

To: Ancram Town Board
From: Art Bassin
Subject: Supervisor's Report
Date: August 12, 2023



1) Financial Report – A normal financial month. Cash and T Bills at the end of July totaled about \$1,524,000. Our T-Bill portfolio was at \$1,228,000, and cash on hand at the end of June was about \$297,000. As of mid-August we have about \$100,000 in cash and \$1,400,000 in T Bills. We have a treasury bill for \$500,000 maturing on 8/24 which will fund us for the next month or two. I anticipate we will be able to continue to invest \$1 million in short term (1, 2, 3 month) T Bills over the rest of the year. Yields on the 1, 2 and 3 month T Bills are all currently around 5.3%, so if yields stay steady, we could earn another \$25,000 in interest by the end of the year. YE 2023 fund balance projection (cash plus T Bills) is \$1,124,000.

Building Department Activity - The level of activity in the Building Department has been substantially higher than expected over the last 7 months in complexity and volume. Building permit fees through July are almost at the full year budgeted level of \$45,000. With activity in the pipeline, building permit fees are likely to approach \$75,000 by year-end. The ZEO/CEO/Building Inspector has been working about 25-30 hours a week, compared to a normal 16 hours a week, and has not had sufficient time to deal both with the application flow and enforcement, and enforcement has not gotten the attention it needs.

Court Fines - We are experiencing a dramatic drop in fines in the Court, apparently as the result of changes made at the county level in how fines are paid and processed coupled with fewer tickets being written due to a shortage of deputies and troopers on patrol. Year to date fines are at \$4,200, which suggests a full year projection of \$7,200 compared to a 2023 budget and prior years experience of \$25,000

2) 2024 Budget – We have a first draft of the 2024 budget which targets a 2024 tax levy flat to 2023 at about \$714,000. Salary increases in the 3-3.4% range are included in the budget. Jim Miller has indicated that prices for material and fuel continue to increase, and has requested an additional \$25,000 to cover cost increases. Major unknowns at this point are what sales and mortgage taxes will be, and how much health insurance will go up. I will incorporate departmental 2024 budget input into the Tentative Budget which we will have a public hearing on at the September Board Meeting. We will do public hearings on the Preliminary Budget in October and on the Final Budget in November.

The major uncertainty related to the 2024 budget and beyond is the economic environment and the impact of an uncertain economic environment on the likely levels of sales and mortgage taxes for the next few years. We will have a better sense of sales and mortgage taxes before we have to finalize the budget in November. While we can keep town taxes flat again in 2024 by using fund balance, we may have to factor a weaker sales and mortgage tax environment over the next few years into our capital spending plans and consider postponing some major strategic investments, or getting grants to help fund projects.

3) O&G Industries – O&G Industries has filed an appeal of the ZEO's determination that O&G discontinued mining operations for more than two years in the 2018-2021 period, which the ZEO concluded terminates their right to continue mining as a pre-existing non-conforming use in the Scenic Corridor Overlay Zone and requires that they discontinue all future mining activities. O&G believes that because it was operating the mine under a SUP it was a conforming use, and "the no activity for over 2 years" rule does not apply. The matter will be reviewed by the ZBA.

4) Building Manager – I will be recommending that we expand the role of Deputy Highway Superintendent Brian Ingles to include responsibilities as Building Manager for town garage facilities, town hall facilities and all other town owned facilities. We have not had a building manager since George Wittlinger retired from that position a few years ago.

5) Revaluation – Assessor Rene Deleeuw reports we have received 5 article 7s and 4 SCARs. Timing of the resolution of these legal issues is not yet clear.