

Sands Point Report

JUNE 2018

MAYOR ADLER'S REPORT

Mayor

Edward A.K. Adler

Trustees

Katharine Ullman
Marc Silbert,
Deputy Mayor
Lynn R. Najman
Peter A. Forman

Village Clerk

Liz Gaynor

Treasurer

Kathleen Notaro

Police Chief

Richard Lertora

Village Justice

Alyson K. Adler

Associate Village Justice

Daniel Scheyer

Advisor to Board of Trustees

Daniel Scheyer

Property Tax Deductibility – Albany's Shot-Across-the-Bow

Last month Governor Cuomo signed into law a statute that permits a municipality to give homeowners credits against property taxes billed by the municipality if the homeowners contribute to a special fund to be used for a “charitable purpose.” As you know, the governor has been a very vocal proponent of seeking work-arounds to restore full tax deductibility for property tax payments following the adoption of the new federal tax law last December.

The obvious problem is that only the IRS can determine what constitutes a charitable contribution deduction, and on May 23rd, to no one's surprise, it issued Notice 2018-54 indicating that it will disallow deductions made to a municipal fund “to circumvent the new limitation on state and local deductions.”

For villages like Sands Point on a June 1st fiscal year, when Albany enacted the new law, tax bills had already been prepared and any effort to utilize the new law for deductibility this year became a race against time. To leave all options open, at an emergency meeting following the regular May meeting, the Board added a public hearing to the June 19th monthly meeting agenda to consider enabling the State's charitable fund offset mechanism if it appears that the mechanism stands a reasonable chance of passing muster with the IRS. However, given the stated position of the IRS and all research to date, as I write this report it seems unlikely that the Board will proceed to take any action with respect to Village taxes due by July 1st. No one wants to risk having Sands Point or any of its residents become test cases in the likely court challenges to come.

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The Village Club – Spring Update

Membership

A year ago I reported the “net loss of about 11% of the golf membership, or 28 member families” following the 2016 season. I went on to state: “This loss is a great disappointment after several years of golf membership stability, and it will challenge Club leadership to explore paths to building back golf memberships in 2018 and beyond.” By the end of last season, golf memberships had increased to 230, still far short of the 250 – 260 base line that the Club was able to maintain for several years. Between November and January, the Club transitioned to a new Club management team led by KemperSports and GM Dana Cancellaro.

At last month’s Village Board meeting, the new Club management team reported the good news that golf membership was up by 21 golf members from year end 2017 to a total of 251, with 5 more new golf members joining in the past two weeks, bringing the current total to 256. Dues revenue won’t increase proportionately this year, given the Discover program’s 1st year incentive discount. But bringing golf membership levels back to the 2016 level, or better, is a critical first step. Retention of golf membership moving into 2019 is a key goal and will be an important test for the new management team.

Budget

As shown on the 2018 Budget report on the facing page, last year’s operating loss resulted from not only reduced golf membership but also a related decline in dining and event revenue. The management team is addressing all revenue and expense areas this year. To deal with the 2017 shortfalls, the Board approved the use of Recreation Fund deposits from last year’s site plan review fees to supplement Club revenues in order to cover capital project bond payments. That will be repeated this year, with the addition of subdivision deposits into the Recreation Fund previously held in reserve. The goal for 2019 is to match, if not exceed, the success of the 2016 season when dues and other operating revenues completely covered capital projects debt service. This will ensure that future Recreation Fund deposits can be used to fund other capital improvements at the Club.

Pool House Reconstruction

The pool and new locker rooms opened on schedule for the Memorial Day weekend, though work will continue for several more weeks on the kitchen/dining half of the building. All residents and members will be invited to an open house on a date to be determined in July to view this attractive and functional new facility when fully complete. I hope you will join us for this event to mark the most significant and needed facilities upgrade at the Club in nearly two decades.



