

# Supervisor Romaine Presents 2018 Budget to Town Board

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## **Structurally balanced budget holds the line on taxes and spending**

**Farmingville, NY** – Brookhaven Town Supervisor Ed Romaine filed his 2018 Tentative Operating Budget with the Town Clerk this evening, presenting the spending plan at the beginning of the Town Board meeting. The structurally balanced budget holds the line on taxes and spending, and complies with the New York State Tax Cap, Brookhaven's Tax Rate Cap, Spending Cap and Debt Cap. During 2017, Town-wide Revenues have strengthened dramatically in areas such as Mortgage Tax Receipts, Franchise Fees, Landfill Fees, and Building Fees, after the Town completed fiscal year 2016 financially strong, with surpluses in both General Funds. The Town's 2017 expenditures are on track with the 2017 Operating Budget with no unplanned spending hurdles on the horizon.

"Overall I am very pleased with the 2018 Tentative Budget. It fully funds all existing constituent services, takes advantage of growing departmental revenues to reduce property tax levy increases, maintains Town staffing levels and keeps management positions to a minimum," said Supervisor Romaine. "I am also pleased that the Town is in compliance with both the 1.84% Property Tax Levy Cap, and the Town's Local Law Tax Rate Cap of 4%, as well as the Town's Debt Management Cap for the General Fund. The 2018 Tentative Operating Budget continues the implementation of my Three Point Plan and strategic financial goals established in 2012 to achieve structural balance: reduce the burden of debt, increase non-property tax revenues, and maintain minimum fund balance requirements."

Fund Balance grew to new heights in the two General Funds at the end of 2016, allowing for increases in critical reserves, such as the Landfill Post Closure Reserve, which will fund on-going monitoring costs after the Landfill closes in eight years. There is no unexpected need to utilize surplus in the General Funds or the Part Town Highway Fund in 2017.

Since Supervisor Romaine took office in 2012, the Town's Highway Funds have maintained healthy Fund Balances despite two "hundred year" storms in the past five years, and after increasing expenditures for an improved road maintenance program, and capital investments in road construction, drainage, machinery and equipment, and salt shed facilities.

The Refuse & Recycling, Streetlighting, and Full Town Highway Tax Districts again return excess Fund Balance to the taxpayers in the 2018 Tentative Budget.

As the economy in Suffolk County continues its recovery from the 2008 great recession, the Town has held the increase in spending and taxes to a minimum and, as a result, has been able to strengthen its financial position. The Town has never pierced the New York State Property Tax Levy Cap, even when it hit an unprecedented low increase of 0.68%.

(more)

During 2017, Standard and Poor's Financial Services (S&P) reaffirmed its AAA credit rating of the Town's long-term bond debt. The AAA credit rating is the highest designation the agency awards, and as indicated in the S&P report, reflects the Town's "very strong management," "strong financial policies," and "financial practices that are strong, well embedded, and likely sustainable."

The Supervisor's fiscal management has kept the Town's share of total local municipal taxes to 5.67% for the areas outside the Villages of the Town, and 3.92% for the Village areas, based upon the 2016-2017 Property Tax Warrant certified by the Suffolk County Legislature.

The Collective Bargaining Agreements for the Town's union employees increased salaries 2.38% for Fiscal Year 2018, and NYSHIP estimates an increase in the Health Insurance Premiums of approximately 10% in 2018 on a base-case scenario. The Town Board will not know the final increase until late in the fourth quarter of 2017, and may need to amend the 2018 Operating Budget if the premium increase exceeds the 10%.

Further complicating the Town's efforts to comply with its regulatory caps is the dissolution of Mastic Beach Village effective with the start of the Town's Fiscal Year, January 1, 2018. Discussions with the New York State Comptroller's Office were required to amend the Town's Property Tax Levy Cap to allow for the costs of providing

services to the former Village, and an estimate of legacy debt obligations, offset by recurring revenues and the \$1.0 million CETC grant that will now be earned by the Town.

