

Financial Advisory Council

Minutes

August 12, 2023

Present: Art Bassin, Hugh Clark, Steve Olyha, Peter Scola, Carol Falcetti, Will Maitland Weiss, Ann Rader
– by Zoom

1. July Financial Reports and updated Year End Financial Projection

Art Bassin opened the meeting by stating that fine collection is running behind. He is not sure why this is and will be looking into it. Other than that, the year-end financials show that the Town will be sitting on about \$1,500,000 at the end of 2023. There are a variety of potential costs for funding out of that amount. We will consider grants and other financing so that we won't be required to raise taxes or go into debt. Of course, a consideration is the overall economic atmosphere and how it's going to impact finances.

Peter Scola asked why fines are low and Art Bassin replied that he'd be checking about it with Town Court Clerk, Ruth Wittlinger. Will Maitland Weiss asked about the increase in fees for the Building Department. Art Bassin replied that the Building Department is bringing in a high amount of fees including some very high fees of \$5,000, \$10,000 and \$15,000 for large, complicated projects. Ed Ferrato, Building Inspector, is probably working up to four days a week and Art Bassin has requested that he document his time so that he can be fairly compensated.

Returning to the subject of unpaid traffic violation fines, Peter Scola questioned why income is so low. Ann Rader mentioned that during a court audit Ruth Wittlinger explained that there is no legal mechanism in place that ensures that traffic violators pay fees, at least not for many years. It seems that people aren't paying, possibly due to the high cost of everything else that they must buy, like food. During the past three years the town has received about \$25,000 in fines annually and so far, this year it's running around \$4,000. Steve Olyha said that there is a total of approximately \$83,000 in fines in arrears.

2. 2024 Budget

Art Bassin explained that the budget for 2024 will include a 3.1 to 3.2 percent salary increase for employees. There are some unknowns such as the cost of health insurance which won't be known until the autumn.

Several years ago, the town borrowed \$250,000 to purchase a truck for the Highway Department but ultimately CHIPS funds paid for the truck. After our 2023 payment of \$45,000 there's about \$90,000 remaining on the loan with \$45,000 payable in 2024 and 2025 which is being paid using the fund balance. In addition, \$25,000 needed for road repair has been put in the fund balance as a place holder.

Sales tax is projected to be flat to this year, about \$420,000. Estimated projected 2024 mortgage tax income is likely to be under the 2023 budget of \$50,000 by as much as 50% depending on home sales and mortgage activity. These numbers will be adjusted during the fall as real numbers come in.

Steve Olyha suggested increasing the ZEO and Deputy salaries by more than 3%. Art Bassin replied that in the case of Renee' DeLeeuw, Ancram Town Assessor, as he worked additional hours during the recent revaluation, his salary was increased accordingly. Now the town is in the process of the same for Ed Ferrato and the Deputy. Likely, in 2024 the town will ask Ed Ferrato to increase his hours to another full day, increasing his work time by one-third. This will be something Ed Ferrato can consider. Steve Olyha mentioned that the Planning Board is in need of more enforcement which currently the ZEO doesn't have time to accomplish.

Steve Olyha said that making \$25,000 available for additional attorney fees is a good idea. Legal counsel will be required for O & G Mines and also for potential challenges to some of revaluation reassessments.

2a. Capital Plan

Art Bassin explained that money for the Highway Department is not allocated to the Highway Department, it's kept in the General Fund, because if it's allocated to Highway then it must be spent on Highway. So as needed, funds are moved from the General Fund to the Highway Department.

Steve Olyha requested a visit to the Town Garage by members of FAC so that we may see the vehicles. Art Bassin agreed and will set-up a meeting, mentioning that most of the replacement of vehicles is done only about every twenty-years. An example is the new \$300,000 plow truck that's replacing a truck that was purchased in 2001.

3. Investment Opportunities – Housing, Water, Pavilion, Solar, Pool Playground, Pool Renovation

Will Maitland Weiss said that the Strategic Investment Committee didn't meet last week and is scheduled to meet in September. He also agreed with Hugh Clark that looking at plans to develop Blass Field comprehensively will serve the town well. Hugh Clark added that it's a piece-meal verses comprehensive approach with the comprehensive approach being the winner. Art Bassin mentioned the 2009 Strategic Community Development Plan which a consulting firm completed. He'll send it to everyone.

Before closing the discussion on investment, Ann Rader asked what effect the \$40,000,000,000 New York State budget deficit, a projection for 2027, will have and how that can be allowed. Art Bassin replied that taxes will go up as they already are. There will be less state aid to counties and that cost will be passed on to towns and ultimately the residents. The loss of federal Medicaid funds which had been passed from the state to the counties will cost Columbia County \$650,000 in 2024 and \$1.5 million in 2025. Tax payers will be forced to make that up. In Ancram there's been an annual income of \$200,000 in sales and mortgage tax. If that decreases it will have to be made up by raising town taxes or cutting spending.

Art Bassin stated that it's essential to proceed with fiscal caution. The \$800,000 fund reserve was funded to help the town navigate unexpected changes in revenues and costs. He said, "We haven't had any negative impacts for the past ten years; that can't go on forever." Peter Scola suggested that Art bring

this up at the upcoming town Board Meeting so that Board members are aware that the FAC is very concerned about what is coming.

3a. Well Problem in Ancram Resolved

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The dry well problem in a home at the Rte. 7 and Rte. 82 intersection has been resolved. A well company used a metal detector and discovered a second well which works.

4. Highway Department

Jim Miller was not available and will report in September.

5. Revaluation

The town has retained three attorneys to represent it with seven Article 7s. We also have received 6 small claims assessment review (SCAR) suits regarding the revaluation results which will be handled by Assessor Rene Deleeuw. Two of the Article 7s are related to Long Lake, and one of the Long Lake Article 7s covers all but 1 of the Long Lake homes.

Economic Environment

We have had a good discussion about the economic environment.

6. Other

There was no further discussion.

Respectfully submitted,
Ann Rader