



Village of Mastic Beach

Dissolution Plan



January 2017

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Acknowledgments

The Village of Mastic Beach would like to recognize the staff people of both the Village and those of the Town of Brookhaven who provided valuable data, local input, and guidance to the consultants throughout the process to produce this Dissolution Plan for our residents.



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Table of Contents

I. INTRODUCTION	1
Situational Overview.....	1
A Critical Juncture.....	2
What Were Residents’ Options?.....	6
II. PROCESS & PURPOSE	7
What is Dissolution?.....	7
Next Steps.....	7
Summary of the Mastic Beach Dissolution Plan.....	8
Federal Court.....	9
New York Supreme Court.....	10
Other.....	10
Funding for the Dissolution Plan and Implementation	12
III. DEMOGRAPHIC & SOCIO-ECONOMIC OVERVIEW	13
Population.....	13
Age Distribution	14
Household Composition.....	15
Housing Stock.....	15
Income	16
IV. DISSOLUTION OF GOVERNMENT SERVICES & FUNCTIONS	19
Summary of Services and Functions	19
Village Mayor and Board of Trustees	19
Clerk/Administrator	19
Lobby Staff.....	20
Treasurer/Finance Department.....	20
Planning Board.....	20
Zoning Board of Appeals (ZBA).....	21
Building Department	21
Office of Public Safety/Code Enforcement.....	22
Fire Marshals.....	23
Department of Public Works (DPW)	24
Village Court.....	25
Contracted Services.....	26
Inter-Municipal Agreements (IMAs)	27
Summary of Employees & Benefits.....	28
Elected Officials and Employee Summary.....	28
Employee Benefits	29
Unions	29
New York Municipal Insurance	29
Summary of Revenues and Debts.....	30
Summary of Revenues.....	30
Summary of Liabilities and Debt	31
Federal Court.....	31
New York Supreme Court.....	31
Other.....	32

Summary of Village Assets.....	32
Village-Owned Property.....	32
Personal Property	33
Village-Owned Vehicles and Equipment	35
V. LOCAL LAWS.....	37
<hr/>	
Local Codes & Land Use Regulations	37
Other Laws.....	37
VI. POTENTIAL POST-DISSOLUTION FISCAL IMPACTS.....	40
<hr/>	
Citizen Empowerment Tax Credit (CETC).....	40
Projected Tax Impacts of Dissolution	41
Changes from Pre-Referendum Property Tax Estimates	42
Other Costs of Dissolution	42
VII. OTHER MATTERS PERTINENT TO DISSOLUTION	43
<hr/>	
Debt District.....	43
Execution of Inter-Municipal Agreements (IMAs).....	44
Wetlands IMA	44
Highway IMA: Street sweeping and storm drainage.....	44
Highway IMA: Lawn maintenance and tree trimming and removal	44
Highway IMA: Snow removal	44
Highway IMA: Street repair	44
Building IMA: Boarding & Securing Vacant/Abandoned Buildings	45
Building & Code IMA: NYS Building Code & Zoning.....	45
Recommendations for Town Consideration.....	45
Preservation of Stick Docks and Marina	45
CHIPS Funding	45
APPENDIX A: 2016-2017 VILLAGE BUDGET	46
APPENDIX B: 2017 TOWN BUDGET	47
APPENDIX C: COST SHIFT ANALYSIS	48
APPENDIX D: MEMORANDUM LISTING ITEMS TO MOVE FORWARD WITH THE DISSOLUTION OF MASTIC BEACH ...	49
APPENDIX E: MASTIC BEACH INFORMATIONAL FLYER.....	50
APPENDIX F: PUBLIC PRESENTATION MATERIAL	51

Table 1: Mastic Beach Historical Actual Budgets According to the NYS Office of State Comptroller 2
Table 2: Comparison of Suffolk County Villages..... 3
Table 3: Municipal Characteristics Summary 13
Table 4: Road Centerline Mileage 14
Table 5: Age Distribution..... 14
Table 6: Household Composition 15
Table 7: Housing Types 16
Table 8: Household Income 16
Table 9: Contracted Services Budgeted..... 26
Table 10: Mastic Beach FY 2016-17 Employees..... 28
Table 11: Projected Summary of Budgetary Revenues, 2016-17..... 30
Table 12: Village Owned/Leased Property..... 32
Table 13: DPW Inventory 33
Table 14: Business Auto Vehicle Schedule..... 35
Table 15: Equipment Floater – Scheduled Equipment..... 36
Table 16: Empowerment Tax Credit (GETC)* 40
Table 17: Comparing Current Village Tax Rate & Fee to Cost of Dissolution* 41

I. Introduction

Situational Overview

Mastic Beach is a village in the southeastern part of the Town of Brookhaven in Suffolk County, New York. It is located on the South Shore of Long Island on a peninsula extending into Moriches Bay. It is approximately 5.3 square miles with elevations ranging from zero to 35 feet above sea level.

Mastic Beach was originally developed by brothers Arthur and Warren Smadbeck through their business, the Home Guardian Company. Mastic Beach was developed in ten sections starting in 1926 through 1940. Stemming from a feeling amongst residents that the hamlet was largely neglected by the Town and that incorporation would give the community local control over issues which were diminishing their quality of life, the hamlet incorporated in 2010. Specifically, residents wanted more diligent code enforcement to address the growing numbers of vacant homes and illegal renters. Voters for incorporation believed that the move would be “tax neutral,” i.e. have no impact on the taxes of residents in the newly-formed village. Unfortunately, the Village’s need to provide services cost more than a “tax neutral” budget allowed. In addition, the Village experienced governance problems in its early years, coupled with a series of financial issues and debt, a bad Moody’s bond rating and most recently, the non-renewal of public official insurance. Further, its 2016 budget did not adequately fund Village operations, including but not limited to, road maintenance, code enforcement, staffing, and special events.

In 2012, Super Storm Sandy hit Mastic Beach hard. Rain, wind and record-high storm surges flooded much of the community, downed trees, cut power, and damaged hundreds of homes rendering them uninhabitable or condemned due to structural issues. At the same time, since the community had no storm or sanitary sewers, floodwaters made on-site wastewater systems inoperable and raw untreated water contaminated the community and local waterways. Compounding the community’s problems, outdoor fuel oil tanks used for home heating and propane tanks broke free with their contents spilling into the community, creating expensive environmental issues.

The Village received federal disaster relief funding in 2013 and 2014, but the damage wreaked by Super Storm Sandy lingers. The community has between 350 and 500 abandoned or “zombie” homes. Residents continue to seek state NY Rising funding to cover the costly expense of elevating their homes to make them more resilient to future storms (estimated at \$100,000 or more per home) and some people continue to live in housing that does not meet code, threatening public health and safety.

In addition to these problems, the Village estimates that of its 2,000 rental units, as many as 1,400 are potentially illegal. Though the Village is steadily working to address code enforcement issues, with a staff of one part-time code supervisor and two and half (2.5) full-time equivalent (FTE) code enforcement officers, the Village does not have the capacity to meet the community’s needs. With the current code enforcement staffing and assuming no new problems develop, it would take almost 23 years to address all the potential current code problems.

Further, the Village of Mastic Beach has no capital improvement budget. In the six years since its incorporation, the Village has paved just 2 miles out of its 84 centerline miles of roadway. With a budget of less than \$4 million,

of which nearly \$1.6 million is for a refuse contract, the Village cannot provide adequate services to meet the community’s needs without substantially increasing taxes.

A Critical Juncture

The Village of Mastic Beach is at a critical juncture. The Village has attempted to maintain a “tax neutral” position. However, an examination of the past four Actual Budgets for the Village (2012-2015) reveals that this practice has consistently resulted in a growing deficit (Table 1).

Table 1: Mastic Beach Historical Actual Budgets According to the NYS Office of State Comptroller

	2015		2014		2013		2012	
	Budget	Levy	Budget	Levy	Budget	Levy	Budget	Levy
Revenues & Proceeds of Debt	\$3,758,102	\$1,100,186	\$5,382,819	\$1,168,955	\$4,171,139	\$1,233,830	\$3,963,840	\$1,278,066
Expenditures	\$4,250,474		\$5,860,409		\$3,748,387		\$2,790,444	
Balance	\$492,372		\$477,590		\$422,752		\$1,173,396	
	-13.1%		-8.9%		10.1%		29.6%	

Source: New York Stat Office of the State Comptroller

As a direct result of the structurally insufficient budget recently introduced, a Moody’s Investors Service Credit Opinion dated June 2, 2016 downgraded the Village’s general obligation rating from A1 to Ba1. Obligations rated “Ba” are judged to be speculative “junk bonds” and are subject to high credit risk. The modifier 1 indicates that the obligation ranks in the higher end of its rate category. The report states:

The outlook is negative. This will downgrade all future debt.

The downgrade to Ba1 reflects a rapidly deteriorating fund balance and liquidity position resulting from three consecutive years of operating deficits (including projected fiscal 2016). The Village appropriated fund balance in each of those years for recurring operating expenditures and management reports that it budgeted inaccurately in fiscal year 2016 (May 31). The rating also factors the limited tax base with wealth levels that are below average for the region, low debt burden, and a lack of pension or OPEB liabilities.

Credit Strengths

- Low debt burden
- No pension or Other Post-Employment Benefits (OPEB) liabilities

Credit Challenges

- Very weak financial flexibility and history of management’s inability to balance budgets due to tax neutrality
- Limited tax base with recent declines

- Below average wealth levels relative to region
- High turnover of financial managers

Rating Outlook:

The negative outlook reflects the challenges the Village faces to achieving structural balance and replenishment of reserves to adequate levels. The Village is contemplating issuing deficit financing bonds, which requires state approval. Without an infusion of cash, the Village will face significant liquidity strain in fiscal 2017.

The Village is clearly under financial strain. It is also beleaguered by a number of problems, the magnitude of which is highlighted in **Table 2**. Compared to other Suffolk County villages, Mastic Beach has the highest percentage of vacant units (13.9%), the lowest median household and family incomes, \$64,434 and \$71,509, respectively, and the greatest percentage of people living below the poverty line (17.8%).

Table 2: Comparison of Suffolk County Villages

Village	Population	Number Housing units	Percentage Vacant Units	% Rental Units	Median Household Income	Median Family Income	% People Below Poverty Line
Lindenhurst	27,253	9,879	8.8%	20.9%	\$84,414	\$96,699	5.3%
Mastic Beach	14,880	5,556	13.9%	29.3%	\$64,434	\$71,509	17.8%
Babylon	12,166	4,685	3.7%	25.0%	\$101,549	\$118,775	4.2%
Patchogue	11,798	4,965	7.0%	43.2%	\$70,035	\$84,792	14.1%
Lake Grove	11,163	3,857	4.2%	19.5%	\$92,173	\$106,600	9.1%
Amityville	9,523	3,936	12.4%	34.1%	\$81,135	\$103,036	10.8%
Northport	7,401	3,177	7.7%	26.9%	\$112,316	\$138,333	2.4%

Source US Census 2010

According to the NYS Office of the State Comptroller, the Village of Mastic Beach is headed toward fiscal stress. (See **Figure 1** below.) In 2013 it had a risk score of about 8 percent which climbed to over 20 percent in 2014 and nearly doubled to about 38 percent in 2015. Further, the Village’s fiscal stress is projected to jump to 54.6 percent in 2016, putting it on the boundary of “Susceptible to Fiscal Stress” and “Moderate Fiscal Stress.” Clearly, absent significant changes, conditions will be worse in 2017.

