MEMORANDUM

TO: Members of the Clifton Park Town Board

FROM: Hon. Kevin Dailey, Former Town Supervisor (1980-83 and 1986-1989)
Hon. Dale Kelley, Former Deputy Town Supervisor (1992-1996)
Hon. Marvin R. LeRoy, Jr., Former Town Supervisor (1992-1999)
Hon. Patricia O'Donnell, Former Town Clerk (1992-2019)

DATE: August 15, 2026

RE: Excessive Town of Clifton Park General Fund Balance

The Issue

Upon inspection of the 2024 Town General Fund audit, the most recent final accounting of a fiscal year for the Town of Clifton Park, NY, it has become clear to us, previously elected leaders of the Town, that a serious matter exists within the financial management of the town government. There currently exists a fund balance in excess of $16 million, with an annual General Fund budget of approximately $18 million.

While the town government has no town general fund municipal tax, a condition that has existed in our town since at least the 1970s, the accumulation of annual revenues beyond Town Board approved spending plans has now reached troubling levels, especially when considering the very real need to address growing deferred maintenance conditions across numerous town departments. In fact, the Town Highway Department, responsible for approximately 230 road miles across our 50 square mile municipality, recently revealed that as many as 50 miles of roads are beyond their 20-year life cycles. As well, the Town received more than $4 million in federal/state COVID relief grant dollars in 2020-22, targeted for investments in varied social services programs to serve public needs during the heart of the pandemic period, with less than $500,000 spent on these intended purposes (such as $150,000 on IDA grants to local businesses and $200,000 on grants to local nonprofits).

While building up reasonable and responsible fund balances for unforeseen emergencies is perfectly acceptable and well-intentioned, the current General Fund Balance is neither. In fact, the Government Finance Officers Association (a national organization of finance experts across the country) and the NYS Comptroller's Office (our state regulatory arm overseeing local and county budgetary matters) both recommend far lower levels of reserves for these purposes. The GFOA recommends no more than 16.7% of the annual budget held as a Fund Balance (the equivalent of 2 months in reserve), while the NYSCO recommends a Fund Balance of 5-15% dependent upon the size and complexity of the municipality. The Town of Clifton Park's current Fund Balance stands at 89%.

The Suggested Remedy

The Town Board should immediately begin a process to spend down $10 million of the General Fund Balance, returning these monies to the tax payers through public projects that help to advance the community. While this suggested spending plan will create meaningful impact across our township, it will still leave a Fund Balance of approximately $6 million, representing 33% of the current Town General Fund spending plan for 2026.

Further, it is recommended that the $10 million allotment of Fund Balance monies be spent as follows:

- $5 million in Highway Department projects to bring all Town roadways back within the prescribed 20-year maintenance cycles. Basic road repaving projects generally cost between $150,000-$300,000 per mile, which would allow the department to contract for the upgrading of approximately 20-30 miles of roads.

- $5 million in various town government agency and local nonprofit organization grants to be granted individually by each of the current elected Town Board members equally. As such, members of the board would allocate up to $1 million in individual grants, with each of the grant awards not to exceed $250,000 in total. Further, it would make perfect sense to also require that these funds be used for one- time capital improvements or to build endowments within the nonprofit organizations to grow fiscal strength.

The Justification

Monies coming into the coffers of local municipal governments, even those fortunate to not have to levy a local Municipal Tax, should be used in responsible ways to provide for the betterment of the community and in benefit to its citizenry. And, while it is entirely responsible to maintain healthy reserves to ward off future unforeseen circumstances, the levels of these reserves must continually be measured against a reasonable standards test. We believe strongly that current levels of Fund Balance are far beyond any level ultimately deemed as reasonable and responsible. As such, we equally strongly encourage the Town Board to swiftly take action to remedy this current reality by investing significant funds back into the community in ways consistent with the recommended remedies above.