

To: Ancram Town Board
From: Art Bassin
Date: 10/13/2013



Subject: October 2013 Monthly Supervisor's Report

Financial Report: Revenues for the eight months ending September totaled \$1,217,000 including \$811,000 in property tax receipts and \$182,000 in sales tax revenues received in January, April and July. Full year revenues for sales and mortgage taxes look like they will exceed the 2013 budget by \$25,000 to \$50,000. Expenses for the eight months ending August totaled \$981,000, or about 73% of our full year budget. Cash on hand at the end of August totaled \$898,000. Barring any extraordinary events, I expect revenues and spending for the rest of the year to be on budget, resulting in a year end cash position of about \$700,000 which is about \$50,000 better than we budgeted.

Town Issues

1. **Ridgeline Protection** – Hugh Clark and I are almost done with a new draft of the ridgeline protection law, and I will be circulating the revised draft and a revised map early next week.
2. **2014 Preliminary Budget** - The Preliminary 2014 Budget, which we will discuss at a public hearing starting at 7 pm on 10/17, shows a property tax increase of about 5.9%, or \$47,000. This is caused primarily by a \$30,000 "library "tax", assuming the 414 referendum passes, and by possible increases in e health insurance and retirement fund payments. The Library has done some research which indicates that the Town may be able to exclude the \$30,000 414 payment from the Town tax cap, and that the Town may be able to establish a separate line on the tax bill for the library tax, as is done for the Lighting District and Fire District. If this is in fact the case, that will reduce the 2014 Town tax increase by 30,000. There is also no fund balance carry forward budgeted for 2014 at this point, but I expect we may have as much as \$50,000 in fund balance carry forwards, barring any unexpected events over the next few months. This would allow to eliminate the proposed tax increase, and keep town taxes flat again in 2014.

County Issues

1. **Airport** – Until we find out whether or not we are required to expand the airport safety zone, the plan to use eminent domain or a simple negotiated purchase of the land adjacent to the airport will probably be on hold. Certain senior county managers and the BOS leadership have asserted that the FAA requires us to expand the safety zone or shorten the runway. This may turn out to not be the case, and may eliminate the need to do anything at the airport. At this point the right thing to do is wait until the FAA tells us that we have to do something...but since we have been successfully operating the airport for 10 years since we became aware that we may be in violation of FAA safety zone guidelines, it's not likely the FAA will intervene not to require we do anything. But if they do, we can deal with the facts, rather than acting on incomplete and inaccurate information.
2. **County Budget** – We have started the budgeting process at the County. Too early to tell what the outcome will be, but we are asking all department heads to be realistic, and not to fudge their numbers to make revenues higher than are realistic, or costs lower. There is likely to be a tax increase at the County level this year, if only to start to rebuild the County's cash position, and to recognize and budget for the cash flow "hole" caused by assuming a 100% payment rate for town, county and school taxes. Since the County makes the schools and the towns "whole" on property taxes, the County has an obligation to front about \$10-12 million of late tax payments each year, and needs the cash to do that while it collects for the Towns and Schools.