Figure 1: Measure of Fiscal Stress, NYS Office of State Comptroller, 2013-15

Selected Suffolk County Villages - Measure of Fiscal Stress by NYS Office of State Comptroller 2013-15

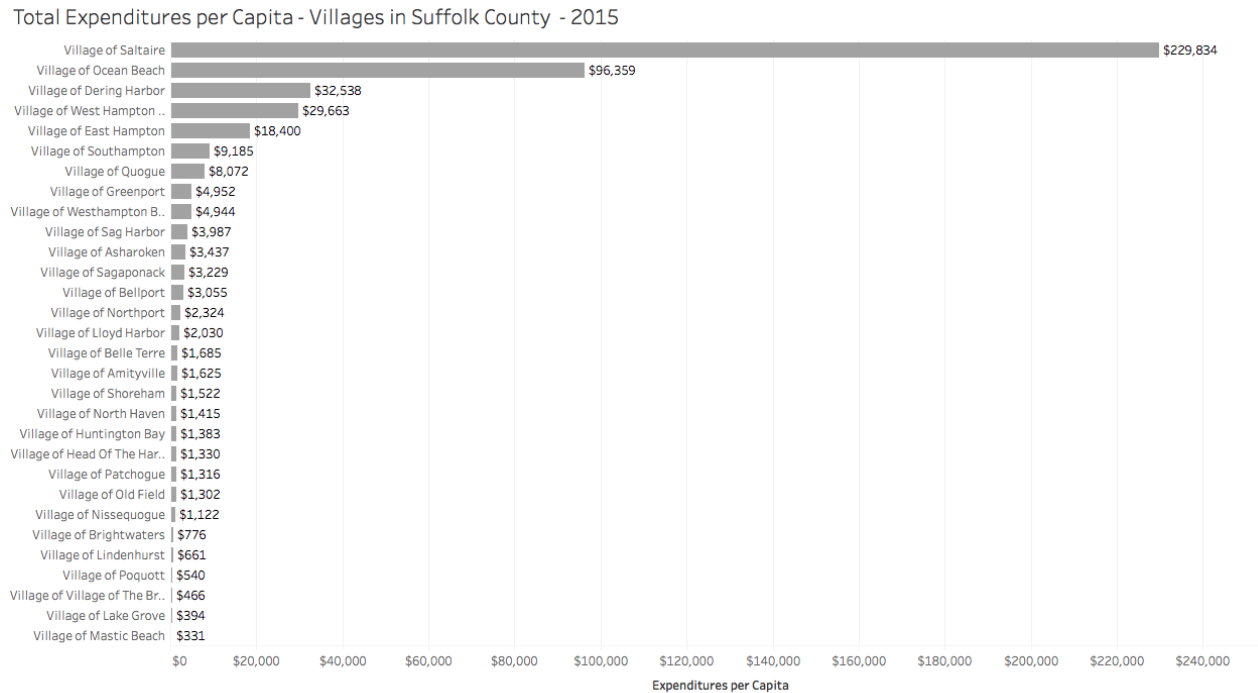


Villages selected if population at least 1,000 and data available for at least 2014 and 2015

Source: New York State Office of the State Comptroller

Per **Figure 2**, Mastic Beach spends the least per capita amongst villages in Suffolk County, \$331/year. This is in striking contrast to the Village of Patchogue which is roughly comparable in size, even a bit smaller with a population of 12,045 and yet, which spends \$1,000 more per capita than Mastic Beach, \$1,316 vs. \$331.

Figure 2: Total Expenditures per Capita - Villages in Suffolk County, 2015

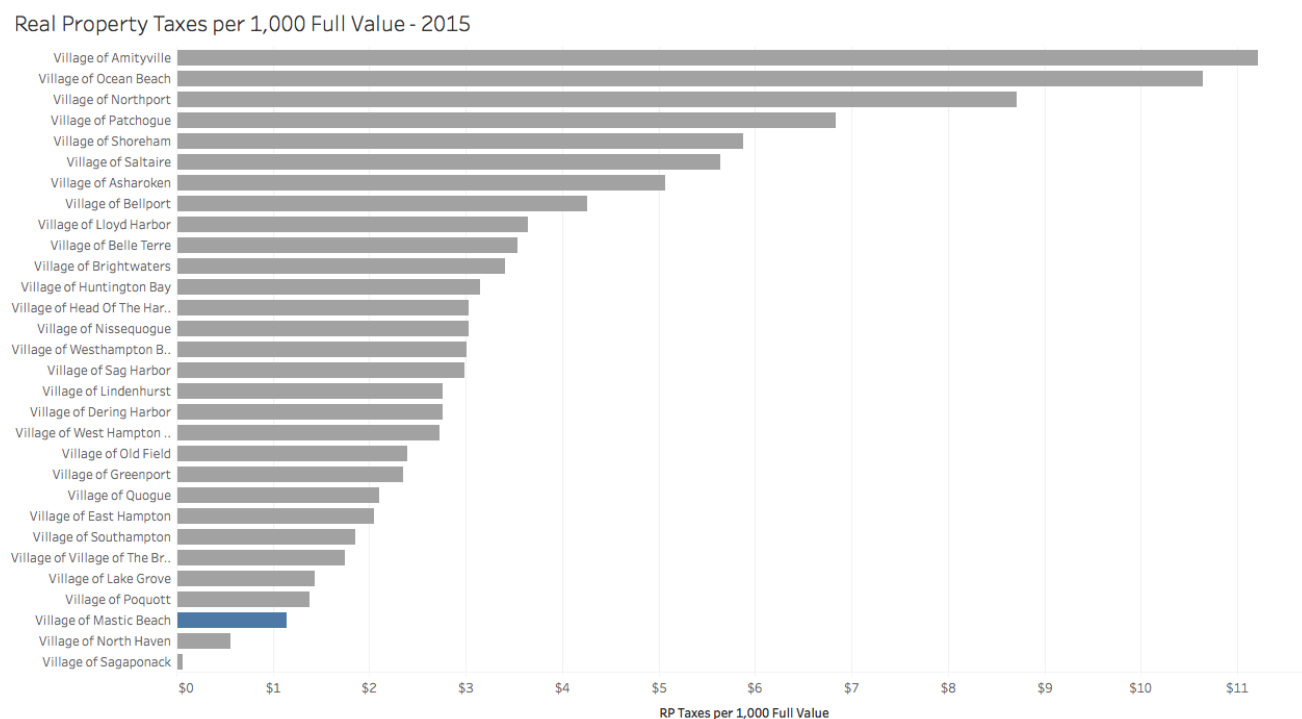


Data source: NYS Office of State Comptroller. Data not available for Villages of Babylon, Islandia, & Port Jefferson.

Source: New York State Office of the Comptroller

Mastic Beach’s low spending per capita is understandable given how little the Village collects in real property taxes. This is highlighted in **Figure 3**.

Figure 3: Real Property Taxes per 1,000 Full Value, 2015



May include value of tax exempt property. Data source: NYS Office of State Comptroller. Data not available for Villages of Babylon, Islandia, & Port Jefferson.

Source: New York State Office of the State Comptroller

What Were Residents' Options?

Based on data sources, the current Village budget is unsustainable in the long-term and has shown structural deficits in the last two years. Residents were therefore presented with the following options:

Option 1. Maintain Status Quo. Do nothing and the Village would experience increased fiscal and operational stress to the point where the State might have to intervene or approve future budget allocations. In addition, the Village might be vulnerable to a suit by a resident or residents for failure to provide minimally required services.

Option 2. Remain a Village through the development of a "Sustainable Budget." Fund the Village at the level necessary to cover essential services. This would require substantially raising property taxes to cover these expenses to be provided either by the Village or through Inter-Municipal Agreements. An Inter-Municipal Agreement or shared/functional consolidation of services would allow the Village to exist with minimal services; however, any services provided through consolidation would be at a substantially increased cost to the Village.

Option 3. Dissolve the Village. Abolish the Village and transfer all service responsibility to the Town of Brookhaven.

On November 16, 2016, Village residents chose dissolution.

II. Process & Purpose

What is Dissolution?

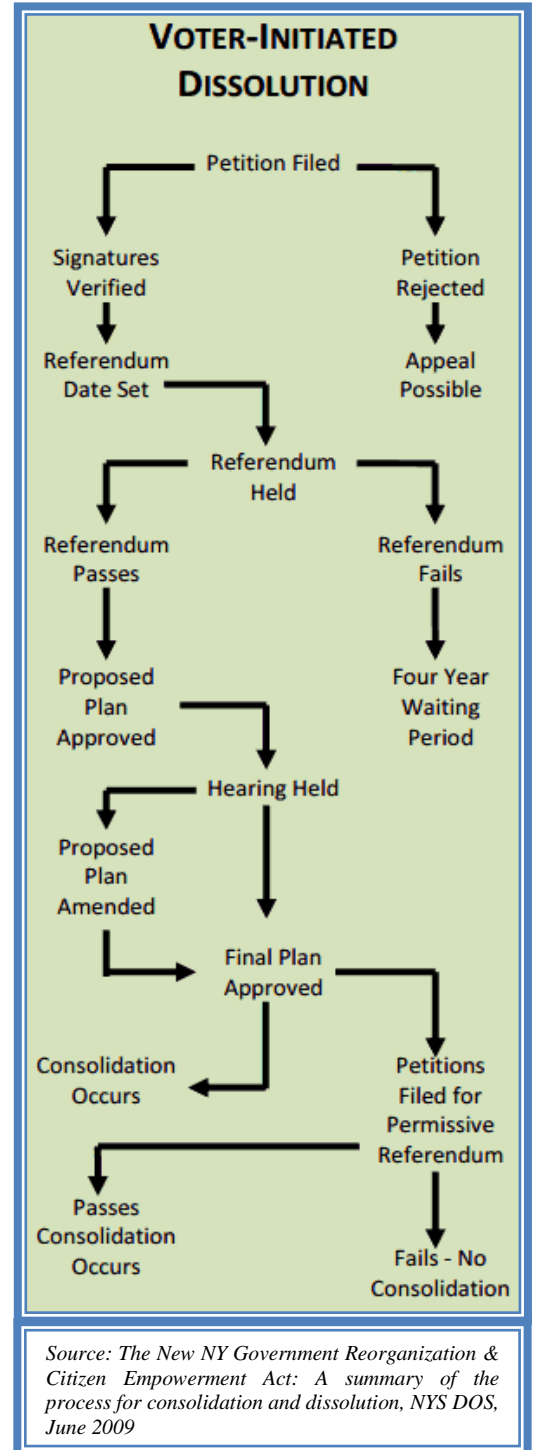
Dissolution is the termination of a local government. On August 30, 2016 the electorate of the Village of Mastic Beach filed a petition for dissolution to the Village Clerk. The petition contained 916 valid signatures out of 1,474. The Village Clerk reviewed and certified the petition on September 8, 2016. As required by law, the Village Board of Trustees passed a resolution on September 15, 2016 calling for a referendum on the proposed dissolution for November 16, 2016.

Next Steps

On November 16, 2016, a majority of the qualified voters of the Village approved the referendum for dissolution by a vote of 1,922 to 1,215. This means that the Village will cease to exist as a government entity and would effectively consolidate with the Town of Brookhaven.

Since the referendum passed, the Village Board is required to develop and accept a **Dissolution Plan** within 180 days. The Dissolution Plan will include the required elements of General Municipal Law Article 17-A, Title 3 §775. It will specify when the Village, as a separate government, will cease to exist, which municipal services will continue after dissolution, how the costs of those services will be paid, a fiscal estimate of the cost of dissolution, how Village-owned assets will be transferred or disposed of, how any remaining liabilities and debts will be paid following the entity's dissolution, and findings as to whether any local laws, ordinances, rules or regulations of the Village shall remain in effect after the effective date of the dissolution.

Following the development and acceptance of the Dissolution Plan by the Village of Mastic Beach, the Village will hold a public hearing on the Dissolution Plan. Following the public hearing, the Dissolution Plan will be finalized and adopted. Registered voters in the Village of Mastic Beach will then have an additional 45 days to petition for a permissive referendum on the Final Dissolution Plan. If a petition containing signatures from not less than 25% of the registered voters of the Village is filed with the Village Clerk, a second vote will be held to determine whether the majority of Village voters approve implementation of the Final Dissolution Plan.



Summary of the Mastic Beach Dissolution Plan

In accordance with General Municipal Law (GML) Article 17-A §774, the Village of Mastic Beach as the governing body is required to prepare and adopt a Dissolution Plan to commence dissolution under this article. As required, the Dissolution Plan as developed by an appointed Dissolution Steering Committee and accepted by the Village of Mastic Beach Village Board includes the following required elements:

- a) The name of the local government entity to be dissolved:
 - The Incorporated Village of Mastic Beach, New York.

