BROOKHAVEN, NY - Brookhaven Town Supervisor Mark Lesko and the Town Board today announced that Standard & Poor's Ratings Services has affirmed the Town of Brookhaven's credit rating at "AA+" with a stable outlook, which remains the highest rating in the Town's history. Brookhaven's rating was kept at this level as a result of the Town's strong financial position and oversight measures recently and unanimously enacted by the Town Board.

"I'm pleased that Standard & Poor's has endorsed the measures that the Town Board recently took to stabilize the Town's fiscal position," said Supervisor Lesko. "My primary concern upon entering office was to address the current economic situation, and maintaining our excellent bond rating during these difficult times. This is a clear indication that Brookhaven is committed to sound fiscal policies that proactively address declining revenues and mortgage tax receipts."

"This rating from Standard and Poor's, and their stable outlook for Town finances at a time when so much of the financial markets are in turmoil, says we have been successful over the past year in our bi-partisan efforts to make financial reforms, institute long-range planning and reduce spending," Councilman Tim Mazzei, majority leader of the Town Board.

"The Town Board recognized that we needed to tighten up our budget and get out in front of the economic difficulties that Brookhaven is facing right now," said Councilman Steve Fiore-Rosenfeld, the Town Board's liaison to the Finance Department. "The S&P rating serves as an affirmation that Brookhaven is being proactive in how we manage our budget in these tough times."

In their Financial Management Assessment, the report said that, "Standard & Poor's considers Brookhaven's management practices 'strong' under its financial management assessment (FMA) methodology, indicating that management maintains most of the best practices deemed critical to supporting credit quality and that they are well embedded in the government's daily operations and practices."

Standard & Poor's outlook for the town was cautiously optimistic: "Brookhaven will continue to face near-term fiscal pressure as it looks to achieve structural balance with recurring revenues in light of declining revenues. Nonetheless, the Town's prudent financial practices, very strong reserves, and strong local economy provide rating stability." Standard & Poor's highlighted the Town's "response" to potential mortgage tax shortfalls of $6.6 million and landfill revenues of roughly $2 million, saying Brookhaven "has been proactively managing these revenue shortfalls. Officials have revised the 2009 budget downward by 1% to $159.6 million and recently adopted resolutions to provide tighter controls on personnel costs. Management has already identified $5.2 million of cost savings with more expected. We believe the town will continue to monitor revenues while making the necessary expenditure cuts to maintain balanced budgets."

Among the financial practices cited by Standard and Poor's in maintaining the Town's high rating were Brookhaven's:

- Well-defined three-year capital improvement plan that it will update annually;
- Monitoring of the budget and a recently instituted policy of formal budget amendments for all cash transactions above $15,000;
- Long-term financial forecasts formulated by management that it will update annually as part of the budget process;
- Debt management policy of maintaining debt service carrying charges below 13% of the budget; and
- Formal fund balance policy of maintaining a balance of at least 20% of expenditures.

Standard & Poor's 'AA+' rating for Long Term obligations is their highest rating within ratings defined as "High Grade, High Quality," according to BondsOnline.com, an online service for information, education and direction in making bond and fixed income investment decisions. The only higher rating Standard and Poor's assigns for such bonds is "AAA" defined as "Prime, Maximum Safety."

Standard & Poor's is the world's foremost provider of independent credit ratings, indices, risk evaluation, investment research and data, according to the company's website. The firm supplies investors with independent benchmarks to
Bond ratings affect the interest rates that municipalities such as Brookhaven will pay on borrowing for capital projects. The higher the bond rating is, the lower the interest rate that the town is obligated to pay. A strong bond rating usually translates to a savings for taxpayers because of lower borrowing costs. Proceeds from the bonds will be used for the purposes of refunding prior outstanding debt that was used to fund various capital projects throughout Brookhaven Town. The Net Interest Savings in 2009 on this refunding is expected to be approximately $295,000.