

A Special Board Meeting of the Board of Trustees met in the Municipal Building, 14 Baker Street, Patchogue, New York on April 15, 2008.

The meeting was called to order at 7:00 p.m. by Mayor Pontieri with Trustees Crean, Dean, Devlin, Hilton, McGiff, Village Treasurer Krawczyk, Deputy Treasurer Monte, Attorney Snead and Village Clerk Seal present. Trustee Krieger was not present.

The flag salute was made by Village Treasurer Krawczyk

Mayor Pontieri read the safety message.

Treasurer Krawczyk stated all the Trustees and the Mayor worked very hard to reduce expenses where they could, to increase revenue where they could and worked very hard to put a good budget together. I would like to give some highlights as far as what it consists of. I think it is a very important to understand that expenses are rising all over the place for many different things. Our uncontrollable expenses make up about 81% of our budget. Those expenses alone have risen 16%. We have kept our expenditures in this budget to 7.1% so we have done a lot of cutting where we had to. Another thing to remember is our reduction in revenues for 08-09 budget is about \$135,000.00. Our ambulance dispatching is down \$8692.00 (or 7%), dock and marina charges are down \$11,000 (or 26%), interest earnings down \$20,000 (or 10%), and the biggest one is the mortgage taxes which is \$95,000 (that's a 25%) decrease. One thing I am very concerned about is our surplus. We promised our investors, Wall Street you could say, or whoever buys our bonds that we would keep 15 to 20% surplus of our revenues and we are doing that at about 1.8 million right now which is about 20% surplus. So I am happy to see that. Some other highlights is our debt services are up 75% because a portion of a BAN that we have to fund.

Mayor Pontieri stated that BAN includes the pool, Halycon Manor, Village Hall, dredging—all of those ongoing projects that are being completed at this time.

Treasurer Krawczyk stated health insurance is up 10%, utility costs are up 10%, salaries are held at 375. Ambulance services, which is a biggy, is up 28% even with them coming back to us with a \$15,000 cut, gas and diesel fuel is up 14%, workmen's comp is up 10%. So there are a lot of expenses up there that we just can't control. With that being said, we managed to bring a budget in where we are going to be at \$9.79 per hundred of assessed value. And as the Mayor pointed out before, that's going to cost the average homeowner in the Village about \$81.00 a year. When you consider it is going from about \$1,136.00 on average to \$1,218.00. When you consider just the cost of gasoline to run your cards nowadays and all these other expenses that are uncontrollable, that's very conservative. That \$9.79 is about a 7.2% increase over last year and I think our increase last year was 9% plus. So with all of the uncontrollable expenses, with all of the problems with the economy, to come in with a budget like that is fantastic.

Trustee Hilton asked what were the dock fees down.

Treasurer Krawczyk stated dock fees were down considerably, \$11,000, for marina slips.

Deputy Treasurer Monte stated we had a few less people sign up for the docks and we also had a few less slips because some of the larger slips that we could charge for the larger boats because of the lack of depth, we weren't able to put the same size boats in slips that we could have probably filled with larger boats. It went from about \$40,000 to about \$30,000.

Trustee Hilton stated it also had a lot to do with the price of gas. We had open slips. We are putting in new poles where we did have two slips that were closed because the poles were down.

Mayor Pontieri stated this is a place where we could probably make us some money, but I think when you budget you should budget for what you know you have and not what your expectation is. And the expectation is, hopefully, that we will fill them.

Trustee Hilton stated I don't think that we will, just because of the price of gas. A lot of people that were marginal boat owners are tossing in the towel.

Trustee Crean asked when would you expect us to be able to issue a bond or go to the market for a bond.

Treasurer Krawczyk stated we are going to talk to Bob Saccora sometime next week and sit down and see what he thinks. I think we should be doing it and throw that BAN into it right now and reduce those expenses for the next four years. We had to do what we did this year with the \$300,000.

Mayor Pontieri asked if you go out and bond now, that \$300,000, is that still a payment for next year or would it be a bond thing for next year.

Treasurer Krawczyk stated it is reduced by that so you are going to bond the difference.

Deputy Treasurer Monte stated physically you would never be able to get a bond issue out and done by May 31<sup>st</sup> anyway so it is not going to happen until after June 1<sup>st</sup> at the earliest. There is not enough time.

Treasurer Krawczyk stated if we could keep this surplus at 20%, it is going to help a lot. I don't know if they are going to raise our rating. It would be nice if that would even raise it to one of the lower A level. If we stay at that 20%, there is a possibility that they will. I do want to thank Annie in front of you all; she did a great job.

Mayor Pontieri stated from where we were at about 28% about a month ago to about 7.1—and it must be noted that within that there is a \$200,000 out of surplus, but we had the surplus to do it. The real goal this year is not to have to go into surplus next year. That we can get a budget of either 4 or 5% next year without touching the surplus.

Trustee Hilton stated that if 80% of our budget was risen by 16 to 18% of uncontrollable costs, that it would almost be irresponsible for us not to try and recover that. To give the taxpayers and the residents any less than that, we would be actually taken away from them the services that we have given them in the past.

Mayor Pontieri stated there are things we can cut back in the Recreation budget, raise certain fees but not unreasonably, cut back on some of your staff. The Highway Dept. did some things. So I think even did what they had to do in order to get to the point where we are at. It is greatly appreciated.

Deputy Mayor McGiff stated we did that while giving the staff a raise to live on because you can't live on Long Island because it's tough enough. This administration, I think, has treated the people that work for the Village well—try to reward them somewhat.

Upon a motion made by Trustee Hilton, seconded by Deputy Mayor McGiff, and unanimously carried, the Board approved the 2008-2009 budget as presented

Upon a motion made by Trustee Dean, seconded by Deputy Mayor McGiff, and unanimously carried, the meeting was adjourned at 7:35 p.m.