- b) The territorial boundaries of the entity:
 - The Village of Mastic Beach has a total area of approximately 5.3 square miles and is located wholly within the Town of Brookhaven in Suffolk County, New York. The Village is located on the South Shore of Long Island, situated across from Fire Island between Smith Point County Park and Moriche Bay.

- c) The type and/or class of the entity:
 - The type of entity is a Village as defined in New York State Village Law.

- d) A fiscal estimate of the cost of dissolution:
 1. The fiscal estimate of the cost of the dissolution is approximately \$804,000 for additional staffing as follows: \$304,000 for two full-time Building Inspectors and two part-time Clerical staff; \$250,000 for two part-time Code Enforcement/Public Safety Officers, one Law Department Investigator and a Clerk Typist with benefits; and \$250,000 in additional Street Maintenance responsibilities. In addition, \$45 more annually per single-family home for Refuse and Recycling. Finally, employee benefit payouts total \$42,360.45. A Citizens Empowerment Tax Credit (CETC) of \$1 million annually, awarded by the state is intended to offset these impacts.

 2. The cost of implementation of the dissolution would be covered by a Citizens Reorganization Empowerment Grant (CREG) which would provide \$50,000 to the Town and \$50,000 to the Village toward these costs, plus a 10% match. This will include but not limited to, the cost of appraising Village properties, conducting a final Village audit, transferring files and records, rezoning properties to conform to Town zoning, hiring additional staff to help with the transition, and attorney fees.

 3. Upon dissolution, the projected tax rates for former Village property owners are anticipated to be \$23.07, an increase of \$3.37 per \$100 of assessed value, excluding any awarded Citizens Empowerment Tax Credit (CETC). Should 100% of the CETC be used to reduce taxes, the projected tax rates for former Village property owners would be \$22.85 instead, an increase by approximately \$3.15 per \$100 of assessed value. (These numbers are estimates.)

 4. The Town of Brookhaven property owners would see no consequential change in their property taxes as a result of dissolution (-\$0.09/1,000).

- e) Any plan for the transfer or elimination of public employees:

1. All Village positions, elected and civil, will be eliminated upon dissolution.
2. All Village Departments will be eliminated.
3. The Town has expressed a need for:
 - i. Two (2) full-time Building Inspectors and two (2) part-time clerical staff to supplement its Building Department.
 - ii. Two (2) part-time Code Enforcement/Public Safety officers. This is directly related to the high number of outstanding violations and abandoned properties.
 - iii. One (1) Law Department Investigator and one (1) Clerk Typist with benefits.

These jobs may be offered to former Village employees based on civil service and other qualifications.

- f) The entity's assets, including but not limited to real and personal property, and the fair value thereof in current money of the United States:

1. The Village of Mastic Beach's properties are insured for \$1,835,600. This includes its most significant assets, i.e. Village Hall, originally purchased from the Town of Brookhaven, assessed at \$421,052, and the DPW yard, assessed at \$266,842. Other significant assets include a half dozen properties assessed at \$384,206 and the Village marina and the greater waterfront totaling 24 parcels of land assessed at \$139,547.

- g) The entity's liabilities and indebtedness, bonded and otherwise, and the fair value thereof in current money of the United States:

1. The Village currently has a bond on Village Hall with a balance of \$825,000. The Town would be operationally responsible for the mechanics of Interest Payment on the Village's Bond of \$12,286.88 due 5/15/18 and Bond and Interest of \$72,286.88 due 11/15/18. However, the property tax liability to cover the cost would be limited to residents of the then former Village until all the bonds are retired.
2. Employee benefit payouts will be a total of \$42,360.45 of which \$25,218.24 is the value of accrued vacation time and \$17,142.21 is the value of accrued sick time.
3. Pending and Anticipated Litigation: Below is a list of confirmed pending and potential litigation involving the Village. It does not include small claims matters seeking to reduce property taxes (SCAR petitions) as the amounts in issue are nominal. The Village has liability coverage of up to \$1 million though experience suggests that these cases will be settled for much less. For example, the plaintiffs in one of the federal suits recently offered to settle for \$175,000. These cases are expected to be settled prior to the Village's dissolution.

Federal Court

These are mostly housing and racial-discrimination based cases, with a few property damage cases. All three federal suits are being represented by the carrier's assigned counsel although the Village's policy for the period in issue is limited to \$1 million in total coverage.

- Long Island Housing Services, et. al. v. Village of Mastic Beach

Docket No. 15 Civ. 0629 (DRH)(AKT)
Phase: Discovery/settlement discussions

- Polinskie v. Village of Mastic Beach
Docket No. 16 Civ. 3090 (DRH)(AKT)
Phase: Discovery
- Holland v. Village of Mastic Beach
Docket No. 16 Civ. 504 (DHR)(AKT)
Phase: Discovery

New York Supreme Court

- Smith v. Mastic Beach
Index No. 7136-16
This is an Article 78 against the Village seeking to vacate a prior settlement in litigation over rights to a waterfront parcel and marinas. The Village will be submitting a motion to dismiss in early February 2017.

The following are motor vehicle/personal injury matters defended by the carriers:

- Barry v. Mastic Beach
Index No. 012747/2015
- Bowden v. Mastic Beach
Index No. 612555/2016

Other

- One matter (Duff v. Village of Mastic Beach) was dismissed by the NYS Division of Human Rights but could be brought up again in Supreme Court if desired, though unlikely.

h) Any agreements entered into with the town or towns in which the entity is situated to carry out the dissolution:

1. The Village and Town will pursue the following Inter-Municipal Agreements (IMAs) to carry out the dissolution. The IMAs will be effective June 1st through December 31st 2017 if legally permissible:
 - Highway IMA: This would cover street sweeping, drainage, road/pothole repair, and line painting; tree trimming and lawn maintenance in the public right-of-way; and snow removal in November and December 2017.
 - Wetlands IMA: The Village will adopt the Town's wetland law and develop an IMA so the Town can regulate these areas. The Village received a \$500,000 grant for alternative septic systems. It plans to repurpose this funding to tear down homes destroyed by Superstorm Sandy in wetland areas.
 - Code Enforcement IMA: The Village will develop an IMA with the Town of Brookhaven to allow the Town to enforce non-moving violations in the Village prior to dissolution.
 - Building IMA: The Village will develop an IMA with the Town of Brookhaven to allow the Town to enforce building inspections and violations in the Village prior to dissolution.

- Zoning IMA: The Village will amend its local codes and land use regulations, as applicable, to allow enforcement responsibility to transfer to the Town of Brookhaven. An IMA will also be pursued to transfer Planning Board and Zoning Board of Appeals responsibilities prior to dissolution.
 - CHIPS IMA: The Village has a CHIPS grant of \$235,000 that has not been expended and expects a similar amount for the next fiscal year beginning June 1, 2017. Through an IMA with the Town, the Village will be able to use the Town's asphalt contractor to apply the CHIPS funding to needed road repair within the Village.
- i) The manner and means by which the residents of the entity will continue to be furnished municipal services following the entity's dissolution:
1. All services currently provided directly by the Village will be provided by the Town of Brookhaven, at its discretion. These services include but are not limited to the following: local government representation, clerical, financial, legal and administrative services, public building and property maintenance where applicable, planning, zoning, code enforcement and fire inspection services, refuse removal and recycling, road maintenance and repair, and snow removal and salt applications.
- j) Terms for the disposition of the entity's assets and the disposition of its liabilities and indebtedness, including the levy and collection of the necessary taxes and assessments therefore:
1. Upon dissolution, the Town will create a Debt District in accordance with GML Article 17-A §790 to cover any former Village liabilities that may occur prior to date of dissolution or as a result of dissolution.
 2. All the real property lying within the bounds of this District will be subject to the indebtedness of the district, including any outstanding obligations and bonds issued for these services. See Section VII for more details.
 3. Village employees are receiving unemployment benefits and one has filed for Workers' Compensation. Costs associated with these benefits and claim will be accounted for in the Debt District if they are not concluded by the dissolution date. There will be additional employment costs as employees are terminated as part of the dissolution process.
 4. The Village-owned Village Hall will be sold. Funds from the sale will go toward reduction of the Village debt.
 5. The marina, stick docks, and over six (6) miles of waterfront/parkland will be transferred to the Town to continue to operate as public park land.
 6. Any vehicles and equipment of value will be sold to reduce the Village's debt.
- k) Findings as to whether any local laws, ordinances, rules or regulations of the entity shall remain in effect after the effective date of the dissolution or shall remain in effect for a period of time other than as provided by GML Article 17-A §789:
- All Village local laws, ordinances, rules or regulations in effect on the date of dissolution shall remain effective for a period of two years following dissolution. Such local laws, ordinances, rules or regulations shall be enforced by the Town within the limits of the dissolved Village as if they had been duly adopted by the Town Board. At any point during the two year period, the Town Board shall have the power to review, adopt, amend or repeal such local laws, ordinances, rules or regulations. If no action is taken by the Town Board within the two year period, the

- law(s) will be automatically repealed, effective January 1, 2019. (A full list of Local Laws are provided in Section VI)
- The Village of Mastic Beach will amend local codes and land use regulations, as appropriate, to enable the Town to enforce zoning regulations through an IMA.
- l) The effective date of the proposed dissolution:
- The Village of Mastic Beach proposes to dissolve on December 31, 2017.
- m) The time and place or places for a public hearing or hearings on the proposed dissolution plan pursuant to GML Article 17-A §786:
- The public hearing will be held on March 16, 2017 at 6 p.m at Mastics-Moriche-Shirley Community Library, 407 William Floyd Parkway, Shirley, NY 11967.
- n) Any other matters desirable or necessary to carry out the dissolution:
- Upon dissolution, the Town will create a Debt District in accordance with GML Article 17-A §790 to cover any former Village liabilities that may occur prior to date of dissolution or as a result of dissolution. All the real property lying within the bounds of this District will be subject to the indebtedness of such district, including any outstanding obligations and bonds issued for these services. See Section VII for more details.
 - Any grant reimbursements or revenues received after the Village’s dissolution will be applied to the debt.
 - The transfer and improvement (with available state funding) of the stick docks, marina, and six (6) miles of waterfront/parkland.

Funding for the Dissolution Plan and Implementation

The Village of Mastic Beach received a grant through the Citizens Re-Organization Empowerment Grant (CREG) program, administered by the New York Department of State Division of Local Government Services, through the Local Government Efficiency Program (LGE). Because the dissolution was a voter-initiated process, Expedited Reorganization Assistance was provided by the program to cover costs associated with the development and dissemination of information to the electors prior to the required referendum and to further develop a detailed Dissolution Plan following an affirmative vote.

Additional funds to cover the cost of implementing dissolution are anticipated to be available following the 45-day period after the plan is adopted or should a second referendum on the plan occur, after a vote of “yes” to continue dissolution.

III. Demographic & Socio-Economic Overview

Population densities, geography, and level of service play a critical role in how operational cost differs from community to community. As illustrated in **Table 3: Municipal Characteristics Summary**, 14,880 people reside within the 5.3 square mile area that encompasses the Village, and 488,485 people reside within the 532 square mile area that encompasses the Town of Brookhaven. The number of persons per square mile is 918.2 within the Town of Brookhaven, while the Village of Mastic Beach is much denser at 2,807.5 people per square mile. The American Community Survey (ACS) reports the Town of Brookhaven’s median household income as \$86,828, significantly higher than the Village of Mastic Beach’s \$64,434.

It is important to note that the following demographic and socio-economic data is based on information derived from the U.S. Census and does not take into account any approved, proposed or pending development projects that may have occurred following the 2010 decennial Census or may have been available in the 2010-14 American Community Survey.

