Hall site because it was on low ground, surrounded by high ground on three sides, and at a proposed 250 feet, a Town Hall tower was going to be very expensive. Brennan asked that the Town review and revise the Town's cell tower law to lower the acreage needed for a tower, to reduce the setbacks and to define height limits in terms of feet above the tree line or ridgeline, not in absolute terms. We agreed we would look into doing that. Brennan indicated he already had his people looking for appropriate sites on private land, on high ground.

4. Ancramdale Polling Place -- We have received a proposal for a ramp for the Friendship Hall polling place in Ancramdale to make the site handicapped accessible. Installing this kind of ramp is a requirement that the County Board of Elections requires based on the Federal "Americans with Disabilities Act". The ramp will cost \$8400, which we hope to raise with contributions from the Community. Neighbors Helping Neighbors has dedicated its Memorial Day BBQ to helping fund this ramp.

5. Revaluation Review – GAR Associates, a revaluation and assessment consulting firm, has begun work on their review of Ancram's property tax valuations to determine if our assessed values based on the 2008 revaluation, and the subsequent changes made to these valuations are, reasonable and consistent with NYS assessment guidelines. GAR plans to do a 10% sample of all property types, and review our property and market data bases. They expect to have a report done before the June Board meeting.

6. 2011 Budget Process – We will start the 2011 budget process in July this year. The first step will be for me to distribute 2008 and 2009 full year actual numbers and June year-to-date 2010 and full year forecast information to all department heads and committee and board chairs, so they can begin to develop their 2011 budget requests. Preliminary departmental budgets will be due back to me by the end of August. I plan to share the first cut at the 2011 budget with the Town Board at the September Board meeting. We will schedule weekly budget workshops from the end of September through October Board meeting as needed, and will do the needed public hearing and approve the 2011 Budget at the October Board meeting. A detailed schedule will be coming out in June.

We Still Need to be Cautious

While it is still too early in the year, with too many unknowns, to be able to predict how the year will play out, our sales tax and mortgage tax revenues appear to be tracking on budget for the full year. This means the only major revenue risk is the \$124,000 in State highway aid. If we do not get this money, we will not be spending it to fix roads. On the cost side, our major risk continues to be uncovering additional budgeting errors, and dealing with unbudgeted requests and requirements which place pressure on our on cash reserves. In this uncertain environment, we will continue to be very careful how we spend money, and will focus on the important priorities.