

Financial Advisory Council

July 15, 2023

Minutes

Present by Zoom:

Art Bassin, Ann Rader, Carol Falcetti, Hugh Clark, Steve Olyha, Peter Scola, Will Maitland Weiss, Jim Miller

1. June Financial Reports

1a. Economic Environment – sales tax down

1b. 2024 Budget Process

Art Bassin opened the meeting by saying that the economy is still uncertain. Indications are that sales tax and mortgage tax may be softening. We won't really know the facts until the end of the year.

At the Town Hall, propane and electricity costs are significantly higher than anticipated so the budget will need to be adjusted there. Art Bassin commented that even though propane use is about 50% less, prices have increased. Steve Olyha suggested that the Town enter into a price lockdown so that the cost of propane is constant. Central Hudson's electricity billing has been chaotic. It appears that usage has dropped since the installation of a heat pump but delivery costs have increased. In addition, as we know, the cost of electricity in the Central Hudson district has doubled over the past couple of years.

2. 2023-2027 Revised Capital Plan

Art Bassin stated that the projected cash balance for 12/31/27 is \$950,000. This excludes spending for a pavilion, pool upgrade, Town Hall improvement, and a variety of Highway Department investments that the town may have to make. The target is to have \$700,000 to \$800,000 in reserve and the town is getting close to that point.

There has been significant feedback from the public regarding the \$67,500 that has been awarded to the Ancram Opera House for community room renovation. This will be discussed at the upcoming Town Board meeting. The concern is that the Town should not be investing in private enterprise.

Currently \$1,400,000. is invested in T-bills.

The 2024 draft budget will be started during the next couple of weeks.

The hope is that the town can keep property taxes flat for 2024. That will depend on sales tax along with mortgage tax amounts.

In summary, Art Bassin stated that the Town has a lot on its plate and some hard choices will be necessary regarding items such as the pavilion. There may not be money to everything on the Strategic Investment Committee list. He said, "We will need to move forward carefully."

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

Art Bassin explained that the town is working with Steve Winkley, a hydrologist, regarding possible solutions to the Ancram hamlet water problem. The decision was made to look deeply into solutions

versus the source of the problem because there's a general recognition that there is a problem for certain properties.

3.a. Well Problem in Ancram at Rte. 82/7 Intersection (And more)

Recently, one of the wells in the center of the Ancram hamlet has gone dry. It's not clear whether there's any money available at the county or state level to help remediate the problem. It's possible that the establishment of a community chest could be a tool to help with issues such as this.

In addition, a homeowner on Sawchuk Road reported that their driveway was washed out as the result of a recent downpour. The homeowner asked if there is any money available for help with repairs. No, there's no money available at a town and county level. If there were to be a broad-based disaster in Ancram the town could apply for state and federal money.

Steve Olyha reported that progress on a pavilion is on hold due to the urgency of affordable housing for the fire company and others. That said, Steve Olyha is hearing from the public that there is a demand for recreational opportunities in Ancram. This will be discussed at an upcoming Ancram hamlet meeting on July 29. He predicts that the outcome of the discussion will be a request to the Town Board to do a high-level traffic study to assess the feasibility of using the driveway there or the driveway near the cemetery. In addition, there's the necessity of drilling bore holes to assess the condition of the ground at Blass Field. Ultimately, the question is, is viable and safe to develop a recreational center at Blass Field?

Art Bassin stated that given the importance of affordable housing, without a source or sources of supplemental financial support, the town may be required to curtail its vision of a pavilion and recreational center. It's important to proceed carefully.

The Town Board has approved \$4,000 to restore the baseball diamond at Blass Field at the suggestion on Town Board member and Fire Company Chief, David Boice. Families and friends are returning to Blass Field to play baseball.

Hugh Clark stated that spending money on an overall plan for a recreational center will be wise, versus adding facilities helter-skelter, willy-nilly, one after another*. (*Not an exact quote!)

4. Highway Department

Jim Miller reported that during a recent major downpour, Carson Road culverts filled up and then the storm washed out soil under a guardrail and also in some places the soil beneath the asphalt was

compromised. It's been repaired and hopefully won't happen again. Also, during the same storm East Ancram Road and Crest Lane were underwater and when it was all over the Highway Department found fence posts and other wood debris that had washed away lying on the Crest Lane roadway.

The Highway Department has a big project coming up during the next couple of weeks that will run \$125,000, partially covered by CHIPS. Will Maitland Weiss asked about the completion of road work on Cottontail Rd. and Jim Miller replied that recent rain damage requires revisiting both Cottontail Rd. and Hall Hill Rd.

The new salt shed is in progress.

5. Revaluation, BAR

There may be a series of article 78 lawsuits from Long Lake. The issue is that residents say that the lots, which have been valued at \$100,000, have been valued way too high.

The town has retained several attorneys should we need their services.

Steve Olyha, who is on the revaluation grievance committee, said that the committee did not evaluate land value apart from land/house value at Long Lake. There is one value for both. They looked at comps only. When looking at the property tax records, though, there is an assigned value to the land for both built and unbuilt properties.

Art Bassin pointed out that on each tax bill there is an assigned land value for all properties. Attorneys that the town has spoken with say that the Long Lake claim does not have merit. However, this is still to be determined if a suit is brought.

Art Bassin stated that the town-wide evaluation rose by 70% so for properties with an evaluation of that amount or less the actual tax bill should not increase. In addition, for school taxes, surrounding towns that have not had a reval to achieve one hundred percent valuation, the County raises their value to a hundred percent for tax purposes.

6. CT Male Billing Issue

This billing issue has been resolved. CT Male accepted the \$3,000 that the Town offered.

7. Other

Will Maitland Weiss stated that the most recent SIC meeting on Zoom was joined by Palmer Irving and that Palmer expressed an opinion that the SIC should be "purpose driven" and has taken an extraordinary amount of time to accomplish its purpose. Will said that he believes this is a useful question and that there will always be reason to discuss strategic investments, assuming that the town has "excess" funds.

Art Bassin stated that very likely over the next three years there will be less money to invest, not more. The town may need to be more judicious in its spending and set priorities. For instance, is affordable

housing a priority? If so, place financial focus on that. The \$35,000 the town is contributing to the Affordable Housing Committee is a place-holder in the process of coming to an understanding of what the town will ultimately invest.

Respectfully submitted,
Ann Rader