

## Town of Alexander Residents

Genesee County has shared sales tax revenue for many years with its Towns and Villages. Due to increased capital needs to fund building a new jail and the repair and or replacement of large culverts and bridges throughout the County a new revenue sharing agreement was proposed where the level of funding for Towns and Villages would be capped at the amount shared in 2018. The County would use any increase in sales tax to Fund Capital Projects and if there was a decrease in sales tax the decrease would be shared equally by all parties. The County passed a resolution in 2018 and another in 2019 committing the legislature to sharing sales tax revenue at the 2018 level for years 2020 and 2021 so that the Towns and Villages could incorporate those revenues when creating their budgets.

Once the COVID pandemic started there were projections of decreased sales tax revenue and the County legislature passed a resolution to rescind the previous resolutions which committed them to sharing sales tax revenue with the Towns and Villages for years 2020 and 2021. They had already made the first quarter payment for 2020.

At the same time NYS was short on cash so they decided to not fund CHIPS. CHIPS is money that the state and federal governments provide to reimburse municipalities for road repair and building. We do the road work and then submit the bills for reimbursement. Eighty per cent is funded by the federal government and 20% has been in the past been funded by NYS.

What does this mean for the Town of Alexander 2020 budget? We have a budget of \$1,770,000 for 2020. Of that \$519,000 comes from your taxes, \$582,000 from sales tax revenue, \$126,000 from CHIPS, \$190,000 from services to other governments which is plowing and mowing state and county roads in our town, \$172,000 from other services and \$181,000 from Fund Balance. We anticipate that the CHIPS reimbursement will be down 20%(-\$25,200). The sales tax revenue will be down \$309,000 if no more money is shared by the County. Also other state aid may be reduced.

We had a highway truck ordered to be delivered in 2020 and on advice from our highway superintendent we cancelled the order which reduced our expenditures by \$221,500, but it also reduced our potential revenue by \$15,000 as we no longer have a used truck to sell. We are looking at ways to reduce expenditures to bridge our current budget gap and if necessary will use more Fund Balance to get us through this year.

As you can see the Water District #5 in the southwest corner of the Town is progressing. The funding for this project is through a federal loan and grant which are guaranteed once we commit to the project and are not part of our Town budget.

Alexander Town Board