Table 3: Municipal Characteristics Summary

	(V) Mastic Beach	(T) Brookhaven
Population (2010-2014 ACS)	14,851	488,485
Land Area (square miles)	5.3	532
Population per square mile	2,728	590
Households (2010-2014 ACS)	4,786	162,015
Median household income (2010-2014 ACS)	\$64,434	\$86,828
Total Centerline Miles	84.2	1929.1
Local (Town/Village-owned) Centerline Miles	84.2	1678.5

Source: ACS 2010-2014, 2015 Highway Mileage Report for New York State.

Population

Local population growth and decline depend on several factors including economic expansion, environmental capacity, housing suitability, age-driven needs, and regional desirability. According to U.S. Census data, the Village of Mastic Beach experienced a negligible decrease in population between 2010 and 2015 while the Town of Brookhaven experienced a slight growth of 0.5%.

Table 4: Road Centerline Mileage, provides a summary of road mileage by municipality. There are a total of 1,759.6 local centerline miles within the Town of Brookhaven and the Village of Mastic Beach of which 84.2 miles are within the Village. Additionally, there are 136.2 miles of County centerline roads and 96.2 miles of New York State Department of Transportation (NYSDOT) centerline roads within the Town of Brookhaven.

There are roughly 1,995.4 miles of public roadway in the Town and Village combined. The road network is predominantly made up of local roads at about 88% (1,762.7 miles), followed by County miles at 7% (131.8 miles), and State miles at 5% (100.9 miles).

Table 4: Road Centerline Mileage

	(V) Mastic Beach	(T) Brookhaven	Combined
Total Local Mileage	84.2	1,678.5	1,762.7
County Mileage	0	131.8	131.8
NYS DOT Mileage	0	100.9	100.9
Total Centerline Mileage	84.2	1,911.2	1,995.4

Source: 2015 Highway Mileage Report for New York State.

Age Distribution

According to **Table 5: Age Distribution**, the populations of Mastic Beach and Brookhaven fall within roughly the same age cohorts. The Village of Mastic Beach has a younger population and a lower percentage of elderly residents. The median ages for the Village and Town are 34.2 and 38.5 years respectively.

Table 5: Age Distribution

Age	(V) Mastic Beach		(T) Brookhaven	
	Total	%	Total	%
0-14	3,434	23.1	94,490	19.4
15-19	1,217	8.2	36,982	7.6
20-24	1,025	6.9	33,385	6.9
25-34	1,924	12.9	56,385	11.6
35-44	2,221	14.9	70,830	14.6
45-54	2,246	15.1	77,690	15.9
55-64	1,736	11.7	57,992	12.0
65-74	624	4.2	32,529	6.7
75+	455	3.0	25,757	5.4
Total	14,880	100.0	486,040	100.0
Median Age	34.2		38.5	

Source: 2010 Census

Household Composition

The U.S. Census Bureau provides information on household composition, which describes in detail the individuals and families living within the Town and Village boundaries. According to **Table 6: Household Composition**, the majority of households in the Village and Town are Family Households (78% and 74% respectively). Non-family households, which include individuals living alone, are slightly higher in the Town, 26% compared with the Village's 22%. The Village of Mastic Beach has a larger average household size than the Town, 3.11 vs. 2.92 persons, and a larger average family size, 3.48 vs. 3.40. The Town of Brookhaven, has a notably larger percentage of senior citizens, 37% compared against the Village's 25%.

Table 6: Household Composition

	(V)Mastic Beach		(T) Brookhaven	
	Total	%	Total	%
Total Households	4,786	100.0%	162,884	100.0
Family Households	3743	78.2	120,790	74.2
Nonfamily households	1043	21.8	42,094	25.8
Households with Children < 18	1,798	37.6%	54,185	37.1%
Households with Persons > 60	1209	25.3%	60,819	37.3%
Average household size	3.11		2.92	
Average family size	3.48		3.40	

Source: ACS 2010-2014

Housing Stock

The availability, affordability, and condition of housing within a community are important factors that residents and employers take into consideration when assessing the quality of life afforded by a particular place. In addition, home ownership is directly linked to household spending on services and supplies for home improvements, home furnishings, and other home-related items. Therefore, housing is a key component of the local economy, contributing to the overall image and desirability of the community.

According to the ACS 2010-2014 Census data, the Village of Mastic Beach contains a total of 5,556 housing units of which 4,786 are occupied and 770 are vacant (Note: The Census data underestimates the true number of rental units due to lack of reporting and illegal rentals which is estimated by the Village to be approximately 2,000 rentals.) The Town of Brookhaven contains a total of 175,540 housing units of which 162,015 are occupied and 13,525 are vacant. According to **Table 7: Housing Types**, of the 4,786 occupied housing units in the Village, 3,386 are owner occupied while 1,400* are renter occupied. Of the 162,015 occupied housing units in the Town, 128,648 are owner occupied and 33,367 are renter occupied.

Table 7: Housing Types

Subject	(V) Mastic Beach		(T) Brookhaven	
	Number	%	Number	%
OCCUPANCY STATUS				
Total housing units	5,556	100.0%	175,540	100.0%
Occupied housing units	4,786	86.1%	162,015	92.3%
Vacant housing units	770	13.9%	13,525	7.7%
TENURE				
Occupied housing units	4,786	100.0%	162,015	100.0%
Owner occupied	3,386	70.7%	128,648	79.4%
Renter occupied	1,400*	29.3%	33,367	20.6%
VACANCY STATUS				
Vacant housing units	770	100.0%	13,525	100.0%
For rent	10	1.3%	1,996	14.6%
Rented, not occupied	0	0.0%	245	1.8%
For sale only	141	18.3%	2,045	15.1%
Sold, not occupied	22	2.9%	474	3.5%
For seasonal, recreational, or occasional use	311	40.4%	4,471	33.1%
Other vacant	286	37.1%	4,285	31.7%

Source: 2010-14 American Community Survey.
**The Census data underestimates the true number of rental units due to lack of reporting and illegal rentals. This may not account for the 350-500 abandoned "zombie" properties and the approximate 2,000 rentals estimated by the Village.*

Income

Household income is the total income of all members of a household regardless of their relationship to each other. The amount of income is an indicator of the local economy. Understanding the income characteristics of the community is also important in determining a community’s health as well as the ability of residents to maintain their housing, contribute to the local tax base, and participate in the economy. **Table 8: Household Income**, shows that the median household income in the Town of Brookhaven is substantially higher than that of the Village of Mastic Beach, \$86,828 compared to \$64,434, respectively.

Table 8: Household Income

	(V) Mastic Beach		(T) Brookhaven	
	# of Households	% of Total	# of Households	% of Total
less than \$25,000	1,077	22.5%	21,548	13.3%
\$25,000 to \$49,999	718	15%	22,844	14.1%
\$50,000 to \$74,999	976	20.4%	25,598	15.8%
\$75,000 to \$99,999	627	13.1%	23,330	14.4%
\$100,000 or more	1,388	29%	68,695	42.4%
Total Households	4,786	100%	162,015	100%
Median HH Income	\$64,434		\$86,828	

Source: U.S. Census Bureau, Census 2010-2014 American Community Survey

IV. Dissolution of Government Services & Functions

The Dissolution Plan Steering Committee considered what costs would be saved upon dissolution and what costs would be transferred to the Town to maintain the services, community character, and quality of life valued by Village and Town residents. The following is a summary of all services and functions currently provided to Village residents, their related costs, and the proposed post-dissolution conditions for the continued delivery of municipal services to former Village residents. It also includes the plan for the elimination of Village employee positions in accordance with GML Article 17-A §774(e) & (i).

Summary of Services and Functions

Village Mayor and Board of Trustees

The Village is currently governed by an elected, part-time Mayor and a Village Board of Trustees made up of four part-time Trustees. The Mayor and Trustees are responsible for overseeing all Village operations, including finances, staff and the use of Village property and equipment. In the FY 2016-17 Village Budget, these positions are currently unpaid. The Village currently employs one Secretary to the Mayor, a full-time position split between the mayor and the Finance Department, with a salary of \$16,640¹.

Post Dissolution Conditions:

Upon dissolution of the Village all of these positions would be abolished, including the full-time Secretary to the Mayor. The former Village of Mastic Beach would once again be a hamlet and residents would be represented by the Town of Brookhaven.

Cost = \$0

Clerk/Administrator

The Clerk/Administrator's Office maintains the Village's official records and is responsible for preparing and preserving the minutes of Board of Trustees' meetings along with maintaining all Village resolutions and local laws. The Clerk/Administrator is the Records-Access Officer for purposes of the New York State Freedom-of-Information Law (FOIL). The Clerk/Administrator's Office oversees the conduct of the annual Village Elections. This office also prepares and distributes a variety of documents, including but not limited to the following: snow plow contractor/subcontractor applications, and permits for handicapped parking, yard sales, peddlers, and block parties. The clerk/administrator undertakes all typing and other clerical duties associated with the department of one and does not have any dedicated clerical support. This lack of clerical support greatly affects the amount of time available to be spent on clerk/administrator duties. This is a full-time position with benefits totaling \$125,000 annually.

¹ \$33,280 represents the full salary of the secretary's position which is split between the Mayor and with Finance Department. For purposes of this Study, \$16,640 has been applied to each department.

Post Dissolution Conditions:

These duties would be undertaken by the Town and no positions would transfer.

Cost = \$0

Lobby Staff

There is one(1) Clerk Typist positions that staff the lobby of Village Hall. This position is supervised by the clerk/administrator but serves as lobby staff to greet people who arrive at Village Hall, answer phones, and provide limited clerical duties as needed. One of these two clerk typist positions staffing the lobby remains vacant since late August 2016. This position provides approximately 20 hours of work for a total salary for approximately \$13,899.

Post Dissolution Conditions:

These duties would be undertaken by the Town and no positions would transfer.

Cost = \$0

Treasurer/Finance Department

The Treasurer's Office promotes prudent fiscal management of the Village's resources. As such, this Department receives, disburses and manages the Village's funds in accord with the Village's fiscal policies, applicable laws, government accounting standards board (GASB) and generally-accepted accounting principles (GAAP) for municipalities. The Village has one (1) part-time Treasurer, one (1) full-time Deputy Treasurer, and the Secretary of the Mayor, a full-time position split between the mayor and the Finance Department, with a half-salary of \$16,640².

Post Dissolution Conditions:

Duties would be undertaken by the Town.

Cost = \$0

Planning Board

The Planning Board has a chairperson and four members. Members of the Planning Board are appointed by the Village Board. In addition, there is a part-time Secretary to the Board, same person serves as the Secretary to the Zoning Board of Appeals, with a half-salary of \$11,440. Members are not paid a salary or a stipend for their service. The Planning Board's role is to review and implement land use applications submitted under the Village's zoning law.

Post Dissolution Conditions:

Dissolve the Planning Board. Land use decisions for the former Village will be made by the Town. As of January, 2017, the Planning Board had five open cases awaiting additional documentation or a decision and no backlog. The Village may transition applications to the Town prior to dissolution through an IMA.

Cost = \$0

² \$33,280 represents the full salary of the Secretary of the Mayor's position which is split between the Mayor and with Finance Department. For purposes of this Study, \$16,640 has been applied to each department.

Zoning Board of Appeals (ZBA)

The Zoning Board of Appeals (ZBA) consists of a chairperson and four members. Members of the ZBA are appointed by the Village Board. In addition, there is a part-time Secretary to the Board, same person serves as the Secretary to the Planning Board, with a half-salary of \$11,440³. Members are not paid a salary or a stipend for their service. The ZBA decides land use appeals/variances and special use permits.

Post Dissolution Conditions:

Dissolve the Zoning Board of Appeals. Land use appeals will be reviewed by the Town. As of January 2017, the ZBA had two cases scheduled for its January meetings and no backlog. The Village may transition applications to the Town prior to dissolution through an IMA.

Cost = \$0

Building Department

The Building Department manages and approves all construction and alteration of commercial and residential buildings within the Village boundaries. It ensures that all construction projects meet both New York State Building and Fire Codes. In addition, the Building Department manages and approves all rental permits. The Village employs four (4) part-time Building Inspectors and a full-time Neighborhood Aide (with a salary of \$29,120). The Neighborhood Aide provides a full-time service in the office for the Building Department. The Neighborhood Aide, in consultation with the Mayor and other employees, plans, develops and promotes programs of service for the residents of Mastic Beach Village. This employee meets with both groups and individual residents to assist with a wide variety of program applications, including and not limited to New York Rising, FEMA, HUD, Long Island Housing Partnership, Habitat for Humanity, Veterans; housing groups, Department of Social Services, Department of Health, etc. and troubleshoots the application process on behalf of residents.

