

2010-2011 Sagaponack Village Budget Message

From Don Louchheim, Mayor
3/22/2010

I am pleased to present to the Village Board of Trustees the 2010-2011 budget for the Village of Sagaponack. The new budget anticipates no property tax increase for the coming fiscal year, and in fact represents the third consecutive year without a tax increase by Village government.

Total spending in the new budget totals \$656,858. As in previous years, this total includes \$100,000 to be transferred into our road reconstruction fund so that periodic repaving in the Village can be implemented on a pay-as-you go basis rather than through costly bond issues. The budget also provides for up to \$50,000 in capital improvements to Village Hall, primarily to increase off-street parking capacity. The remaining approximately \$500,000 in spending is for regular Village operations, much of which is directly offset by fees and other non- property tax revenues.

Those revenues are estimated at \$281,727 for the next fiscal year. They will be supplemented by a \$100,000 appropriation from prior year surpluses, leaving an amount of \$275,131 to be raised from property taxes. The \$100,000 appropriation from surplus is intended to offset the one-time cost of the parking improvements and to compensate for another possibly sharp drop in mortgage tax revenues during the next year as a result of the recession's impact on real estate sales. We expect the mortgage tax revenues to start climbing again by the 2011-2012 budget year.

The new Village tax rate will be 8.17 cents per \$1,000 of assessed property value, or \$81.17 per million, the same rate as last year. Overall, the amount of property taxes that a Sagaponack home owner will pay to the Village is less than the extra amount that would have had to be paid to Southampton Town if the Village did not exist.

The new budget also includes funding for the first year of debt service on the \$1 million bond issue that completed the purchase and renovation of the new Village Hall. This amount will be roughly the same for the 15-year-life of the bond, which will be paid off in full at the end of its term. Because the Village received an AAA rating resulting in an extremely favorable interest rate, the amount of the annual debt service is less than originally projected.

During the past year, the Village conducted its first road resurfacing and repaving projects, which were paid for from the road reserve fund.

I am confident that if we continue our practice of conservative budgeting and prudent management to budget, we will be able to maintain a low, stable tax rate for homeowners while providing a responsive administration that is more sensitive to Sagaponack's needs and desires than existed before the Village was established.