



Creating a budget for a Town the size of Southampton is a complex and demanding task requiring the input and expertise of many of our Town staff. Over the past several years that task has been made a bit less complex by focusing on clearly stated budget goals. Again, in this year’s budget we have established those goals. They are:

1. To maintain or lower the tax rate as has been the trend over the past 3 years,
2. To meet the Town’s increased needs for services and infrastructure improvements,
3. To continue the conservative budgeting practices and policies that have consistently earned the Town the highest credit rating.

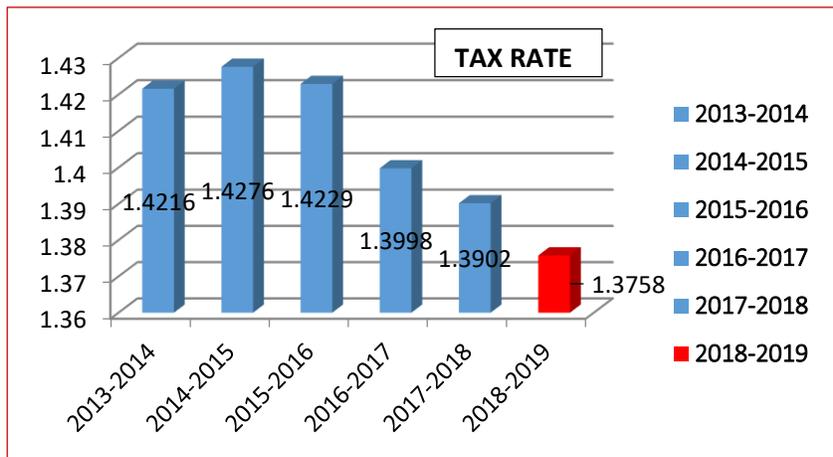
An underlying and ongoing goal of all of our recent budgets has been to reduce the Town’s indebtedness.

The 2019 Tentative Budget accomplishes each of these goals.

TAX RATE and INDEBTEDNESS

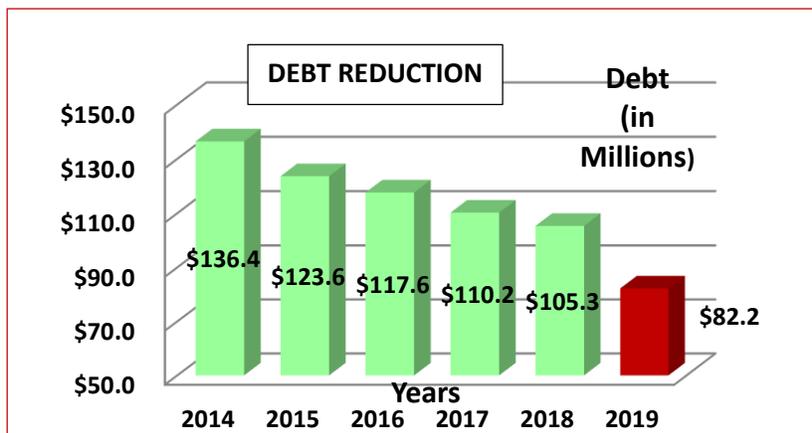
The 2019 Tentative Budget reduces the overall tax rate by 1%, a trend that began in 2016.

The tax rate is a function of both expenditures and revenue. Key to establishing a lower tax rate is to not spend beyond our means. In this regard, the steady growth in the Town’s total assessed valuation (the largest source of the Town’s revenue) is a great asset. The valuation has increased by 22% since 2013. In the past three years that increased valuation has been reflected in every hamlet in the Town. This year, 2018, the Town has seen a of \$3.5 billion increase in valuation.



Nonetheless, we must control our expenditures and, where possible, reduce our operating costs so that costs do not exceed our total revenue. The 2019 Tentative Budget adheres to that fundamental conservative approach to budgeting.

One significant way in which the Town has been able to lessen its operating costs is to reduce its debts



and, as a result, the annual amount paid to debt service. In the 2019 Tentative Budget, the overall indebtedness of the Town is reduced by \$23 million. In fact, over the past 5 years, the Town has been successful reducing its overall debt by 40%. This debt reduction combined with the Pay as You Go Program has allowed the Town to continue to meet a

number of our capital and equipment demands without the need for additional borrowing lowering our annual debt service.

INCREASED NEEDS

It comes as no surprise that the Town's year round population has grown and our seasonal population has exploded. These increases place additional demands on many of the Town's services and programs as well as on the Town's facilities. The 2019 Tentative Budget, through the 2019 Capital Program, addresses both of those concerns with a particular emphasis on our long neglected infrastructure and facilities. This budget addresses:

Many of these projects are supported by supplemental grant funding either from the State or from Suffolk County. Others are not. As an example of the importance of this infrastructure commitment in the budget, the Town is currently in discussion to take full ownership of the Hampton Bays Community Center. The Center, home to our senior program, is not owned by the Town. In

1. Ponquogue Beach Pavilion Improvements*
2. Hampton Bays Community Center Acquisition*
3. Ludlam Park Recreational Facility
4. "Hot Dog" Beach Improvements
5. Shinnecock Maritime Park
6. LED Street Light Replacement Project*
7. Riverside Maritime/Pedestrian Park
8. Town Hall Heating and Ventilation System Replacement
9. Good Ground Park Comfort Station
10. Tiana Life Saving Station and Museum
11. "Lobster Inn" Marina
12. Jackson Avenue Development Planning Study*

*Described in more detail below.

