

# Town of Johnsburg Newsletter

## Supervisor's Report

### Short Takes

#### New Lodge Rec Building

Finishing touches are being put on the newly re-built lodge structure at Ski Bowl Park. The lodge, a combined project between ORDA and the Town of Johnsburg, will be used winters as a ski lodge and summers as a town building, available for public use. It is expected that the new building will be a great addition for Youth Program. The lodge is projected to open over Christmas week.

#### Real Property Audit

A regularly scheduled audit of how the Town Clerk's office handles the processing of real property tax bills was recently completed at town hall. The auditor spent two days with Town Clerk Bill Rawson reviewing processing procedures and the like.

#### The Big Dig

The big dig at the Town beach has been closed for the season. Much progress has been made and the volunteer group led by Bob Nessel will continue next year.

#### Ski Lift Install

A new attached grip chairlift which will follow the line of the 1940s T-bar to the summit of Little Gore is being installed at the Ski Bowl with operation set to begin next season. The base of the new lift can be seen at the northern end of the park, near the Schaefer trail.

#### Sign of the Times

More than 400 parcels of property are presently scheduled for tax auction at the county municipal center. These parcels have three years of accumulated back taxes and have failed to be successful negotiated with the owners at the so called "last chance meeting." This number of auction parcels is thought to be the largest in Warren County history

### Taxing Matters

Financial issues associated with budget and taxes are taking center stage as Warren County struggles to close a budget gap and New York State edges toward fiscal chaos. The bulk of this month's issue is devoted to these issues including a prepared statement given by your Supervisor at a recent press conference on the sales tax issue, a copy of a Town Board memo identifying Johnsburg's challenges, and finally, a discussion of the State's view of Johnsburg land values and finally, an itemization of bed tax awards. If you are left with a sense of anger and frustration after reading these pieces, you are not alone.

#### Sales Tax Statement at County Press Conference

I would like to take a few moments to examine how the County's financial situation and in turn the sales tax initiative is viewed from the perspective of a supervisor and lifelong resident of a rural community within the Adirondack Park.

First, let me tell you a little about the Town of Johnsburg. Johnsburg consists of several small hamlets, Bakers Mills, Wevertown, Johnsburg, Riparius, North Creek and North River. North Creek is the business center of the community with a number of shops, a grocery store and a nursing home. We have a population of about 2,700 people. Of all the houses that exist in our town more than 55% are owned by second home owners who may live here part of the year and someplace else the rest of the year. Our town is home to Gore Mountain and in recent days, anticipating the interconnect project, a series of businesses have opened in North Creek.

Our town in many ways is a story of contrasts. We have high end housing projects underway for vacationers able to pay half a million dollars for a second home and at the same time we have multi-generational families and senior citizens who struggle to survive. Real property taxes in my community are not just a political issue, they are a survival issue.

When thinking about a 10% property tax increase it must be viewed in the context of what residents have endured in total over the past several years. Last year, our school tax increased by 13%. Since 2002 the county tax has increased by 40.5%. The town tax has increased by 68.5% between 2002 and 2008 when we were finally able to begin reductions in that amount and reduce taxes.

People in rural New York have been forced to confront shrinking jobs, diminishing incomes and increased taxes all in the same breath.

Consider the following statistics but consider them also with the realization that these numbers include our entire town, the guys who blow snow at

Gore and the retired IBM executive with a 401K and a Beamer in the front yard.

- \* The median household income in Johnsborg, that's entire household, is about \$38,000.
- \* Nearly 20% of the individual residents in the Town of Johnsborg live below the poverty line.
- \* 45% of our students receive free or reduced lunches at school.

I also serve as chairperson of the real property tax committee here at Warren County. In that capacity I can tell you presently that 400 homes are facing public auction this year. A few months ago our committee conducted its so called "last chance," meeting where people who haven't been able to pay their taxes for years essentially negotiate and sometimes beg for methods to keep their homes. In 2009 vs 2008 the number of homeowners at the last chance meeting doubled. Doubled!

There is a way out and there is hope.

Over the last few months the county board of supervisors eliminated \$7.8 million in budget shortfall. We have eliminated positions, cut programming and will continue to do so. This approach was aggressive, unprecedented and painful.

When all of those cuts are made we are still left with a budget shortfall. To cut much more means rural communities like Johnsborg lose county police coverage and fail to have county roads plowed for school children.

To make up the shortfall, it's either a real property tax increase of 9.1% which because of tax rates translates in Johnsborg to a 26% increase or in the alternative, a 1% increase in sales tax.

A 26% tax increase in a town where 45% of the school kids qualify for free and reduced lunch and nearly 20% of all folks live below the poverty line. My residents can't pay it.

The option of a 1% sales tax increase does 2 important things.

1. It moves the tax burden away from over-taxed, under-employed local homeowners and toward those with discretionary spending capital.
2. It permits Warren County to finally turn the ship around, not just to fill the current gap, but to segregate a fund for the specific purpose of real property tax relief while replenishing our reserves.

In terms of the financial stability and future of our county, the sales tax initiative is the most responsible solution. More importantly, in terms of fairness and compassion for the people of our county, is it the only solution.

## Town Memo

The following was an update presented to Town Board members by the supervisor prior to the last board meeting.

1. At a special County board meeting on December 10, 2009, County Supervisors failed to pass a budget. After further committee meetings we will try again on Dec. 18. It is possible that tax bills will be slightly delayed meaning that Jan. revenues will be slightly delayed. We have the cash flow to cover the delay at this point but should it become more extended, cash flow could become a problem.
2. At present the county budget anticipates either a 1% sales tax increase or a 9.1% property tax increase. The state has changed the value of properties in Johnsborg indicating that the net worth of the Town has increase 15% in the last 12 months. This means our share of the county burden increases. A 9.1% tax increase translates to a 26% increase in Johnsborg. With the sales tax the increase would be about 14%. Roughly stated with the 1% sales tax increase county property taxes on a \$150,000 residence would be increased by \$62. Without the sales tax increase, that sum would be \$107.00

## Patterson Threatens County Funding

At a recent press conference Governor Patterson indicated that he will direct the state budget office to stop paying its obligations to counties and school districts beginning in January.

The state makes a variety of payments to the county including tax on forest lands, state funding for social services, sales tax and programming reimbursements.

The effect of such action by the Governor would be to force county borrowing to finance state mandated programming.

The Governor indicated that he expects his action to be controversial and further stated he expected to be sued.

The state is facing a massive budget crisis and the Governor's comments come along with daily predictions of how many weeks or days the state can stay afloat without substantial action between the Governor and the legislature.

## Assessment Anamoly

According to New York State, the value of property in the Town of Johnsborg has increased by some 15% over the last 12 months while other towns have remained flat or even lost value.

The increase in value creates a confusing situation for taxpayers regarding Warren County taxes. As described elsewhere in this issue, as of press time the sales tax vs land tax issue is unresolved. If the sales tax were approved, county taxes would have a 0% increase, but because Johnsborg now claims a larger piece of the county value, a 0% county increase will actually result in a 14% Johnsborg increase. If the sales tax increase fails, the increase in Johnsborg would be 26%.

A great deal of time has been spent at town hall attempting to figure out the exact nature of the percentage increase.

*Happy Holidays from Town Hall*