

Are you paying more than your fair share of town taxes?

Would you like to know if you're being overtaxed in order to subsidize other town taxpayers?

There's only one way to find out. Insist that the supervisor and four councilmen adopt an honest budget that honestly charges the refuse (kitchen waste and recyclables), water and Yorktown sewer special districts for the services they honestly use.

Let me explain.

Most, but not all, taxpayers belong to the refuse district and, depending on where you live, you may also be in the water and/or Yorktown Sewer district. You pay a separate tax for each district you're in—in addition to your town tax. If you're in all three special districts, your special district taxes account for almost half of your April total town tax bill.

Each year, the three special districts are charged a "special district administrative fee" that reimburses the town's general fund for certain services, such as payroll and purchasing, that are paid for by the general fund which all taxpayers pay into.

The administrative fee is an expense in the special district budget; increasing the fee increases the district's tax rate. Conversely, because the fee is a revenue in the general fund budget, increasing the special district fee has the effect of lowering the town tax rate paid by all taxpayers.

Which is exactly what happened in 2013 when the special district fee was increased; the total town tax bill for some special district taxpayers went up while it went down for other taxpayers.

Charging an administrative fee is legal; the special districts should reimburse the general fund for the cost of the services they receive. But here's the problem:

No one, not the supervisor, the four councilmen or the Finance Department knows exactly what administrative services the districts are using and at what cost. As the system stands now, the special district fee is based on pure guesswork. No one knows if the special districts are being overcharged or undercharged.

Historically, the special district fee was set at 5% of each district's operating budget. In 2012, Supervisor Grace proposed increasing the fee to 7% for the 2013 budget, but the Town Board compromised on a 1% increase — for one year only.

Supervisor Grace still thinks a 6% fee is too low; he believes that 10% is a fair and equitable number. Councilman Paganelli thinks 6% isn't onerous but should probably be higher. Councilman Bianco isn't sure what the right number is. And Councilmen Murphy and Patel have been publicly silent on the issue.

The reality is: calculating a fair and equitable special district administrative fee is not complicated. The problem is: the supervisor has shown, by his actions and statements, that he's not interested in finding out what a fair and equitable fee should be. If he was, the number would have been calculated months ago.

- It's been a full year since the Town Board directed the supervisor "to undertake a study to determine exactly what general fund services are provided to the special districts and at what cost." The study was supposed to have been completed by July, 2013 so that the findings could be factored into the 2014 budget. The study hasn't been done.
- The supervisor has ignored the advice of the town's auditors who said, in August, that the administrative fee should be based on the cost of actual services. The auditors even offered to assist the town with the calculation.
- The supervisor has ignored the state comptroller's office that has said, unequivocally, that a flat percentage is inequitable and that the administrative fee must be based on the cost of direct services provided to the special districts.

The reality is that as long as the supervisor continues to rely on a flat percentage to calculate the administrative fee, he's free to pull any number he wants out of the hat, especially when he needs more revenue in the general fund to lower the politically sensitive town tax rate.

The supervisor has even said that the special districts should be charged the equivalent of a lawyer's retainer fee (like the fee he charges his private law practice clients) so that certain staff will be available *if and when* their services are needed —despite the state comptroller's clear directive that the administrative fee must be based on actual and direct costs.

So, are you being overtaxed in order to subsidize other town taxpayers? You have no way of knowing.

And you'll never know until the supervisor does the arithmetic. The arithmetic as it should be done. It's time to stop the guesswork.