2019, the Town has the option to purchase the property outright. It is in the Town's best interest to exercise that option. It has been under a lease agreement for the past 14 years. As the owners of the property, the Town will reap two very significant benefits. One, the debt service on the borrowed funds needed to purchase the property is less than the Town is currently paying in lease payments. There is a very real possibility that the Town will realize a net financial gain as the owner. In addition, about 4000 square feet of the facility is currently rented to another tenant. This additional space would provide a great opportunity to more centrally locate a Town service in Hampton Bays making that service more readily accessible to the public.

Likewise, the Ponquogue Beach Pavilion, the located at the Town's most visited beach and built in the 1960's, is scheduled for a major upgrade with improved parking and access, more deck area, upgraded restroom facilities, showers and food service area. Once completed in May 2019 one of the area's most popular beaches will feature one of the finest beach pavilions in the region.

Currently, the Town is nearing the completion of a Town wide LED Street lighting replacement project that will not only improve safety on our streets for both pedestrians and drivers, it will reduce operating costs for the Town resulting from increased efficiency and reduced maintenance and replacement costs. The project has also allowed the Town to reassign staff from lighting maintenance to more needed roles in Parks maintenance.

Finally, the capital component of the 2019 Budget establishes funding for a long range plan to address the many needs of the Town's critical operational facilities at Jackson Avenue in Hampton Bays. The Highway Department Administrative Offices are currently housed in an 80 year old wood frame building. The Justice Courts are in "temporary" trailers precariously placed atop a former landfill and nearing the

end of their useful life (15 years). Recently, the Town invested \$160,000 for roof repair on these aging units. The Parks maintenance office is located in a trailer. The maintenance garages that service all Town vehicles are in need of an upgrade. The public safety building is overcrowded and deteriorating. The Police Department headquarters, also located at Jackson Ave., needs significant upgrade and maintenance. The Town must develop a replacement plan for these facilities. The Jackson Avenue Planning and Development Study funded in the 2019 Capital Program will provide support for a detailed plan, time table and cost analysis to address all of these issues. Too much of the Town's resources has been expended providing temporary fixes to these vital facilities. It is time for a long range set of solutions.

Amidst all of these critical facilities improvement is the ongoing improvement to the Town's vast IT infrastructure. Key to many of the Town's operations and critical to many of the cost effective efficiencies implemented by the Town over the past several years is technology. From improved emergency communication to enhanced data management to upgraded and streamlined processes, technology is as critical an infrastructure component as any facility.

These projects are examples of a number of similar efforts supported by the 2019 Tentative Budget to improve and expand the Town's facilities infrastructure. Facilities and technology, however, are only a part of what will be needed to address the increased demand on Town services. Staffing needs must be addressed as well.

STAFFING

The 2019 Tentative Budget includes an increase of 4 full time positions:

- 1 FULL TIME POLICE OFFICER
- 1 ASSISTANT TOWN ENGINEER – Municipal Works
- 1 SENIOR ADMINISTRATIVE ASSISTANT - Parks Department
- 1 OFFICE ASSISTANT - Assessor's Office

The crime rate in the Town of Southampton has decreased by 20% over the past year. This decrease is the result of new leadership, increased patrols and a community based approach to policing. These new strategies have placed an added burden on the police overtime budget. It is more financially prudent to provide the additional staff than it is to continue to support these successful efforts through overtime. The additional police officer included in this budget makes that change.

The increased number of capital projects places a burden on many departments. This burden is felt strongly by our one Town engineer who is responsible for many aspects of a capital project from bid document preparation to the filing of septic permits to the oversight of many ongoing project sites. All of these duties are in addition to the responsibilities of being the department head of the Municipal Works Department. This budget includes reinstating the position of assistant Town engineer, This position will not only relieve the numerous tasks associated with the capital projects but will also address the many support functions this office provides for several other departments in town government.

As is evident from the list of capital projects, many address Parks department facilities. Once these projects are completed, the facilities and the programs and services they support will need to be managed. To assist with the added administrative tasks associated with the management of these facilities, the 2019 Tentative Budget adds a senior administrative assistant to work directly with both the Director of Parks and Recreation and her deputy. This support staff does not exist at this time.

Finally, the Budget includes the addition of one office assistant in the Assessor's office. The annual reassessment process, while advantageous to the Town and the taxpayer, requires a great effort from the Assessor's Office. In addition, this annual process increases contact with and questions from the public. In order to respond accurately and promptly to those inquiries and to provide the additional support required by the annual assessment effort, the budget adds this position.

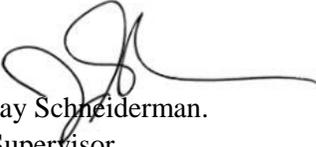
CONCLUSION

The 2019 Tentative Budget funds all contractual and promotional costs. It fully funds all pension obligations. It funds an expansion to the "Green/Quiet Zones Program," which replaces traditional gas powered landscape maintenance equipment with quiet, non-polluting electrical equipment. The Program now includes the East Quogue Green and Town Hall. This additional funding will help to expand the program to other Town facilities.

The 2019 Tentative Budget includes funding for two (2) additional pump out boats for this vital "clean water" program. The Budget increases the Pay As You Go fund to over \$1 million dollars, provides funding for public safety improvements, and adds funding for Diversity Training Programs for Town staff.

The 2019 Tentative Budget is a fiscally sound and responsive budget that meets the Town goals. It will receive, as is required and appropriate, review and input both from the Town Board and from the public. That process can only serve to strengthen its soundness and its responsiveness.

I want to thank all who have been and will be a part of the Budget's development and look forward to its adoption on November 20, 2019.



Jay Schneiderman.
Supervisor
September 27, 2019