

News Release

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For Immediate Release
Contact: Sue T. Crane
Town Supervisor

Economy Hits Local Municipalities

“The past year’s economic downturn has dealt a severe blow to local municipal budgets,” according to Sue Crane, Town of Red Hook Supervisor. “Due to massive decreases in other streams of revenue, we currently face the potential of a 25% property tax increase. The following factors will make our budget review and final adoption process more difficult:

- Decrease of \$25 million in the town’s Taxable Assessed Valuation
- Decrease in mortgage tax revenue: \$115,000
- Decrease in town-wide revenues: 9%
- Decrease in interest earnings: 76%

These projected decreases are combined with increases in state and industry mandated costs:

- Increase 17% in NYS Retirement contribution
- 5% Workers Compensation
- 5% Liability Insurance
- 7% Medical Insurance

The policy decisions imposed by public referendum limit our ‘maneuverability’ within the town budget. Expenses mandated by public referenda include:

- Red Hook Public Library - \$145,000
- Tivoli Public Library - \$125,000
- Purchase of Development Rights debt - \$149,000

Recognizing the importance of completing the project and that a majority of the Town Board wishes to pursue final adoption of the Inter-municipal Centers and Greenspace Plan, we have included in the tentative budget the anticipated costs of:

- Planning and legal fees: \$66,000 and Town Law modification: \$20,000.

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We appreciate the concerted effort made by Town of Red Hook department heads who concentrated on budget reduction and fiscal restraint. We have all struggled with tough choices. Our loyal employees work tirelessly to address the needs of the town and its citizens. Included in the tentative budget is modest 2% increase in employee salaries; however, this budget denies any increase to Town Board and Supervisor salaries. We have eliminated expenditures related to conferences across the board, and put on hold Town Hall renovation projects. The tentative budget assumes no transfers from reserve funds.

We, like all municipalities in New York, face having to do more with less. Traditionally, Red Hook has consistently maintained a commitment to fiscal responsibility. The submitted tentative budget is a starting point. I urge all members of the board to thoroughly review it and begin the process of amending and improving upon it. This is an opportunity to genuinely work together to face the fiscal challenges that effect our entire community. We cannot lose sight of our fundamental responsibility to provide strong fiscal stewardship and leadership for the residents of Red Hook and Tivoli.

I look forward to working with the board, the Budget Officer and the Business Manager to develop the most responsible final budget possible for 2010.”