

Financial Advisory Council

Minutes

October 15, 2022

The meeting was called to order by Art Bassin at 9:30 A.M.

Attending: Art Bassin, Steve Olyha, Carol Falcetti, Hugh Clark, Peter Scola, Steve Roberts, Jim Miller, Ann Rader – by Zoom

Treasury bill investments

The town invested in two Treasury Bills for \$500,000 at six months (maturing in mid-March 2023) and \$250,000 at six months (maturing in early April 2023) with Key Bank.

Steve Roberts suggested investing more due to the low probability that \$700,000 will be needed within the next six months. Art Bassin replied that Town expenditures are around \$150,000 monthly and he'd like to wait to see what the sales tax income will be before investing further in Treasury Bills.

September financial reports & year-end projection

Art Bassin reported that significant year to date financials show that there is reduced income in the camp fees and donations amounting to \$10,000 to \$15,000 and that mortgage tax income could be reduced by \$10,000 to \$20,000. He spoke with the County Treasurer and September sales tax is relatively strong and up twelve percent. The big picture is to anticipate what effect a recession, be it mild to severe, will have and to anticipate the worst case.

The van which will be used to deliver food to Neighbors Helping Neighbors cost \$48,000 with the Town investing \$40,000 and Neighbors Helping Neighbors investing \$8,000. The van has been registered and will be in use immediately.

Jim Miller reported that the Highway Department repair account is low and may require the deposit of funds from another account. The new bucket truck is being manufactured and he hopes it will be delivered by the end of 2022. He got an estimate on a new plow truck and it will be around \$300,000. It must be ordered now to lock in the price and get delivery in eighteen months, replacing a 2002 plow truck.

Steve Roberts asked if depreciation on the truck is held in a separate account. Art Bassin explained that \$100,000 annually is kept in the budget to avoid borrowing. Currently there's \$126,000 in general fund reserve account which, because the Town hasn't used it, will roll over into the fund balance to use for capital projects. For the 2023 budget, there's \$100,000 in that account.

Looking to the future, Art Bassin said that it's possible, should there be a severe recession, that road repair would be put on hold.

Peter Scola brought up the practice of selling depreciation to investors to pay for future investments. While this is common practice in private enterprise, Art Bassin stated that there's no provision for it in government.

Peter Scola asked what provisions the County has in place should there be a severe recession. Art Bassin explained that the County projects that 2023 will be flat and that should there then be a severe on-going recession the County would use the fund balance to cover operations just as Ancram would.

Draft -2023 Preliminary Budget
-2023 Preliminary Budget Overview
-2023-2027 Capital Plan

Art Bassin stated that the major message for 2023 is "uncertainty".

While health insurance premiums will rise by 13 percent next year, due to changes in staffing, the cost will be flat for 2023.

Art Bassin talked with the Association of Towns regarding a 5% salary increase for staff. The initial response was that it's okay; however, he's now hearing that it can't be done for staff unless there's a policy and you can't do it for elected officials unless the Town makes a local law to approve it. The Association of Towns suggested contacting the office of the State Comptroller regarding how this would affect local officials. The Town may wish to simply put a 5% salary increase in the budget for 2023. Steve Roberts suggested doing what Social Security is doing; an 8.7% increase. Art Bassin agreed. Though the Highway Department, for competitive reasons, received an increase in 2021.

The Town is receiving part of internet sales tax income which may be what's keeping sales tax revenue as strong as it is. Peter Scola mentioned that inflation could be in part responsible as well.

SIC update - Pavilion, Water Study, Housing, Solar

Art Bassin commented that he doubts all of these will be accomplished in the near future and also mentioned that everything may need to be postponed for now.

Carol Falcetti explained that the Water Study deadline is October 15 and that she will be doing canvassing today. So far there have been 35 responses out of a hundred-plus.

Art Bassin said that there are four more surveys at the town hall. Perhaps the low percentage of returns is a reflection that there isn't a wide-spread concern.

CT Mail is an engineering company that will study the feasibility of placing solar on the highway department's salt shed roof. Also, Suzan Flamm is looking into the possibility of leasing solar panels.

Ann Rader reported that for affordable housing issue getting together with nearby towns is essential. Art Bassin said that the County is hiring someone who will help to coordinate multi-town efforts. In addition, there is grant money available but the challenge will be identifying locations suitable for this housing.

Highway - Bucket truck; Shed; 2024 plow truck

Art Bassin asked Jim Miller if the Highway Department is still in need of a new salt shed. Jim Miller replied to the affirmative and is waiting for an estimate that he requested.

As an aside, Peter Scola asked what plans the County has in place should a recession occur. Art Bassin answered that the County would use its fund balance to cover a shortcoming. Also, the County is increasing taxes by two percent.

Pool

David Boice is working on getting estimates.

Other

Peter Scola suggested leasing highway department vehicles and selling the depreciation. Art Bassin said this is something the Town would have to set up on its own. Peter Scola suggested that the County look into this. In addition to selling depreciation the County could potentially get lower prices for equipment. Art Bassin will raise this idea with the County.

The meeting was adjourned by Art Bassin at 10:15 A.M.

Respectfully submitted,
Ann Rader