

Notes based on the Budget cuts proposed by Trustees Johnson and Snyder

Attached please find a revised budget that contains all the changes outlined in your email. Please be advised that the reasonableness of this budget should be discussed because many of the changes may have legal and retroactive financial impact and/or are not supported with adequate documentation to warrant the changes.

Adjustments to Revenue

There are two (2) versions of the budget being presented. One is with the deficit funding included so that the funding would be covered in this coming year by inclusion in the tax levy increase. The second version removes the deficit funding in anticipation of bonding the final deficit amount over future years. The concern with this method is the cost of the bonding in addition to the deficit which would bring on an additional burden to the taxpayers of Mastic Beach Village.

At the close of the 2015-2016 fiscal year, the ending fund balance will be reviewed. It is anticipated that the austerity measures implemented by the Board may offset the projected potential deficit. If the Village has incurred a deficit for 2015-2016, the Office of the State Comptroller will be asked to review and confirm the deficit. If necessary, bonding to finance the deficit will be considered to spread out the impact over multiple years. The annual cost of the bonding would have to be incorporated into future budgets.

Increased Revenue base on the Board and Secure and Property Management Fees is being assessed on the current tax roll.

The Trustees are advised to carefully consider the adoption of proposed increases in revenues as there is no guarantee that those revenues will be collected. A revenue shortfall because of overestimated revenues will result in a deficit for the next fiscal year.

Adjustments to Expenditures

The Board has to take into consideration the employees Union which has been present in the Village for several years now and Civil Service regulations on hiring/layoff/position abolishment. Additionally, I have been informed that employees are granted 60 days of insurance coverage after termination and unemployment benefits, both of which are expenditures to the Village and have been duly calculated.

Staffing Changes:

- **Senior Code Enforcement Officer** Options #2 & #3 – Rescind Senior position and/or Defund the position results in Civil Service rules of layoff which involves the process of bump and retreat measures allowing the Senior Officer to retreat to the Officer position and bump the officer with the least seniority out of a job. The least paid Officer position is paid at a rate of \$13.39 per hour which will not result in the perceived savings. Therefore savings were not calculated using these options.

- **Error:** The 2nd proposal by the Trustees states an error was made in the calculation of the salary line for the Mayor employee salary expense as the reduction should have been \$9,000 more than what appears. The \$9,000 is actually the contracted payroll salary of the Grant Writer. It was inadvertently not funded in the original proposal as it was thought to be a contract item and not a salary item.
- Changes to employee union benefits are negotiated items. Changes to employees work hours and/or salary rates without a change in their job duties will most likely result in a Union grievance and Labor challenge resulting in additional legal fees.

Pursuant to Trustee directives, Contractual services expenditures were reduced as follows:

- **Legal Fees** under the Law budget line were reduced at the Trustees recommendation, creating a reduction of \$100,000. It is incumbent upon the Board of Trustees to closely monitor that line during the 2016-2017 year so as to ensure that the budgeted funding is sufficient.
- **Snow Removal Contractual** line was \$300,000 therefore resulting in a change to expenses of \$50,000.
- **Decrease Elections Contractual** – In light of the fact that there is an annual election the reduction to this contractual code will result in insufficient funding for the 2017 election.
- **Employee Benefits:**
 - Workers Comp** – Cutting this line by \$6,000 is not recommended as statistics have shown that in times of labor strife instances of work place accidents have increased.
 - Unemployment** – this line was increased by \$5,000 because of the employees positions who were defunded.
- **Remove Employee Stipend In-Lieu-Of Insurance** has been estimated by the Trustees as a \$40,000 yearly savings. There are currently only three (3) employees receiving the stipend so the maximum reduction would be \$24,000 of which \$8,000 was left in as there is a contractual employee with the \$8,000 included in their contract.
- **Remove Paid Lunches** is a directive for which there is no dollar value available at this time and has been a past employee practice that would be covered under Union representation. This would likely result in a Union grievance and Labor challenge resulting in additional legal fees.
- **Change Employee Medical Benefit Share** from 0% to 50% is incorrect. There is one employee who has an individual medical plan and does not pay an employee share. All employees with family plan coverage pay 10% of the annual premium via bi-weekly payroll deduction. This is also a past employee practice that would be covered under Union representation. This would likely result in a Union grievance and Labor challenge resulting in additional legal fees.