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VILLAGE CLUB OPERATING BUDGET SUMMARY - 2018

	Budget 2018	ACTUAL 2017	Budget 2017	ACTUAL 2016	ACTUAL 2015
MEMBERSHIP DUES REVENUE					
Golf (includes all sports)	2,977,040	2,960,422	3,038,250	3,131,426	2,944,331
Racquet	386,440	320,464	337,950	324,546	300,000
Racquet & Pool	140,900	122,847	102,500	119,420	106,309
Pool	385,030	456,959	401,450	402,930	394,999
Dining	76,500	88,382	70,500	73,458	72,999
Total Dues Revenue	3,965,910	3,949,074	3,950,650	4,051,780	3,818,638
REVENUE					
Merchandise	140,800	120,342	136,000	147,183	143,880
Greens, Guests and Cart Fees	555,000	452,194	490,000	494,292	609,460
Other Activities	74,400	69,538	39,000	36,938	41,385
F&B Member Dining, Special Events	1,553,394	1,534,040	1,555,256	1,532,776	1,576,051
Private Events	984,644	1,001,845	1,116,744	1,051,381	934,587
Mansion Hotel Room Rental	155,000	134,584	145,000	135,826	160,757
Facility Rental	78,000	120,800	165,000	184,536	123,104
Total Income	7,507,148	7,382,417	7,597,650	7,634,712	7,407,862
Less: Cost of Good Sold	770,690	935,000	970,000	971,190	914,744
Gross Profit	6,736,458	6,447,417	6,627,650	6,663,522	6,493,118
Expenses					
Total Payroll & Benefits	4,888,493	3,899,767	3,786,400	3,826,185	3,790,742
Total Grounds Expense (see bullet note 3)	227,700	1,088,911	1,146,000	1,131,028	1,100,484
Total Other Expenses	1,829,104	1,877,995	1,680,300	1,713,528	1,925,906
Total Operating Expenses	6,945,297	6,866,673	6,612,700	6,670,741	6,817,132
Net Income - Operations	(208,839)	(419,256)	14,950	(7,219)	(324,014)
Add: Non-Operating Funding Source:					
Cell Tower (Located at Tennis Courts)	190,044	186,178	170,000	166,892	167,295
Income (Loss) Before Debt Service	(18,795)	(233,078)	184,950	159,673	(156,719)
Less: Payments					
Bond (Princ. & Int) less int earned & issuance premium	426,291	179,790	173,227	142,451	4,032
Village Loan	10,000	10,000	10,000	10,000	0
	436,291	189,790	183,227	152,451	4,032
Recreation Fund Applied to Bond (Princ. & Int)	426,291	179,790	0	0	0
Proj. & Prior Year Actual Operating Gain/(Loss)	(28,795)	(243,078)	1,723	7,222	(160,751)

EXPLANATORY NOTES:

- This operating budget summary does not include the cost of capital improvements and other expenditures not part of normal annual operations, nor does it include depreciation, a non-cash accounting expense.
- Primary sources of funding for capital improvements come from site plan and subdivision fees deposited into the Recreation Fund, per statute, and borrowing through the issuance of municipal bonds by the Village. Until 2015, the cost of the Club bond debt service was an expense of the Village's budget, funded by property taxes. Current Village policy requires the Club's annual debt service to be paid only from operating revenues and the Recreation Fund. Subdivision and Site Plan Review fees paid by applicants to the Planning Board and BZA are directly deposited in the Recreation Fund and are not incorporated into the Village budget. Such fees may be used only for Club capital expenses and capital project funding.
- The expense category "Total Grounds Expense", formerly "BrightView Course/Grounds Maintenance", was changed this year because the grounds maintenance contract with BrightView ended in 2017; All grounds employees are now employees of KemperSports and included under Total Payroll.



JUNE 2018 REPORT

26 Tibbits Lane
P.O. Box 188
Port Washington, NY 11050
Phone: 516-883-3044

ELECTION NOTICE
TUESDAY, JUNE 19, 2018
NOON TO 9:00 P.M.
VOTING AT VILLAGE HALL
26 TIBBITS LANE
VOTING IS FOR TWO TRUSTEES

PROPERTY MAINTENANCE

Village regulations require that residents cut, trim or remove any brush, grass, rubbish, or weeds that are likely to become a health hazard, fire hazard, are a danger to persons or property, or are a harbor for rats, mice or other vermin. Additionally, residents are required to maintain all of the right-of-way that abuts their property that is not covered by pavement.

Violations have occurred and continue to occur in the Village, resulting in letters being sent to individuals asking them to rectify the situation within a 10-day period. Failure to remedy the situation will result in the Village hiring a contractor to complete the work required. Upon completion of the work the resident will be billed by the Village. If the bill is not paid it will become a lien on the property.

On the positive – ***LET'S KEEP SANDS POINT BEAUTIFUL!***

TREE CUTTING & REMOVAL

This may not be done without a permit. Severe penalties can be levied. This month the Code Enforcement Officer has issued summons to several residents violating our tree ordinance.

Applications for tree removal are available at Village Hall.