The Supervisor's ability to deliver a structurally balanced budget for Fiscal Year 2018 was made easier by the success of his key strategic initiative to grow non-property tax revenues and identify new sources of revenue. Non-property tax revenues have been increased by \$7.6 million in the 2018 Tentative Budget versus 2017, or 6.6%. Total revenues in the 2018 Tentative Budget are \$292.1 million, of which Real Property Taxes represent \$170,059,472 or 58.2%.

The 2018 Operating Budget reduces the Tax Rates for the Full and Part Town General Funds, and the Full Town Highway Fund, resulting in a Property Tax decrease to the typical residential homeowner of \$2.21. The Property Tax reductions to the typical taxpayer are offset by a \$5.00 increase in the Refuse and Recycling (Garbage) District Single Home Rate of \$350.00 per the year, or a 1.45% increase, which is still lower than the \$362.88 annual rate a decade ago. The increase in the annual garbage rate is related to a 2.5% increase in the contract price for garbage and recycling collection services.

In addition, because the Part Town Highway Tax District is 96.5% supported by Property Taxes, the increases in employee salary and benefit costs could only be supported by an increase in the Tax Levy and Rate. The Part Town Highway Fund Tax Rate increases 1.26% to ensure that the Town's roads remain safe, which translates to an annual increase in Property Taxes to the typical homeowner of \$5.07.

The total spending increase in the 2018 Tentative Budget for Employee Compensation and Benefits is \$4.7 million, or 3.7%, including the addition of full time and part time positions to provide constituent services to the former Village of Mastic Beach taxpayers. Excluding the additional seven full time positions to support the former Village, the Town's staffing in the 2018 Tentative Budget remains almost the same as 2017, at 865 positions. A total of ten Management positions remain unfunded in the 2018 Tentative Budget

**Highlights of the 2018 Tentative Operating Budget include:**

- Reduces Property Taxes to the typical homeowner for the Full and Part Town General Funds, and Full Town Highway Fund by \$2.21 for these tax districts;
- Uses No Surplus to balance the budget in both General Funds and the Part Town Highway Fund;
- Reduces the Use of Surplus in Refuse & Recycling, Full Town Highway, Open Space and Street Lighting Funds by \$1.1 million, or 37.5%;
- Increases spending for Road Maintenance and the resultant tax levy;
- Fully funds the 2018 Snow Removal Budget for the fourth year in a row, adding additional budget for the roads in Mastic Beach Village, for a total of \$6.1 million;
- Expands Assessment staff and resources to continue timeliness, accuracy and fairness;
- Increases Investigations staff to continue commitment to quality of life improvements;
- Grows the annual Single Home Garbage rate \$5 to offset increases in the collection contract;
- Reduces full-time staffing by one position, with no reductions in quality of life enforcement and defunds ten management positions town-wide;
- Complies with the New York State Tax Levy Cap;
- Complies with the Town's Tax Rate and Spending Caps;
- Complies with the Town's Debt Management and Fund Balance Policies.

**The 2018 Tentative Budget continues to support the Town Board's commitment to ensuring a prosperous future for the Town of Brookhaven. The 2018 Tentative Budget will allow the Town to:**

- Enhance financial performance with continued revenue growth, cost efficiencies, and debt reduction;
- Protect and improve the quality of life for all residents through enforcement and action;
- Improve the assessment process and systems to ensure timeliness, completeness, and fairness;
- Expand the residential and commercial economic base to grow jobs and enhance assessment valuations;
- Preserve and restore the Town's natural resources through Local Laws, Open Space land acquisitions, and an Energy Action Plan, and
- Invest in Technology to enhance constituent services and improve efficiencies.

A special Town Board Public Hearing to discuss the 2018 Budget is scheduled for Thursday, November 9 at 5:00 pm

in the 2nd floor Auditorium at Town Hall. The 2018 Tentative Budget is available for review at [www.brookhavenny.gov](http://www.brookhavenny.gov)

**Division of Public Information \* Office of the Supervisor**

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