

2009-2010 Budget Message

I am pleased to present to the Sagaponack Village Board of Trustees a tentative budget for the Village for 2009-2010. This budget, like the two that have preceded it since the incorporation of the Village, attempts to keep our municipal government as small as possible, providing the services we require without increasing the tax burden on our residents.

Despite the acquisition and the renovation of a new Village Hall, the 2009-2010 budget projects no increase in the Village Tax rate, for the third year in a row. And Village taxpayers will continue to pay no more in total property taxes than they would have if the Village had not been incorporated.

Total spending in the new budget is \$548,809, down slightly from the previous year's budget of \$552,873. Although there will be new debt service costs from the Village Hall project, they will be offset by lower, more realistic projections of the actual net costs of our Land Use Department, based on our experience of its first full year of operations.

Total revenues, other than property taxes, which include mortgage taxes, franchise taxes and other fees, are projected at \$283,350.

The amount to be raised by property taxes will be \$265,459. As in the past two years, the tax levy includes \$100,000 to be added to a Capital Reserve Fund for future road improvement projects. The 2009-2010 tax rate will be .0828 cents per \$1,000 of assessed property value, or \$82.80 per million. The 2008-2009 rate was .0834 per \$1,000.

During the previous and current fiscal years, the village has achieved operating surpluses, primarily as a result of higher than expected mortgage tax receipts. The new budget anticipates using the bulk of these surplus funds to reduce the amount that will be borrowed through a 20-year bond issue to fund the Village Hall project.

Although Village voters approved borrowing up to \$2 million for the project, the total cost of the land and renovating the building was held to \$1.5 million, and the actual bond issue amount is expected to be no more than \$1 million. The new budget includes a one-time expense of \$37,000 in fees for the bond issue and a debt service cost of \$74,854 for 2009-2010. During subsequent years until the bond is retired, the annual debt service amount will be about the same, so there should be no adverse debt service impact on future tax rates.

I am proud of the responsible and efficient financial performance of our young Village government, which has achieved a great deal in a short period of time. We are fortunate to have truly involved and highly-motivated residents on our Board of Trustees and two Land Use Boards, as well as a talented, dedicated and enthusiastic administrative staff.

Donald H. Louchheim
Mayor