The Village has an extraordinarily high number of abandoned or “zombie” properties (estimated between 350 and 500), and illegal rentals (estimated at 1,400). These properties are a combined responsibility of the Building Department and Code Enforcement. Currently, the Village’s Building Department is at capacity and is unable to address all of these properties in need of inspection. Village residents have experienced a decrease in property values unlike neighboring communities along the shore partially due to these derelict properties.

The Village received a \$149,000 grant prior to dissolution to address zombie homes. They plan to use this money to hire a part-time Clerk/Typist and a part-time Code Enforcement Officer to investigate these properties.

The Building Department includes a line item in the Village budget titled “Equipment” with a budget of \$20,000 for equipment associated with the needs of the Code Enforcement, Fire Marshall and Building Departments, e.g. uniforms, flashlights, tape measures, etc. A Contractual Expense of \$54,742 is used for cell phones for staff in those departments, operation of cameras throughout the Village, fuel costs, various supplies from ULINE and uniform companies, apportioned costs related to the building and tax software shared by these departments and some other potentially small items.

³ \$22,880 represents the full salary of the Secretary to the Board position which is split between the Planning Board and the Zoning Board of Appeals. For the purposes of this Study, \$11,440 has been applied to each department.

Post Dissolution Conditions:

Upon dissolution, the Town would add two (2) full-time Building Inspectors and two (2) part-time clerical staff. This is directly related to the high number of outstanding violations and abandoned properties. The cost of these additional persons would be shown as a town outside of a village expense. The Village has identified the need to pursue an IMA with the Town for building inspections and violations prior to dissolution.

Cost = \$304,000

Office of Public Safety/Code Enforcement

The Office of Public Safety/Codes Enforcement acts to help protect the health and safety of Village residents and to address quality-of-life issues. Code Enforcement has traditionally provided a local service which is available from 9:00 am to 10:00 pm, Monday through Friday, and from 9:00 am to 10:00 pm on Saturday and Sunday. However, due to budgetary cuts, these hours have not been upheld. The Village employs one (1) part-time Code Enforcement Supervisor who oversees one (1) full-time Code Enforcement Officer, three (3) part-time Code Enforcement Officers (with one additional part-time Code Enforcement Officer position currently vacant)⁴. These code enforcement officers are responsible for all violations and complaints related to the Village's codes. When the Village of Mastic Beach was created in 2010, it was in part due to the strong desire to improve code enforcement and to have a stronger control on land use issues. The Village was able to adopt its own codes and provide for the oversight and enforcement of this law. However, due to the high number of abandoned or "zombie" properties (estimated at 350-500) and illegal rentals (estimated at 1,400), the current Village's code enforcement officers have a full workload that continues to be a challenge. The Village does receive revenue for these violations; however these are often never collected due to property foreclosure and/or abandonment. As a result of these challenging properties, Village residents have experienced a decrease in property values unlike neighboring communities along the shore.

In addition, the Office of Public Safety/Code Enforcement addresses complaints about barking dogs but all other animal-related reports must be directed to the Town of Brookhaven Animal Shelter. The Village does not have its own animal control department. Reports about animal abuse may be made to the Suffolk County Society for the Prevention of Cruelty to Animals.

The Suffolk County Police Department provides law enforcement in the Village and is called upon for all police, safety and emergency situations. 911 Service is routed to Suffolk County Police. In addition, Suffolk County Police regularly attend the Village Board meetings. This has been noted as a positive for the Village in more direct access to this resource.

Post Dissolution Conditions:

Upon dissolution of the Village, the Town has expressed that it would increase the staffing by adding two (2) part-time Code Enforcement/Public Safety officers. This is directly related to the high number of outstanding violations and abandoned properties. In addition, Town would add a Law Department

⁴ FY 2015-16 had eight (8) part-time code enforcement officers and decreased this service to five (5) part-time code enforcement officers in FY 2016-17.

Investigator and Clerk Typist with benefits. The cost of these additional persons would be shown as a town outside of a village expense.

Cost = \$250,000

Fire Marshals

The Fire Marshals enforce both the Village and New York State Codes through measures and procedures that emphasize compliance and strive to reduce the loss of life and property through education, fire inspections of commercial/multifamily buildings, investigations, building plan reviews and enforcement. Other Fire Marshal duties include:

- Mitigation, investigation and coordination with other agencies (Fire Department, Police Department, New York State Department of Environmental Control, Suffolk County Health Department, etc.) in hazardous materials incidents.
- Examination of abandoned tanks, drums, etc. found along roadways and public property prior to removal by the Department of Public Works (DPW).
- Public education on topics such as fire safety, fire extinguisher use and similar subjects is available for various service organizations, businesses, Village employees, senior citizen clubs, schools, etc.
- Inspection of facilities at community and similar events.
- Inspection of all commercial, multifamily, and places of assembly buildings and premises,
- Review of plans, issuance of permits and subsequent inspections for new construction and alterations of all buildings, except single-family dwellings, as well as for fire alarm systems, fire sprinkler systems, extinguishing systems, etc.
- Annual inspection of commercial establishments for operating permits.
- Investigation of fires and related incidents occurring in buildings, vehicles and vessels.
- Investigation of complaints alleging violations of Village Local Law, Village Codes and NYS codes.
- Coordination of fire safety for community events.

The Village currently employs two (2) part-time Fire Marshals.

Post Dissolution Conditions:

Fire Marshal duties would be undertaken by the Town with no additional staffing.

Cost = \$0

Department of Public Works (DPW)

The Department of Public Works (DPW) provides the following services:

- **Street Maintenance:** This includes street sweeping, storm drainage and pothole repair.
- **Street Lights:** Although the Town of Brookhaven maintains the street lights within Mastic Beach, notification of a light that needs replacement is handled by the Village lobby staff.
- **Refuse and Recycling Collection:** The Village contracts with Quickway Sanitation for refuse and recycling collection.

The Village employs one (1) part-time DPW Supervisor, two (2) part-time Auto Equipment Operators, and one (1) full-time Maintenance Mechanic II. Total personnel budget is \$118,212. Code Enforcement shares a budget line item with the Building Department and Fire Marshall of \$20,000 for equipment, e.g. uniforms, flashlights, tape measures, etc.

Street Maintenance

When the Village of Mastic Beach was created in 2010, all Village roads were existing and approved by the Town of Brookhaven, most had been constructed to Town standards, and most were in relatively good condition. However, since the Village’s inception in 2010 the Village has underfunded its public works duties and has been unable to keep pace with road maintenance requirements. In over six years, the Village has only been able to pave 2 miles of its 84 miles of road. Unfortunately, the Village does have an obligatory duty to provide street maintenance which has been underprovided. According to a 2014 Cornell Local Roads Program’s “Running Your Highway Department” report, the cost for villages to maintain one centerline mile of roadway is estimated between \$21,000 and \$45,000.

Post Dissolution Conditions:

Upon dissolution of the Village these positions would be abolished and the Town would absorb street maintenance responsibilities in the Village. The Town of Brookhaven already has an extensive highway department and staffing, therefore, the cost increase to include Mastic Beach would be nominal.

Cost = \$250,000

Street Lights

Mastic Beach is part of the Town of Brookhaven’s lighting district. While the Town maintains the street lights within Mastic Beach, notification of a light that needs replacement is handled by Village lobby staff.

Post Dissolution Conditions:

No change except the Town would manage lights needing replacement.

Cost = \$0

Refuse and Recycling

The Village currently contracts with Quickway Sanitation for refuse and recycling collection. This contract charges a \$300 per kitchen fee per year. Multifamily properties also pay the \$300 per kitchen fee per year. Commercial properties are responsible for contracting services on their own.

Post Dissolution Conditions:

The Town has indicated that it would not be in the position to maintain the current refuse and recycling contract nor would the Town create a special taxing district to allow the Village to continue that contract. The Town currently has a contract and does not see it in the Town's best interest to create additional districts unnecessarily. Therefore, the Town would provide this service at a cost to owners of single-family homes of \$345 per year and \$517.50 for a multifamily residence (equal to 1.5 times the single family rate). This would cover 2 days per week of garbage collection, 1 day of recycling, and 1 day of yard waste pick up. There would be no commercial pickup under this contract; commercial uses would need to contract on their own for service. The cost to multifamily homes would be less than in the Village. As in the Village, this is not a tax but rather a benefit fee per user.

Cost = \$345 / single-family home

Village Court

Village Court is held two times per month. The Court hears all cases related to Vehicle/Traffic on one day and all cases related to Building/Code on another day of the month. With respect to the Building/Code cases, the Court reviews approximately 60-70 cases per month (capped). However, approximately half of these or 30-40 cases are held over each month as a result of inadequate funds and personnel, limiting how many new cases can be reviewed in the following month. The salary of Court Officers is set at \$100 per court night, at two court nights per month. There are three (3) officers on each night depending on who is available. If the Village only runs 24 court nights per year, the total cost is approximately \$7,200 split amongst the officers. If it is necessary for the officers to come in an hour earlier then they are each paid \$25 per hour (an additional \$75 per court night). The Village has not had this expense in the current year. Each night court is staffed by one (1) part-time Village Court Judge (\$20,600), and two (2) part-time Justice Court Clerks (\$36,400). In FY 2015-16, the Village budgeted \$110,495 for judicial services.

Post Dissolution Conditions:

Dissolve the Village Court. Duties would be undertaken by Suffolk County's 6th District Court, specifically its Landlord and Tenant Court which is held weekly. This court is open Monday through Friday from 9 am to 5 pm. It mostly handles evictions but also hears cases filed by tenants to make landlords fix dangerous or life-threatening conditions. Violations of parking laws could be transferred to the Town's Traffic Violations Bureau upon the Village's dissolution.

Cost = \$0

Contracted Services

Table 9 lists services the Village provides through contractual agreements. By far the biggest contracted service is for Refuse and Garbage. The Village found that providing this service through this arrangement was less expensive than providing it through a shared service agreement with the Town.

Table 9: Contracted Services Budgeted

Service	FY 2015-2016 Allocation	FY 2016-2017 Allocation
Refuse and Garbage	\$1,500,000	\$1,100,000
Village Attorney	\$283,000	\$300,000
Snow Removal	\$225,000	\$265,000
Street Maintenance	\$175,343	\$350,000
Shared Services*	\$101,949	\$41,949
Publicity	\$83,400	\$0
Safety Inspection	\$54,742	\$479,334
Traffic Control	\$25,000	\$30,000
Engineer	\$16,000	\$26,400
Election	\$10,585	\$2,000
Auditor	\$10,500	\$10,500
Zoning	\$9,772	\$8,500
Planning	\$8,530	\$4,500
Total:	\$2,503,821	\$2,618,183

*Shared services covers “Operation of Buildings” costs including Cablevision services (TV, Internet and phones) and PSEG electric costs.

In the Village’s FY 2016-17 budget, the Village spent \$30,000 on storm sewer drainage. It participates in the Town’s Street Lighting District.

Post Dissolution Conditions:

Upon dissolution, these contracts would be terminated and these functions largely performed by the Town of Brookhaven as part of their townwide services. Some would be conducted through IMAs such as snow removal, street maintenance and storm sewer drainage, planning, and zoning. The former Village of Mastic Beach would be incorporated into a service area of the Town’s Refuse District. Street lighting would continue to be provided through the Town Street Lighting District.

Inter-Municipal Agreements (IMAs)

The Village of Mastic Beach has four Inter-Municipal Agreements (IMAs) with the Town of Brookhaven: 1) Recycling IMA; 2) Yard Waste IMA; 3) Highway Maintenance / Snow & Salt IMA; and 4) Street Sweeping IMA.

