

Town Board Unanimously Adopts Spending Cap, Debt Management and Tax Cap Resolutions at June 15 Public Hearings

Farmingville, NY - Three resolutions introducing new local laws that will ensure Brookhaven's financial stability for 2011 as well as the long term future were unanimously adopted by the Town Board during public hearings on June 15th at Town Hall.

The resolutions, which call for creation of a debt management and capital budget policy, and spending cap, proposed by Supervisor Mark Lesko, and a tax cap proposed by Councilman Daniel Panico, will be put to a vote on the November ballot.

The public hearings featured a number of prominent guest speakers who voiced their support for the resolutions. Supervisor Lesko asked Chair of the Commissioner on Property Tax Relief and former Nassau County Executive Tom Suozzi to speak on the tax cap, and municipal finance experts Nancy E. Winkler, Managing Director with the PFM Group to speak on the debt management policy, and Michael Solomon, Managing Director of Janney Montgomery Scott to speak on the spending cap. Suffolk County Executive Steve Levy and several Suffolk County legislators spoke on the tax cap. All speakers voiced their support of the proposed policies.

The debt management and capital budget policy resolution was created to ensure long-term fiscal stability by limiting the total amount of debt service in the town wide General Fund to no more than 15% of revenues or 15% of the fund's expenditures, whichever is less. Current debt service in the Town Wide General Fund is in excess of 21% of 2010 revenues and equals approximately almost 20% of expenditures. The new law is expected to result in a practical and reasonable way to manage capital project finances and will be considered a positive factor by the credit rating agencies and bondholders. The Town will have five years to come into compliance with this policy.

The spending cap will limit the yearly increases in the town wide General Fund expenditures in an amount not greater than the three-year average of revenue growth, plus the three-year average population growth rate.

The tax cap, will limit the increase in the property tax rate for the Town Wide General Fund and the Part Town General Fund to no more than 4% over the previous year.

Supervisor Lesko said, "It is logical that we should only be spending and borrowing money if we have the ability to pay it back. These fiscally prudent policies will force hard choices and discipline and allow future Budgets to be sustainable and not balanced on the backs of the taxpayers."

Councilwoman Jane Bonner also commented on the Spending Cap, saying "This referendum presents taxpayers a choice, placing a limit on how much of their money they'll allow us to spend and by doing so, help constrain the growth of big government."

In regard to all three resolutions, Councilman Steve Fiore-Rosenfeld said "anything that can give the taxpaying homeowner a break, I'm wholeheartedly in support of."

Councilman Tim Mazzei said "I am happy to present this referendum to our residents. It will allow for a practical way to manage future project finances and limit debt services."

Councilman Panico, who sponsored the tax cap resolution said, "On Tuesday night, Brookhaven Town took significant steps on the path of fiscal reform. In a great showing of cooperation, the town board unanimously adopted three reform based measures that will go directly to the voters. Additionally, we sent a clear message to other taxing districts that we will no longer tolerate higher taxes and outlandish spending. I am proud to have sponsored the tax cap and look forward to giving the electorate the power on November's ballot."

Councilwoman Connie Kepert said, "The Town of Brookhaven has been fiscally prudent and has not raised taxes in over ten years. That fiscal prudence will continue. We now need to find a way to lower the taxes of our seniors and residents who due to a declining economy have lost their jobs or are under employed."

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