

Dear Residents & Property Owners:

At the Board Meeting on Tuesday, January 5<sup>th</sup>, a public hearing will be held on local law (1-2021) to allow the Board of Trustees to override the NY State 2% tax cap. This is the first step in the budget process that the Village has used for the last seven years. Fortunately, it has never been needed. This legislation provides the village with the financial flexibility to do what is right for Asharoken without the constraints of an arbitrary tax limit imposed by NY State. Passage of this law gives Asharoken a safety net should unexpected expenses arise, or revenue shortfalls occur prior to finalizing the budget. Examples could include extreme snow removal cost, police overtime should we have a significant storm or other unanticipated fiscal events.

The village is in the very earliest phases of determining the 2021-2022 budget. I would like to stress that adoption of the override law should not be interpreted or assumed to mean that the village intends to have a tax increase above the 2% threshold. Just as the village has to finalize the assessment roll, determine expense budgets and revenue streams, the proposed law is part of the Village's due diligence to prepare a realistic budget for the next fiscal year. It is in the best interest of the Village to adopt the law with the hope and expectation that it will not be needed.

Should a tax increase be required, the Board of Trustees will do it's best to minimize it. This is even more of a priority now with the cap on the deductibility of State and Local taxes on your federal income tax return. Asharoken has a long history of fiscal conservatism. During the last nine years as Mayor the average tax increase has been 1.03% and there has been no increase for the last 5 years. Although the COVID-19 pandemic will make the 2021-22 Village budget one of the most challenging in recent memory, the Board and I will strive for similar results from the last few years.

Best regards

Mayor Dr. Gregory Letica