- 1) The recycling agreement authorizes the Town of Brookhaven to accept recycling materials from the Village of Mastic Beach for processing and sale. The Town pays the Village \$5 per ton (a portion of the proceeds) for single stream recyclables. In 2016, the Village received \$9,725 for these recyclables. Upon dissolution, these revenues would be passed on directly to the Town.
- 2) The yard waste IMA allows the Village to deliver its yard waste to the Town landfill at a cost of \$63/ton. Upon dissolution, the Town would not receive these revenues.
- 3) Under the highway maintenance and snow/salting IMA, the Town performs general repairs and other maintenance activities to Village highways including cleaning, sweeping, pothole repair, paving or striping (maintenance services) and agrees to furnish salt or sand/salt mixture as requested by the Village at the discretion of the Town Highway Superintendent. The Village is charged per cubic yard of material delivered. Upon dissolution this service would be provided by the Town of Brookhaven.
- 4) Through a street sweeping IMA, the Village pays the Town to sweep its streets at a cost of \$18 per ton. Upon dissolution this service would be provided by the Town of Brookhaven.

Post Dissolution Conditions:

These Inter-Municipal Agreements would be rendered void upon the dissolution of the Village. The Town would assume responsibility for all these services.

The following IMAs are proposed to assist with dissolution and would terminate upon dissolution of the Village (December 31, 2017). The Town would have full responsibility as of January 1, 2018.

- 1) Highway IMA: This would cover street sweeping, drainage, road/pothole repair, and line painting; tree trimming and lawn maintenance in the public right-of-way; and snow removal in November and December 2017.
- 2) Wetlands IMA: The Village will adopt the Town's wetland law and develop an IMA with the Town to allow the Town to assist with enforcement and permitting in areas of the Village regulated by the wetland local law. The Village received a \$500,000 grant for alternative septic systems. It plans to repurpose this funding to tear down homes destroyed by Superstorm Sandy in wetland areas.
- 3) Code Enforcement IMA: The Village will develop an IMA with the Town of Brookhaven to allow the Town to enforce non-moving violations in the Village prior to dissolution.
- 4) Building IMA: The Village will develop an IMA with the Town of Brookhaven to allow the Town to enforce building inspections and violations in the Village prior to dissolution.
- 5) Zoning IMA: The Village will amend its local codes and land use regulations, as applicable, to allow enforcement responsibility to transfer to the Town of Brookhaven. An IMA will also be pursued to transfer Planning Board and Zoning Board of Appeals responsibilities prior to dissolution.

- 6) CHIPS IMA: The Village has a CHIPS grant of \$235,000 that has not been expended and expects a similar grant for the next fiscal year beginning June 1, 2017. Through an IMA with the Town, the Village will be able to use the Town’s asphalt contractor to apply the CHIPS funding to needed road repair within the Village.

Summary of Employees & Benefits

Elected Officials and Employee Summary

The following table represents current elected officials as well as full-time, part-time, and seasonal employees, based on the Village’s 2016-2017 fiscal year. The Village has 36 part-time employees and 6 full-time employees, or 24 FTE employees.

Table 10: Mastic Beach FY 2016-17 Employees

Employee Title	Part-Time Employees	Full-Time Employees	FTE
Auto Equipment Operator	2		1.0
Building Inspector	4		2.0
Clerk/Typist	2		1.0
Code Supervisor	1		0.5
Code Enforcement Officer	3	1	2.5
Court Officer	9		4.5
Deputy Treasurer		1	1.0
Fire Marshal	2		1.0
Grant Writer*	0		0
Department of Public Works	1		0.5
Justice Court Clerk	2		1
Maintenance Mechanic II		1	1.0
Mayor	1		0.5
Neighborhood Aide		1	1.0
Planning/Zoning	1		0.5
Secretary to the Mayor		1	1.0
Treasurer	1		0.5
Trustee	4		2.0
Village Clerk/Administrator		1	1.0
Village Court Judge	1		0.5
Total Employees:	34	6	24
Full-Time Equivalent:			23 FTE

*Contractual service.

Post Dissolution Conditions:

Upon dissolution, all these jobs would be abolished. However, the Town has indicated that they would need two part-time Code Enforcement/Public Safety staff, one full-time Building Inspector, one full-time Law Department Investigator and one-full time Clerk Typist. These jobs may be offered to former Village employees based on civil service and other qualifications.

Employee Benefits

The Village does not belong to a retirement system. Low wages coupled with the lack of employee benefits has made recruiting and retaining quality staff very difficult for the Village. Historically, the Village suffers from high employee turnover. Due to the 2016-17 budget and the cutting of staff hours, six (6) past employees are on Unemployment at a value of \$1,650.70 per week through the end of November 2016. They are expected to apply for extensions. One of the six on unemployment has filed for Workers' Compensation.

Post Dissolution Conditions:

Any claims still open upon dissolution will carry over to the Town and be included as part of the Village's responsibility through a special tax levy on the property owners of the former village only. Employee benefit payouts will be a total of \$42,360.45 of which \$25,218.24 is the value of accrued vacation time and \$17,142.21 is the value of accrued sick time. There will be additional unemployment expenses as employees are terminated due to dissolution. These will be paid out in January 2017.

Unions

Workers who are paid an hourly wage, full or part time, who are not appointed, are represented by the Local #342 Insurance Trust Union, based in Shirley, NY. However, they have never had a formalized contract and the union voluntarily waived its right to collect dues until a first contract is in place.

Post-Dissolution Conditions:

In the event a contract is negotiated, as this is the same union that represents the Town, there would be no conflict as the Town's benefits exceed those provided by the Village.

New York Municipal Insurance

The New York Municipal Insurance Reciprocal, a company formed by local governments to provide insurance to elected officials, plans to non-renew its policy offering legal protection to members of the Village of Mastic Beach's Board of Trustees. The insurance company did not renewing its coverage due to pending lawsuits including and not limited to the housing discrimination complaints and ownership of the Village's beachfront properties. Replacement coverage at a higher cost was secured. This move sends a strong signal of the insurance company's lack of confidence in Mastic Beach, finding the Village susceptible to additional lawsuits. This will be an added constraint on the existing Village until dissolution is effective.

Post-Dissolution Conditions:

The Town is fully insured.

Summary of Revenues and Debts

Summary of Revenues

The Village of Mastic Beach receives revenue from the following:

Table 11: Projected Summary of Budgetary Revenues, 2016-17

Revenue Source	Amount
Real Property Tax	\$1,141,151
Real Property Tax Arrears	\$80,000
Interest & Penalty on Real Property	\$25,000
Franchises	\$350,000
Clerk Fees	\$20,000
Departmental Revenue	\$5,000
Fire Inspection Fees	\$12,000
Vacant Home Fees	\$90,000
Zoning Fees	\$33,000
Planning Board Fees	\$4,000
Garbage Disposal	\$1,614,900
Allowance for Uncollected	(\$127,770)
Town of Brookhaven Highway	\$0
Interest & Earnings	\$0
Business & Occupational Licenses	\$0
Building Permits	\$80,000
Sign & Other Permits	\$10,000
Rental Permits	\$232,300
Fines & Forfeited Bail	\$150,000
Refund of Prior Year Expenses	\$0
Grants from Local Government	\$0
Other Unclassified	\$0
State Aid	\$75,000
Mortgage Tax	\$96,000
State Aid – CHIPS*	\$0
Appropriated Fund Balance	\$235,000
Total:	\$4,125,581

Note: Franchise fees are those paid by telecommunication companies, utilities, etc. Exact contracts will need to be reviewed as part of a full Dissolution Plan should the Village choose to dissolve.

**The Village anticipates receiving an additional \$235,000 in CHIPS funding in the 2017-18 fiscal year.*

Post Dissolution Conditions:

All revenues would be transferred to the Town. Revenues will vary slightly as the Town has a different fee schedule and the ability to collect from the County on unpaid taxes. The Village has proposed to

contract with a collection agency on unpaid fines. Any revenue generated would be used to reduce potential Village debts.

Summary of Liabilities and Debt

1. The Village of Mastic Beach took out a bond for Village Hall in 2013 in the amount of \$995,000. This bond will mature in 2029. There is \$825,000 remaining and the bond cannot be paid off early. The current serial bond notes that "The Bonds maturing on or before November 15, 2020 will not be subject to redemption prior to maturity. The Bonds maturing on November 15, 2021 and thereafter will be subject to redemption prior to maturity, at the option of the Village." This means the building is not tied to the bond as security and therefore could be sold and used as payment towards the debt. The Town would be responsible for Interest Payment on the Village's Bond of \$12,286.88 due 5/15/18 and Bond and Interest of \$72,286.88 due 11/15/18.
2. Assuming all accrual employees remain employed until December 31, 2017, employee benefit payouts will be a total of \$42,360.45 of which \$25,218.24 is the value of accrued vacation time and \$17,142.21 is the value of accrued sick time. Any payout of employee benefits will be the responsibility of the former Village residents and may be included in the "Debt District" if required to be paid after December 31, 2017.
3. Pending and Anticipated Litigation: Pending and anticipated litigation are listed below. This does not include small claims matters seeking to reduce property taxes (SCAR petitions) as the amounts in issue are nominal. The Village has liability coverage of up to \$1 million, though experience suggests that these cases will be settled for much less.

Federal Court

These are mostly housing and racial discrimination-based cases, with a few property damage cases. All three federal suits are being represented by the carrier's assigned counsel although the Village's policy for the period in issue is limited to \$1 million in total coverage.

- Long Island Housing Services, et. al. v. Village of Mastic Beach
Docket No. 15 Civ. 0629 (DRH)(AKT)
Phase: Discovery/settlement discussions
- Polinskie v. Village of Mastic Beach
Docket No. 16 Civ. 3090 (DRH)(AKT)
Phase: Discovery
- Holland v. Village of Mastic Beach
Docket No. 16 Civ. 504 (DHR)(AKT)
Phase: Discovery

New York Supreme Court

- Smith v. Mastic Beach
Index No. 7136-16

This is an Article 78 against the Village seeking to vacate a prior settlement in litigation over rights to a waterfront parcel and marinas. The Village will be submitting a motion to dismiss in early February.

The following are motor vehicle/personal injury matters defended by the carriers:

- Barry v. Mastic Beach
Index No. 012747/2015
- Bowden v. Mastic Beach
Index No. 612555/2016

Other

- One matter (Duff v. Village of Mastic Beach) was dismissed by the NYS Division of Human Rights but could be brought up again in Supreme Court if desired, though unlikely.

Post Dissolution Conditions:

Any debt remaining on the bond would be paid by the former Village residents only. Any payout of employee benefits will be the responsibility of the former Village residents and may be included in the “Debt District.” Any liabilities from court shall also be included in the “Debt District.”

Summary of Village Assets

Village-Owned Property

The Village owns and/or leases the properties listed below which is covered under its building and personal property insurance valued at \$1,835,600. Upon dissolution, the Village would sell some of these properties while some would need to be transferred to the Town where existing deed restrictions exist. For purposes of this study, all property listed in the table, except for the waterfront property which would be transferred, would be sold to reduce any debt obligations. The value of these properties is currently being investigated. Village Hall and other Village property may need to be deemed “surplus property” and require legislative approval before sale.

Table 12: Village Owned/Leased Property

Location	Description	Address	Disposition
3-1-6	Property in the Open	Throughout municipality	Sell
4-1-7	New Village Hall	369 Neighborhood Rd	Sell
4-2-9	Office Trailer (leased)	369 Neighborhood Rd	Sell
4-3-12	Gazebo	369 Neighborhood Rd	Sell
4-4-13	9/11Memorial/Flag Pole/Lights/Benches	369 Neighborhood Rd	Sell
5-1-8	Village Garage	300 Mastic Rd	Sell
5-2-10	Storage Container (leased)	300 Mastic Rd	Sell
5-3-11	Storage Container (leased)	300 Mastic Rd	Sell
Waterfront	Wharves/Waterfront Property & Marina		Transfer
5-4	Salt Shed #1	300 Mastic Rd	Sell
5-5	Salt Shed #2	300 Mastic Rd	Sell
5-6	Salt Shed #3	300 Mastic Rd	Sell

The Village’s six miles of beachfront property and a marina (Marina 5) were obtained from the Mastic Beach Property Owners Association (MBPOA) upon its execution and filing of a written stipulation of settlement entered into by the parties in the prior litigation (VMB vs. MBPOA, Index # 09188-11), so ordered by the court on March 28, 2016, and filed with the Clerk of the County of Suffolk on the same date. The property deed indicated that the MBPOA would be the owner of this beachfront property unless an incorporated Village of Mastic Beach was ever to be created, in which case then such property would be transferred in ownership to the Village.