INCORPORATED VILLAGE OF MASTIC BEACH
BUDGET PROPOSAL FY '16 6/1/16 - 5/31/17

0A - GENERAL (A)
 SUBMITTED BY:
 DATE 4/23/16

DEPARTMENT	ACCOUNT	BUDGET 2015-2016	INITIAL PROPOSED BUDGET 2016-2017	#2 TRUSTEE PROPOSED CHANGES TO INITIAL BUDGET	ADJUSTED PROPOSED BUDGET	\$ CHANGE FROM 2015-2016	% CHANGE FROM 2015-2016
BOARD OF TRUSTEES	A10101	24,000	24,000	(18,000)	6,000	(18,000)	-75.00%
BOARD OF TRUSTEES	A10102	-	-	-	5,000	(67,300)	0.00%
BOARD OF TRUSTEES	A10104	72,300	5,000	-	11,000	(85,300)	-93.08%
BOARD OF TRUSTEES Total		96,300	29,000	(18,000)	11,000	(85,300)	-88.58%
MUNICIPAL COURT	A11101	96,995	85,770	-	85,770	(11,225)	-11.57%
MUNICIPAL COURT	A11102	-	-	-	-	-	0.00%
MUNICIPAL COURT	A11104	13,500	40,000	-	40,000	26,500	196.30%
MUNICIPAL COURT Total		110,495	125,770	-	125,770	15,275	13.82%
MAYOR	A12101	243,720	218,720	(63,080)	155,640	(88,080)	-36.14%
MAYOR	A12102	1,000	1,000	-	1,000	-	0.00%
MAYOR	A12104	11,748	12,414	-	12,414	666	5.67%
MAYOR Total		256,468	232,134	(63,080)	169,054	(87,414)	-34.08%
AUDITOR	A13202	-	-	-	-	-	0.00%
AUDITOR	A13204	10,500	10,500	-	10,500	-	0.00%
AUDITOR Total		10,500	10,500	-	10,500	-	0.00%
TREASURER	A13251	160,720	115,440	-	115,440	(45,280)	-28.17%
TREASURER	A13252	5,000	5,000	-	5,000	-	0.00%
TREASURER	A13254	7,000	30,000	(10,000)	20,000	13,000	185.71%
TREASURER Total		172,720	150,440	(10,000)	140,440	(32,280)	-18.69%
CLERK	A14101	69,636	87,799	(55,000)	32,799	(36,837)	-52.90%
CLERK	A14102	15,000	16,200	-	16,200	1,200	8.00%
CLERK	A14104	292,578	155,000	-	155,000	(137,578)	-47.02%
CLERK Total		377,214	258,999	(55,000)	203,999	(173,215)	-45.92%

DEPARTMENT	ACCOUNT	CATEGORY	BUDGET 2015-2016	INITIAL PROPOSED BUDGET 2016-2017	#2 TRUSTEE PROPOSED CHANGES TO INITIAL BUDGET	ADJUSTED PROPOSED BUDGET	\$ CHANGE FROM 2015-2016	% CHANGE FROM 2015-2016
LAW	A14204	CONTRACTUAL and S	283,000	400,000	(100,000)	300,000	17,000	6.01%
LAW Total			283,000	400,000	(100,000)	300,000	17,000	6.01%
ENGINEER	A14404	CONTRACTUAL and S	16,000	26,400	-	26,400	10,400	65.00%
ENGINEER Total			16,000	26,400	-	26,400	10,400	65.00%
ELECTIONS	A14504	CONTRACTUAL and S	10,585	10,585	(8,585)	2,000	(8,585)	-81.11%
ELECTIONS Total			10,585	10,585	(8,585)	2,000	(8,585)	-81.11%
OPERATION OF BLDGS	A16202	EQUIPMENT	-	10,000	-	10,000	10,000	100.00%
OPERATION OF BLDGS	A16204	CONTRACTUAL and S	101,949	101,949	(70,000)	31,949	(70,000)	-68.66%
OPERATION OF BLDGS Total			101,949	111,949	(70,000)	41,949	(60,000)	-58.85%
UNALLOCATED INSURAN	A1910	EXPENSES	142,261	195,000	-	195,000	52,739	37.07%
UNALLOCATED INSURANCE Total			142,261	195,000	-	195,000	52,739	37.07%
CONTINGENT	A19904	CONTRACTUAL and S	8,500	8,500	-	8,500	-	0.00%
CONTINGENT Total			8,500	8,500	-	8,500	-	0.00%
TRAFFIC	A33104	CONTRACTUAL and S	25,000	30,000	-	30,000	5,000	20.00%
TRAFFIC Total			25,000	30,000	-	30,000	5,000	20.00%
SAFETY INSPECTION	A36201	EMPLOYEE SALARIES	421,348	512,720	(90,386)	422,334	986	0.23%
SAFETY INSPECTION	A36202	EQUIPMENT	20,000	20,000	(10,000)	10,000	(10,000)	-50.00%
SAFETY INSPECTION	A36204	CONTRACTUAL and S	54,742	77,000	(30,000)	47,000	(7,742)	-14.14%
SAFETY INSPECTION Total			496,090	609,720	(130,386)	479,334	(16,756)	-3.38%
MAINT OF ROADS	A51101	EMPLOYEE SALARIES	156,264	181,902	(8,190)	173,712	17,448	11.17%
MAINT OF ROADS	A51102	EQUIPMENT	58,000	58,000	-	58,000	-	0.00%
MAINT OF ROADS	A51104	CONTRACTUAL and S	175,343	175,343	(57,055)	118,288	(57,055)	-32.54%
MAINT OF ROADS Total			389,607	415,245	(65,245)	350,000	(39,607)	-10.17%
SNOW REMOVAL	A51421	EMPLOYEE SALARIES	-	25,000	(10,000)	15,000	15,000	100.00%
SNOW REMOVAL	A51422	EQUIPMENT	-	-	-	-	-	0.00%

