

MEMO

To: Mayor, Village Trustees
From: Winifred Zubin, Treasurer
Date: April 2, 2020
RE: Tentative Budget 2020.2021 Update

We have received a \$16,306 refund of the 2019.2020 insurance premium for the Concession Stand. Thank you, Larry. Premium is now \$1,813. The premium will likely remain the same in the new fiscal year. This reduces budgeted expenses by the \$16,306. I recommend reallocating that saving to the contingency line, for the budget weaknesses identified below.

Weakness in Tentative Budget 2020.2021.

Due to the anticipated impact on local businesses and employment from the Coronavirus outbreak, I forecast the following weaknesses in the tentative budget:

General Fund

1. Tax collections. Collections last year at July 31 were 70 % of the levy, rising to 92.5% thru end of March. I forecast a 50% collection rate through July and a 70% collection rate through the end of the year. That calculates to a \$91,000 gap.
2. Delinquent taxes may not be collected at all, but existing foreclosures may proceed, with properties being sold. Reduction of \$5,000 to a remaining expectation of \$10,000.
3. Rental income-There is a planned of 12% in the rental of the pump station. I suggest rolling back that increase reducing income by \$600.
4. Building permit income-The budgeted fee income is \$6,000, I forecast a reduction to \$3,000
5. Chips revenue-there is uncertainty in the amount and timing of the allocation of funds from NYS. The impact is to delay projects funded by CHIPs.
6. Expenses
 - a. Pool construction may be delayed, and there may be higher costs due to the delays.
 - b. There the pool may not open this summer due to construction delays and/or coronavirus. \$11,000 was budgeted, which may not be spent.
7. The overall weakness is \$100,000 with a contingency fund of \$32,500.

Water Fund -Payment of current and prior obligations will likely slow. I forecast that seasonal homes and hotels will be occupied, but not camps. The water dept. expenses would continue. There are some cash balances, but the year will be very tight.

Sewer Fund -The effect on DEC payments to us (85% of the WWTP expense budget) is not determined. We have \$60,000 in the bank as contingency funds for WWTP operations. While there may be slower payments from DEC and customers, I think there is minor risks to this budget.