

To: Ancram Town Board

From: Art Bassin 

Supervisor's Financial Summary - January 2010

2009 Actuals, 2010 Budget, Jan 2010 Results

The chart attached summarizes 2009 financial results for the Town of Ancram, presents a summary of the 2010 budget and lists financial results for January 2010. Detailed financial reports are available on the town web site.

Here are the highlights:

2009 Results

The Town started 2009 with a cash on hand of \$542,000. During 2009, we received \$1,558,000 in revenues, and spent \$1,364,000. As a result, the town's ending cash balance increased by about \$200,000 during 2009 to end the year at \$739,000. Higher than expected Federal and State Highway Aid and Sales Taxes accounted for the \$200,000.

Town property taxes accounted for \$921,000 of total revenue, or about 59%.

As for Expenses, \$988,000, or 72%, related to taking care of the town's roads. Town government, including the costs of the Town Board, the Town Clerk, Justices, Historian, the Assessor's office, Animal Control, legal, insurance and accounting costs totaled \$190,000, or 14% of our total spending. Other major costs in 2009 included: planning and zoning, \$60,000; ambulance services \$54,000; cost of maintaining town buildings, \$41,000 and Youth programs and Parks, \$32,000.

2010 Budget

The town has budgeted revenues and expenses totaling \$1,388,000 in 2010. Revenues are budgeted to be \$170,000 less than 2009, while expenses are budgeted to be \$24,000 higher. Property taxes are about flat year-to-year at \$930,000, while sales taxes, mortgage taxes and state and federal highway aid are budgeted to drop by about \$150,000 in total, to more normal levels.

Highway spending of \$931,000 represents 67% of the 2010 cost budget, and is down about \$50,000 from last year. Ambulance services are budgeted at \$132,000, up from the \$54,000 cost in 2009. The costs of town government,

planning and zoning, the town hall building and youth programs and parks costs are all consistent with 2009 spending levels.

Problems in the 2010 Budget

The 2010 budget appears to be adequate for 2010 “business-as-usual” needs, but we could face a serious shortfall if sales tax, mortgage tax, and state and federal aid deteriorate more than we have anticipated. Beyond that, the 2010 budget did not provide any funds for:

1. the *planning* costs of a new highway garage and salt shed, which could be \$20-25,000;
2. adding to our long term building and equipment investment funds; in prior years, \$35,000 had been included in the budget to build our capital accounts; and
3. \$33,000 needed for the town’s match on the Town Hall solar grant we received last year.

Possible Savings to the 2010 Budget

Possible savings identified so far this year are nearing \$80,000 – funds which can be used to plan the new highway garage and cover the town’s part of the solar panel installation. And, if we are lucky and do not get a lot of snow over the next 60 days, we may come in under budget on snow removal and can allocate these funds to the new town garage. Potential savings identified so far are:

1. Since the budget was prepared, the Town has renegotiated Ancram’s cost of the Rescue Squad down to \$87,000, which should provide a \$45,000 cost savings against the 2010 budget. This still represents a 34% increase over 2009 expenditures going to the Rescue Squad.
2. \$8,500 of “lost checks” from 2009 were found and deposited this month.
3. The Town Board’s decision to use volunteer help to paint the Town Hall may save \$20,000 versus the cost of vinyl siding contemplated last year.
4. 2010 insurance costs are likely to be \$5000 less than budgeted.

January 2010 Financial Results:

Spending in January totaled \$110,000. We can say we are “ahead of the game” because this is 7.9% of annual expenses with 8.3% of the year gone, as shown on the chart. We will track our progress through the year this way.

The highway department incurred \$45,000 in costs, which was relatively low for this time of year, as we continued to benefit from mild weather. We paid the first quarterly \$22,000 installment to the Rescue Squad. Town government spending totaled \$31,000, as we paid the annual \$20,000 insurance premium and incurred normal monthly operating costs of about \$10,000.

We ended the month with \$654,000 in the bank.

Highway Department is Our Major Financial Challenge

The major financial issue Ancram faces over the next few years is how best to provide needed facilities and equipment for the Highway Department. My goal is to meet these financial challenges without going into debt, and without raising taxes. To do this, we need to develop a detailed capital plan over the next few months that will carry us through the next few years.

The bare bones of this plan are:

1. Generate cost savings from our 2010 budget, both in the highway department as well as the town. Develop ways to increase efficiency.
2. Seek grant monies.
3. Develop a cost-effective, environmentally sound plan for the garage and salt shed in the existing location on Town Road.
4. Bid out the garage during 2010, targeting to come in under \$400,000. Pay for this by drawing down our reserves to make up what we need beyond what we get from our cost reductions and grants.
5. Defer the salt shed to 2011 or 2012.
6. In the near term, for highway equipment: we will increase our attention to maintenance, explore leasing deals, sharing equipment with neighboring towns/county, and buying second hand equipment if the opportunity arises.