

Irvington Capital Improvement Plan

Potential Funding Sources

TDC 2/6/23

TC members have recently mentioned that with a 5% to 8% meals tax Irvington can borrow \$5 to \$7 million dollars for capital projects. While true, the question is, should we? Or, on what projects should we take on long term debt?

With respect to a town meals tax, both the Tides Inn and Julian Patterson/Terri Wesselman have stated they would support a 2.5% meals tax but only for funding Town Sewer service

Given that The Tides Inn currently contributes more than 50% of the Towns income and that they would pay the major (say 75%) of any meals tax we should give great weight to their input.

My Conclusion: For most capital projects the fiscally prudent course is to fund capital projects from Capital Reserves, excess income and Grants

Remaining Funding Sources:

1. Capital Reserves (best guess, Budget and Finance to confirm): \$500,000??

2. Estimated Annual Excess income (goes into Capital Reserves): \$75,000 to \$100,000??

Could be used for debt financing or to eliminate property tax.

3. Grants: What is likely available here for Irvington?

4. Rent on Town Office: \$1400 per month

Could be used for debt financing for Town Office