

# Town of Berne

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## Town of Berne Financial Update

Hello, I hope this note finds everyone safe in these difficult and challenging times amid the Covid-19 pandemic and the social & civil unrest facing our great nation. You have most likely heard a great deal of unfounded negative talk recently concerning our towns economic and fiscal health and I wanted to take this opportunity to address some of these issues.

With the 2<sup>nd</sup> quarter complete, and the resulting sales tax revenue received, we now have a better understanding of the actual economic effects the Covid-19 pandemic has had on business in the county. Towns and cities that have a heavy dependence on local sales tax, hotel occupancy taxes and other revenues tied to local spending and tourism will be hit the hardest. Our town does not rely heavily on this income and the impact of reduced sales tax revenue constitutes a much smaller percentage of the towns financial base putting us in a much better position than some of our neighboring municipalities.

We are currently estimating reductions in Highway revenue of approximately 12% and reductions of General Fund Revenues of 2.5%. Our team has identified areas in the current budget that are redundant, have been funded and the work or material items never procured or completed, or contain excessive contingent funds associated with expenses, that can be restructured or eliminated to provide an 11% reduction in the third and fourth quarters, with no cuts to services or staffing. These reductions will cover the projected loss in sales tax revenue in the General Fund and allow for sales tax revenue collected in the third and fourth quarters to cover potential revenue losses to the Highway Fund. New proposed procurement policy amendments will allow tighter control over discretionary spending limits, which will further provide reductions in day to day spending.

With budget season beginning all department heads have been asked to investigate ways to reduce spending and instructed that any line item increases must be presented to the board for approvals.

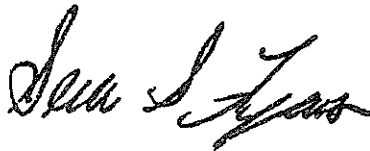
Other projects under consideration are reductions in the cost of electricity, telecommunications, and other services that can be combined or renegotiated to further improve savings. As of July 9<sup>th</sup>, legislation has passed both houses and is awaiting the Governor's signature that allows local governments much more freedom in managing the impact of Covid related expenses.

Revenues collected for 2020 are currently at 75%. An unexpected increase in revenue from recycling fees of over 400% and increases in Clerks fees and other income means that we will be very close to achieving all the revenues expected before the impact of the Covid pandemic. We cannot, however, depend on these things going into the future. There is no question that the impact to the State and County will be with us for many

years. This coming budget cycle (and the ones following this) presents us with an opportunity to promote and provide services to the town in as lean and efficient a way as possible, not just for today but far into the future. Let me say that I and all the town board members are dedicated and committed to cutting wasteful taxation wherever it is encountered, prioritizing the efforts of the town while keeping your vision and values in mind.

The list of proposed amendments to the 2020 budget will be presented to the town board for their consideration. These budget reductions now and in the future will ensure Berne continues to forge ahead without depleting our reserves by utilizing fund balances to meet and exceed NYS Comptroller expectations.

In conclusion, I hope that this brief outline illustrates my, and the Town Boards commitment to doing everything possible to ensure the financial stability and fiscal responsibility in Berne for today and tomorrow, for all our futures.

A handwritten signature in black ink, appearing to read "Sean S Lyons". The signature is written in a cursive, flowing style.

Sean S Lyons,  
Town Supervisor