Post Dissolution Conditions:

The Village would transfer to the Town the marina and approximately 67 stick docks. This would likely be considered an alienation requiring legislative approval.

Personal Property

Personal property includes office equipment, furniture, tools, parts inventory, and any other items commonly considered the personal property of the Village. It is anticipated that the Village would attempt to liquidate these assets to reduce its debt.

Post Dissolution Conditions:

Any remaining Village personal property would become the property of the Town of Brookhaven. These items are listed below along with a disposition schedule. In many cases, the Village can dispose of many items if an IMA for the service for which the items are used is reached. Such services are snow removal, not just from roadways but from Village sidewalks and municipal parking lots; lawn maintenance and tree cutting and removal; street repair; and boarding and securing vacant and abandoned buildings. If not, the Village will have to keep those items until its dissolution, planned for December 31, 2017.

Table 13: DPW Inventory

#	Quantity	Description	Disposition Schedule
Yard Equipment			
1	3	Pick up trucks with plows/sanders	Assuming IMA with Town, 6/30/17.
2	1	5-ton military truck/sander	Now
3	1	Military dump truck	Now
4	1	Metal sander	Now
5	1	Infrared red box	Now
6	1	Tractor/bucket & forklift attachment	Assuming IMA with Town, 6/30/17.
7	1	Skidder with attachments and extra tracks	12/31/17
8	1	Hustle mower	12/31/17
9	1	Sit down John Deer mower	12/31/17
10	1	Stand up mower	12/31/17
11	1	Snow blower	Assuming IMA with Town, 6/30/17.
12	48	Saw horses	12/31/17
13	2	Lifting rings	12/31/17. If IMA with Town
14	2	Manhole covers	12/31/17. If IMA with Town

IV. Dissolution of Government Services & Functions

#	Quantity	Description	Disposition Schedule
15	6	Grates	12/31/17. If IMA with Town
16	1	2-ton hot box	12/31/17. If IMA with Town
17	1	Ride-on roller	Assuming IMA with Town, 6/30/17.
Interior Garage - Tools and Mowers			
1	1	Walk behind road saw	12/31/17. If IMA with Town
2	1	Road saw	12/31/17. If IMA with Town
3	1	Back pack blower	12/31/17. If IMA with Town
4	2	Gas pole saws	12/31/17. If IMA with Town
5	1	Hand pole saw	12/31/17. If IMA with Town
6	2	Weed whackers (need replacement)	Assuming IMA with Town, 6/30/17.
7	1	Battery charger	12/31/17.
8	2	Old shop vacs (picked up from trash)	12/31/17.
9	1	Chain saw 18"	12/31/17.
10	1	Hand road stripper	Assuming IMA with Town, 6/30/17.
11	1	Battery jump pack	12/31/17.
12	6	Bags mortar mix	12/31/17, nominal value.
13	3	Bags sakrete	12/31/17, nominal value.
14	5	Fire extinguishers	12/31/17.
15	1	Hedge trimmer	Assuming IMA with Town
16	2	Cordless drills	Assuming IMA with Town
17	1	25 piece screwdriver set	Assuming IMA with Town
18	1	Compressor	Assuming IMA with Town
19	3	Push brooms	12/31/17.
20	2	Lawn rakes	12/31/17.
21	3	Ground rakes	12/31/17.
22	2	Crowbars	12/31/17.
23	4	Hand trash pickers	12/31/17.
24	2	Pruners	Assuming IMA with Town, 6/30/17.
25	1	Pick axe	12/31/17.
26	3	Asphalt rakes	12/31/17. If IMA with Town
27	5	Shovels	12/31/17. If IMA with Town
28	1	Hand cart	12/31/17.
29	1	Grease gun	12/31/17.
30	1	1.5 spool of weed wacker line	Assuming IMA with Town
31	1	Hand lime spreader	Assuming IMA with Town
32	1	Small sander	Assuming IMA with Town
33	1	Box assorted extension cords	12/31/17.
34	1	40-piece tap and die set	12/31/17.
35	1	Skill saw	Assuming IMA with Town
36	1	Saws all	Assuming IMA with Town
37	1	Dewalt drill	Assuming IMA with Town

#	Quantity	Description	Disposition Schedule
38	1	Saber saw	12/31/17.
39	1	Hand grinder	12/31/17.
40	1	Soldering iron	12/31/17.
41	1	100' chalk line	12/31/17.
42	11	Bags A/C ribboning	12/31/17.
43	6	Blue diesel 5 gal containers	12/31/17.
44	1	Hand roller	12/31/17.

Village-Owned Vehicles and Equipment

The following two tables provide a summary of the vehicles and equipment owned by the Village. All these vehicles and equipment are proposed to be sold prior to dissolution. Actual values may vary based upon appraisals and auction.

Table 14: Business Auto Vehicle Schedule

Year	Make/Model	Value
2004	Ford/Crown Victoria	\$1,000
2003	Mercury/Grand Marquis	\$1,000
2005	Ford/F250	\$3,200
1999	Ford/Crown Victoria	\$620
2003	Ford/Crown Victoria	\$775
2005	Ford/Crown Victoria	\$1,025
2007	Ford/Crown Victoria	\$1,500
2001	Ford/Suburban	\$2,200
2010	Maret/Hot Box Trailer	
2011	Ford/F-350	\$10,300
2012	Felling/FT-121X	
2013	TYMCO/600	
2013	Ray-Tech/Tech 48 Trailer	
2013	Chevrolet/Tahoe	\$13,000
2003	Chevrolet/Tahoe	\$3,100
1983	AM General/Military Cargo	
2014	Chevrolet/Silverado	\$14,900
1990	Am General/M929A2	
2013	Chevrolet/Caprice	\$6,130
2004	Ford/Crown Victoria	\$1,000
Total:*		\$59,750

*Total Value estimated based on Blue Book Value.

Table 15: Equipment Floater – Scheduled Equipment

Year	Description	Insured Amount
2012	Jodale Perry Boxer Cab Hustler 3700	\$10,110
2012	Hustler 3700 AWD Tractor & Mower Deck, 3700-9287	\$19,950
2012	Boom Mower & Head with attachments	\$19,385
2012	Skid steer, 332D	\$56,158
2012	Backhoe, BH11	Incl. in 5
2012	84" Scrap Grapple, GS84	Incl. in 5
2013	MOD 20' Steel storage container	\$6,000
	Plow used on Silverado #8507, plow	\$5,100
2014	John Deere, 6130D Tractor	\$94,000
2011	Ford, Dump Truck	\$35,000
	Total:	\$245,703

V. Local Laws

All Village laws and ordinances would remain effective for up to two years after the date of dissolution. At any point during this two year period, the Town of Brookhaven Town Board at their discretion may consider amending existing Town laws and regulations or consider adopting new laws and regulations to effectuate laws that may have been in effect in the former Village of Mastic Beach. If no action is taken by the Town Board within the two year period, the law(s) will be automatically repealed on January 1, 2019.

Local Codes & Land Use Regulations

The most notable law that would need to be revised is the Town’s local codes and land use regulations. There is no requirement that the Town adopt regulations similar to those currently in place for the Village. In fact, the Town indicated that upon dissolution, it would immediately move to revert back to the zoning that existed prior to the incorporation of the Village. A new map would be drawn to identify these previous zoning districts for Mastic Beach.

The Village recognizes the need to engage the Town’s Code Enforcement assistance prior to dissolution. In order for the Town to assist with enforcing the Village’s local codes, such codes and land use regulations would need to be consistent with the Town’s regulations. Therefore, the Village proposes to amend its current codes and land use regulations to be consistent with the Town’s. Future appeals could be heard by the Town’s Zoning Board of Appeals (ZBA) and potentially the Planning Board through another IMA. This would also assist with the transition of applications.

Other Laws

The following list includes a preliminary review of local laws (Village Code) currently in effect in the Village of Mastic Beach, including legislation adopted through 09-08-2015, and how they might need to be modified following dissolution. This list has been broken into three categories: 1) No longer applicable (NA), 2) Similar to a Town law and may require modification (M), and 3) Recommended Town law (R).

Part I: Administrative Legislation (NA)

Chapter 1	General Provisions (NA)
Chapter 10	Appearance Tickets (NA)
Chapter 20	Code Enforcement, Dept of (NA)
Chapter 30	Defense and Indemnification (NA)
Chapter 40	Ethics, Code of (NA)
Chapter 70	Records (NA)
Chapter 80	Residency Requirements (NA)
Chapter 100	Zoning Board of Appeals and Planning Board (NA)

Part II: General Legislation

Chapter 150	Amusements and Exhibitions (M)
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Chapter 160	Animals (M)
Chapter 170	Bicycles and Play Vehicles (R)
Chapter 178	Building Code (M)
Chapter 180	Buildings and Structures, Unsafe and Vacant (R)
Chapter 190	Buildings, Moving of (M)
Chapter 195	Buildings, Numbering of (NA)
Chapter 197	Contractors (M)
Chapter 200	Electrical Standards (NA)
Chapter 210	Environmental Quality Review (NA)
Chapter 220	Fire Prevention (NA)
Chapter 230	Flood Damage Prevention (M)
Chapter 240	Freshwater Wetlands (M)
Chapter 250	Graffiti (NA)
Chapter 260	Housing Standards (M)
Chapter 270	Licenses and Permits (NA)
Chapter 280	Noise (NA)
Chapter 290	Notification of Defects (M)
Chapter 300	Nuisances (NA)
Chapter 310	Parks and Recreation Areas (NA)
Chapter 320	Pawnbrokers; Collateral Loan Brokers (M)
Chapter 330	Peace and Good Order (M)
Chapter 340	Peddlers and Transient Merchants (NA)
Chapter 350	Property Maintenance (NA)
Chapter 360	Refrigerators, Abandoned (NA)
Chapter 370	Refuse Collectors and Cesspool Cleaners (M)
Chapter 380	Rental Property (M)
Chapter 390	Sales (M)
Chapter 395	Security Gates (M)
Chapter 400	Sewage Disposal (M)
Chapter 410	Shopping Carts (M)
Chapter 415	Solar Energy Systems (M)
Chapter 420	Solid Waste (NA)
Chapter 430	Stormwater Management (M)
Chapter 440	Storm Sewers (M)
Chapter 450	Streets and Sidewalks (M)
Chapter 460	Swimming Pools (M)
Chapter 470	Taxation (NA)
Chapter 480	Taxicabs and Public Conveyances (NA)
Chapter 490	Trees and Shrubs (NA)
Chapter 495	Utilities and Utility Poles (M)
Chapter 500	Vehicles, Abandoned and Junked (M)
Chapter 510	Vehicles and Traffic (M) – in particular, speed limits
Chapter 520	Waterways and Watercraft (NA)

Chapter 530	Zoning (M)
Chapter DL	Disposition List (NA)
Local Law 1-2016	Chapter 35 – Criminal Background Checks (M)
Local Law 2-2016	Section 510-12 Stop Intersections (R)
Local Law 3-2016	Chapter 180, Buildings, Properties and Structures, Unsafe (NA)
Local Law 4-2016	Article XVII Miscellaneous Provisions (Temporary Trailers) (M)

VI. Potential Post-Dissolution Fiscal Impacts

To estimate the potential fiscal impact of Village dissolution, this Plan primarily used the 2016-17 fiscal year budget information for the Village of Mastic Beach and the finalized 2017 budget for the Town of Brookhaven. Using this data as a baseline, a fiscal model for post-dissolution conditions was built to determine what costs would be saved when the Village dissolves, what costs would be included in future Town budgets, and what revenues would continue to be collected to calculate the projected tax levies and tax rates.

