

# Supervisor Romaine's 2014 Budget to Move Brookhaven Forward is Unanimously Adopted by Town Board

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*\$252.4 million Budget freezes property taxes, decreases reliance on surplus and includes no employee layoffs*

**Farmingville, NY** - At the November 12 Town Board Meeting, Supervisor Ed Romaine's 2014 Budget to "Move Brookhaven Forward" was unanimously adopted by the Town Board. The \$252,433,859 budget continues to move the Town toward long-term structural balance, decreases the use of surplus to balance the budget and reduces staff through early exit incentive programs. It also includes \$10 million in the Capital budget for open space acquisitions. This was accomplished despite the continued slow economic recovery, rapidly rising fixed costs (health insurance and pension costs) and an inherited Collective Bargaining Agreement that in 2014 will cost the Town an additional \$3 million.

"I am pleased to have the bipartisan support of the entire Town Board," said Supervisor Romaine. "This is a big step forward as we continue to manage the Town's finances in a more fiscally responsible manner that does not burden the taxpayer. Our past practice of wasteful spending and tapping deep into our surplus to balance the budget must end in order for the Town to get back on track with a balanced budget and financial recovery. This budget brings us closer to that goal."

## **Key elements of the 2014 Operating Budget include:**

- **Freezes Town Property Taxes** in the six major funds without a reduction in constituent services, despite significant mandated increases in employee salaries, retirement contributions, and health insurance costs.
- **Decreases reliance on surplus** to balance the budget in five of the six major funds, including a 46.2% reduction in the General Fund.
- **Includes no Employee layoffs**, but continues to reduce staff through natural attrition and an early exit incentive plan.
- **Exceeds required minimum fund balance levels** in each of the Town's major operating funds, including General and Highway Full Town and Part-Town Funds.
- **Complies with the New York State Tax Levy Cap**, complies with the Town's tax rate cap and spending cap, and is compliant a year early with the Town's debt management policy enacted through public referendum in 2010.
- **Allocates \$10 million for Open Space** acquisitions in the Capital Budget including \$6 million for purchases in the Carmans River watershed.

Along with the key elements of the Supervisor's Budget, he has presented sweeping initiatives that provide for:

- Renewed investment in technology including the expansion of the newly introduced Mobile App and replacement of our antiquated phone system with VOIP (Voice Over Internet Protocol);
- Expansion of the Town's "paperless" initiative to achieve cost savings;
- Additional staffing in the Building Department to meet increased demand;
- Seasonal staff and equipment for Waste Management to assist and accelerate the lawn maintenance of abandoned structures;
- 15% increase in overtime funding for off-hours investigations by the Town Attorney's office; and

- Continued improvements and expansion of the Town's Parks and Recreation System including the Town's newest complex in Eastport.

### **Fund Balance**

While the Budget continues to rely upon the application of surplus to address the general mortgage tax decline and increases in employee fixed costs, the amount required to balance the budget has been reduced dramatically in all funds as compared to 2013, and most significantly in the General Fund, where half the amount was required for 2014 versus what was predicted in the 2013 Multi-Year Plan. The 2014 Budget projects a conservative \$10.5 million in Mortgage Tax revenue, which assumes flat growth compared to 2013 year-end estimates. While Fund Balance in the General Fund is expected to decline 43.4% during the five years between 2009 and 2014, total projected General Fund Balance of \$33.3 million will still be about \$10 million, or 43%, better than the Town's Fund Balance requirement.

### **Expenditures**

Despite an 11% reduction in staffing since 2010, mandated employee benefit costs have skyrocketed and total expenditures in the General Fund are 4% higher than the 2013 Adopted Budget, primarily due to these rising costs. In 2014, the deferred 2011 longevity payment (\$231,682) for White and Blue Collar is due. In addition, for 2014, the 2010 CBA provides for a 5.0% salary increase, or a \$1.8 million added expense to the General and Part-Town Funds. For 2014, the CBA also calls for the discontinuance of the 10% health insurance contribution for those hired prior to January 1, 2011, adding expenses to the General and Part Town Fund of about \$660,000 versus 2013. It is anticipated that nearly \$1 million (all funds) will be saved in 2014 as a direct result of the voluntary exit of employees.

### **The Capital Budget**

The 2014 Capital Budget marks the beginning of a new era in Capital Planning within the Town of Brookhaven. Transparency and rationalization have replaced historical blanket allocations. As part of an initiative that the Supervisor put forth earlier this year known as "pipeline debt reduction," old blanket allocations and completed Capital Projects with unused funds were closed out. In total, over \$11.3 million in pipeline debt has been closed in 2013, resulting in an estimated annual net debt service savings of \$1 million. No longer will projects linger or be provided additional funding without providing realistic cost estimates and timetables for completion.

To emphasize the importance of the Capital Plan, the Supervisor has removed it from the "back of the annual Operating Budget book" and made it a stand-alone document, enhanced with more detailed project descriptions, justifications, and cost estimates. In 2013, he initiated a new approach to prioritize and select Capital Projects for funding. A Capital Project Ranking Form was developed for the Town of Brookhaven which allowed each department sponsored project to be evaluated. These rankings helped the administration make informed decisions to prioritize funding and achieve a commitment to move Brookhaven towards fiscal stability without a tax increase in 2014.

The 2014 Capital Budget recommends \$53.5 million in new funding across all departments. The Budget increase over the previous year is entirely due to Open Space acquisitions, for which no new funding was provided in 2013.

### **Moving Brookhaven Forward**

Since taking office in December 2012, Supervisor Romaine has lead the Town forward, and maintained a commitment to fiscal discipline both in terms of revenue growth and cost control. In January 2013, Moody's Investors Services and Standard & Poor's Rating Services reaffirmed the Town's bond rating at Aa2 stable and AA+ stable respectively, even though several New York State local municipalities, including Suffolk County, experienced a downgrade. Despite continued economic stagnation, the Town of Brookhaven enjoys a very solid credit rating from both S&P and Moody's.

The 2014 Adopted Town Budget is available to view at [www.brookhaven.org](http://www.brookhaven.org).