DEPARTMENT	ACCOUNT	CATEGORY	BUDGET 2015-2016	INITIAL PROPOSED BUDGET 2016-2017	#2 TRUSTEE PROPOSED CHANGES TO INITIAL BUDGET	ADJUSTED PROPOSED BUDGET	\$ CHANGE FROM 2015-2016	% CHANGE FROM 2015-2016
SNOW REMOVAL	A51424	CONTRACTUAL and S	225,000	300,000	(50,000)	250,000	25,000	11.11%
SNOW REMOVAL Total			225,000	325,000	(60,000)	265,000	40,000	17.78%
PUBLICITY	A64104	CONTRACTUAL and S	83,400	30,000	(30,000)	-	(83,400)	-100.00%
PUBLICITY Total			83,400	30,000	(30,000)	-	(83,400)	-100.00%
HISTORIAN	A75104	CONTRACTUAL and S	-	500	(500)	-	-	0.00%
HISTORIAN Total			-	500	(500)	-	-	0.00%
ZONING BOARD	A80101	EMPLOYEE SALARIES	11,783	-	-	-	(11,783)	-100.00%
ZONING BOARD	A80102	EQUIPMENT	-	-	-	-	-	0.00%
ZONING BOARD	A80104	CONTRACTUAL and S	9,772	10,000	(1,500)	8,500	(1,272)	-13.02%
ZONING BOARD Total			21,555	10,000	(1,500)	8,500	(13,055)	-60.57%
PLANNING BOARD	A80204	EMPLOYEE SALARIES	11,783	-	-	-	(11,783)	-100.00%
PLANNING BOARD	A80204	CONTRACTUAL and S	8,530	8,000	(3,500)	4,500	(4,030)	-47.25%
PLANNING BOARD Total			20,313	8,000	(3,500)	4,500	(15,813)	-77.85%
REFUSE & GARBAGE	A81601	EMPLOYEE SALARIES	59,759	36,544	(36,544)	-	(59,759)	-100.00%
REFUSE & GARBAGE	A81602	EQUIPMENT	-	-	-	-	-	0.00%
REFUSE & GARBAGE	A81604	CONTRACTUAL and S	1,500,000	1,100,000	-	1,100,000	(400,000)	-26.67%
REFUSE & GARBAGE Total			1,559,759	1,136,544	(36,544)	1,100,000	(459,759)	-29.48%
STORM SEWERS	A85404	CONTRACTUAL and S	-	30,000	-	30,000	30,000	100.00%
STORM SEWERS Total			-	30,000	-	30,000	30,000	100.00%
EMPLOYEE BENEFITS	A90308	BENEFITS -SOCIAL S	79,500	107,000	(30,000)	77,000	(2,500)	-3.14%
EMPLOYEE BENEFITS	A90408	BENEFITS - WORKER	55,000	62,000	(6,000)	56,000	1,000	1.82%
EMPLOYEE BENEFITS	A90508	BENEFITS -UNEMPLC	-	16,000	5,000	21,000	21,000	100.00%
EMPLOYEE BENEFITS	A90558	DISABILITY	1,432	500	-	500	(932)	-65.08%
EMPLOYEE BENEFITS	A90608	HOSPITAL	58,442	200,000	(112,000)	88,000	29,558	50.58%
EMPLOYEE BENEFITS Total			194,374	385,500	(143,000)	242,500	48,126	24.76%
DEBT SERVICE	A97106	DEBT -SERIAL BOND	60,000	60,000	-	60,000	-	0.00%
DEBT SERVICE	A97107	DEBT -SERIAL BOND	27,574	26,774	-	26,774	(800)	-2.90%

DEPARTMENT	ACCOUNT	CATEGORY	BUDGET 2015-2016	INITIAL PROPOSED BUDGET 2016-2017	#2 TRUSTEE PROPOSED CHANGES TO INITIAL BUDGET	ADJUSTED PROPOSED BUDGET	\$ CHANGE FROM 2015-2016	% CHANGE FROM 2015-2016
DEBT SERVICE	A97856	DEBT -INSTALLMENT	40,743	40,740	(20,000)	20,740	(20,003)	-49.10%
DEBT SERVICE	A97857	DEBT -INSTALLMENT	3,621	3,621		3,621	-	0.00%
DEBT SERVICE Total			131,938	131,135	(20,000)	111,135	(20,803)	-15.77%
TRANSFERS	A9900	TRANSFER TO GRAN	-	35,000		35,000	35,000	100.00%
TRANSFERS Total			-	35,000		35,000	35,000	100.00%
Grand Total			<u>4,733,028</u>	<u>4,705,921</u>	<u>(815,340)</u>	<u>3,890,581</u>	<u>(842,447)</u>	<u>-17.80%</u>