Citizen Empowerment Tax Credit (CETC)

New York State provides a Citizen Empowerment Tax Credit (CETC) to municipalities as an incentive when two local governments consolidate. This tax credit is an annual appropriation, based upon a formula of 15% of the combined property tax levy when the local governments consolidate (general and highway tax levy only). When the Village of Mastic Beach dissolves, the Village government will effectively consolidate with the Town; therefore, the Town would qualify for the annual CETC credit.

The estimated tax credit to the Town of Brookhaven would be \$1,000,000 per year. By law, a minimum of 70% (\$700,000) of the CETC must be applied as a reduction of the tax levy. The remaining 30% (\$300,000) may be used to further reduce the tax levy or fund eligible capital improvement projects anywhere in the Town. As such, the final tax impact is shown as a range between a minimum benefit of 70% and a maximum benefit of 100% of the CETC funds applied to lower the tax levy. CETC funds are contingent upon New York State appropriations and not an annual guarantee.

Table 16: Empowerment Tax Credit (CETC)*

Maximum CETC for Tax Reduction	100%	\$1,000,000
Minimum CETC for Tax Reduction	70%	\$700,000
Maximum CETC for Capital Projects	30%	\$300,000

***CETC is contingent upon New York State appropriations and not an annual guarantee.**

Through discussions with the Town of Brookhaven, the Town proposes to use \$700,000 to reduce taxes and to dedicate the remaining \$300,000 to furthering improvements in the Village of Mastic Beach for at least the first couple of years following dissolution.

Projected Tax Impacts of Dissolution

As noted previously, the CETC is an annual incentive offered to municipalities. However, it is important to understand the potential tax impacts without the CETC to comprehend the full range of fiscal impacts of dissolution on the tax payers. As illustrated in Table 17, property owners in the Village currently pay a combined rate of \$19.70 per \$100 of assessed value (including Village and Town taxes, but excluding garbage and refuse fees). Upon dissolution, the projected tax rates for former Village property owners to be \$23.07 (an **increase** of \$3.37) per \$100 of assessed value, or approximately 17.1%. As noted, these estimates do not include the projected Citizens Empowerment Tax Credit. Should the CETC be included, projected tax rates for former Village property owners would increase by \$3.15 per \$100 of assessed value, or approximately 16%.

Table 17: Comparing Current Village Tax Rate & Fee to Cost of Dissolution*

Summary Effect for Village Residents	Tax Rate or Fee Before	Tax Rate After (No CETC)	Tax Rate After (70% CETC)	Tax Rate After (100% CETC)	Tax Rate Change (No CETC)	Tax Rate Change (70% CETC)	Tax Rate Change (100% CETC)	Percent Tax Rate Change (No CETC)	Percent Tax Rate Change (70% CETC)	Percent Tax Rate Change (Full CETC)
Combined Town & Village Rate/s	\$19.70	\$23.07	\$22.92	\$22.85	\$3.37	\$3.22	\$3.15	17.1%	16.3%	16.0%
Residual Village Costs	\$0.00	\$0.97	\$0.97	\$0.97	\$0.97	\$0.97	\$0.97	4.9%	4.9%	4.9%
Total	\$19.70	\$24.04	\$23.88	\$23.82	\$4.34	\$4.19	\$4.12	22.0%	21.2%	20.9%

Example Tax Bill Property Assessed at \$1,000

Combined Effect of Tax Change & Increase Garbage Pickup Charge	Tax & Fee Before	Tax & Fee After (No CETC)	Tax & Fee After (70% CETC)	Tax & Fee After (100% CETC)	Tax & Fee Change (No CETC)	Tax & Fee Change (70% CETC)	Tax & Fee Change (100% CETC)	Percent Tax & FEE Change (No CETC)	Percent Tax & Fee Change (70% CETC)	Percent Tax & Fee Change (100% CETC)
Combined Property Tax and Charges	\$196.97	\$240.36	\$238.83	\$238.17	\$43.38	\$41.85	\$41.20	22.0%	21.2%	20.9%
Garbage Pickup Fee	\$300.00	\$345.00	\$345.00	\$345.00	\$45.00	\$45.00	\$45.00			
Total	\$496.97	\$585.36	\$583.83	\$583.17	\$88.38	\$86.85	\$86.20	22.0%	21.2%	20.9%

Changes from Pre-Referendum Property Tax Estimates

The projected tax impacts of dissolution were first reported in the pre-referendum *Study of Dissolution and Options* (November 2016). They were recalculated for this Dissolution Report once the Town of Brookhaven's 2017-18 Budget was finalized. The changes from the draft budget were very minor. The appropriation changes were limited to \$58,425 in the Townwide General Fund (A) and \$10,000 in the Town Outside Village (TOV) General Fund (B) and were offset exactly by revenue changes. Thus, there were no changes in tax levies or tax rates.

In the pre-referendum analysis, an option was included for the Village to continue but to increase its budget to a more operationally and financially sustainable level. Given the vote to dissolve, this option was not updated and is not shown.

Key assumptions and explanations of these calculations were:

- Waste disposal is shown in the analysis but is not a tax. Currently, the Village charges \$300/year for refuse and recycling while the Town charges \$345/year for this service. The larger charge has been used in these calculations.
- The Town's estimates of additional costs resulting from dissolution were used assuming the Village's responsibilities remained the same as in the previous analysis.
- Finally, this analysis assumed no changes in assessed value since the earlier analysis.

Thus, in summary, there were no changes in estimated tax rates from the earlier analysis.

Other Costs of Dissolution

New York State Local Government Efficiency Grant will offset additional costs of the dissolution. The State will provide up to \$50,000 for the Village and an additional \$50,000 for the Town, plus a 10% match, for a total award of \$110,000 to be used to implement dissolution. These costs are anticipated to include the following but not limited to (see Appendix D for list identified by Town):

- Creation of IMAs;
- Staff hours for transition;
- Inventories (Street conditions, Drainage, Fuel, Salt, Sand, Repair & Maintenance Storerooms, etc.)
- Legal fees;
- Local Law revisions;
- Audits and financial reporting;
- Deed transfer;
- Digitization & file transfer;
- Property and equipment appraisals;
- Advertisement fees;
- Compliance efforts (MS4, stormwater, etc);
- Miscellaneous advertisement fees.

VII. Other Matters Pertinent to Dissolution

This section outlines other matters desirable or necessary to carry out the dissolution in accordance with GML Article 17-A §774(n).

- At its December 20, 2016 meeting, the Village Board approved closing Village Hall in the afternoon, effective January 1st, as reception staffing is inadequate and the move would not result in staff cuts.
- The Village should continue to dedicate appropriate staff hours toward the implementation of dissolution to ensure a smooth transition, e.g. close out of Village books, transfer of information to the Town. (January 2017)
- The Village should execute IMAs with the Town that would be effective at the start of the Village's 2017-18 fiscal year so the Town can assist with the transition of services. This would include an IMA for the expenditure of CHIPS funding for streets in need within Mastic Beach. This would give the Village the opportunity to begin liquidating its assets (e.g. property, equipment). Such revenue could help reduce the Village's debt upon dissolution. (March, 2017)
- Liquidate unneeded equipment. (This could occur as early as June 2017 if IMAs for lawn maintenance, snow removal and boarding buildings are executed as planned. If not, these items will need to be maintained until the Village's dissolution.)

Debt District

Upon dissolution, the Town Board will create and establish by resolution a Tax District to be known as the "Mastic Beach Debt District" as provided by Article 17-A §790, which states:

Debts, liabilities and obligations. The outstanding debts, liabilities and obligations of the dissolved local government entity shall be assumed by the town in which the dissolved entity was situated and shall be a charge upon the taxable property within the limits of the dissolved entity, collected in the same manner as town taxes. The town board shall have all powers with respect to the debts, liabilities and obligations as the governing body of the dissolved entity possessed prior to its dissolution, including the power to issue town bonds to redeem bond anticipation notes issued by the dissolved entity.

Therefore, the Town will assume responsibility for any outstanding Village debt or liabilities. Costs related to the debt and liabilities will be met by taxes levied on the benefited real property located within the bounds of the District which is coterminous with the boundary of the former Village of Mastic Beach.

The Village will sell assets identified in this plan with the intention of further reducing the Village's debt. The Village has proposed to contract with a collection agency on unpaid fines. Any revenue collected as a result of the Village's dissolution will also be used to reduce potential Village debt. The Village, while it is currently unable to be made whole by the county on unpaid property taxes, recognizes that the Town can be made whole post-dissolution. Therefore, the Village requests that any property taxes collected as a result of this process, the Town should apply the collected revenues to the former Village of Mastic Beach's debt.

Execution of Inter-Municipal Agreements (IMAs)

The Village will dissolve by December 31, 2017. Meeting that schedule will require transferring responsibilities for services now provided by the Village to the Town to allow the Village the opportunity to liquidate its assets and thus lower the Village's debt post-dissolution. The best way to do this would be to enter into IMAs with the Town for those services, effective June 1st. This is the start of the Village's 2017-18 fiscal year, a time when the Village will have the funding to pay for these services. The Village and Town are pursuing the development of the following IMAs:

Wetlands IMA

A number of properties within the Village are located within wetlands or floodplains. Residents continue to seek state NY Rising funding to cover the costly expense of elevating their homes to make them more resilient to future storms (estimated at \$100,000 or more per home) while others are illegally rehabilitating these houses without elevating them. The Village is therefore very concerned that without an IMA with the Town to assist with regulation and enforcement, people will take advantage of the permitting process due to dissolution and potentially harm environmentally-sensitive areas of the community. The Village will adopt the Town's wetland law and develop an IMA so the Town can provide enforcement. The Village received a \$500,000 grant for alternative septic systems. It plans to repurpose this funding to tear down homes destroyed by Superstorm Sandy in wetland areas. This IMA would terminate after December 31, 2017.

Highway IMA: Street sweeping and storm drainage

It is important that the Village be under a regular street sweeping schedule to prevent debris from going into storm drains. In addition, the Village's storm drains need to be vacuumed on a regular basis to keep them unobstructed. This preventative measure can help prevent flooding during heavy storms. This IMA would terminate after December 31, 2017.

Highway IMA: Lawn maintenance and tree trimming and removal

This pertains to the maintenance of public lawns and the trimming of trees and shrubs within the right-of-way to keep roadways free of obstructions. The Village would be able to sell its equipment related to this service in June if such an IMA were developed. This IMA would terminate after December 31, 2017.

Highway IMA: Snow removal

Snow removal from Village roadways, as well as sidewalks and municipal parking lots, is needed. The Village would be able to sell its equipment related to this service in June if such an IMA were developed. This IMA for snow removal would be for November and December 2017 and allow the Village to liquidate snow equipment/vehicles. This IMA would terminate after December 31, 2017.

Highway IMA: Street repair

Street repairs would include filling potholes and cracks. The Village would be able to sell its equipment related to this service in June if such an IMA were developed. The Village and Town will work together to prioritize streets needing repair before their transfer to the Town. This IMA would terminate after December 31, 2017.

Building IMA: Boarding & Securing Vacant/Abandoned Buildings

It is essential that such buildings be properly boarded to protect them from animals and the elements, as well as trespassers. The Village would be able to sell its equipment related to this service in June if such an IMA were developed. This IMA would terminate after December 31, 2017.

Building & Code IMA: NYS Building Code & Zoning

The Village recognizes the need to engage the Town's Code Enforcement assistance prior to dissolution. The Village has adopted the NYS Building Code. The Village would like to pursue an IMA with the Town to administer and enforce these regulations. The Village would also like to negotiate an IMA with the Town to enforce all Village codes and land use regulations. In order for the Town to assist with enforcing the Village's codes, such law would need to be consistent with the Town's regulations. Therefore, the Village proposes to amend its current codes and land use regulations to be consistent with the Town's. Future appeals could be heard by the Town's Zoning Board of Appeals (ZBA) and potentially the Planning Board through another IMA. This would also assist with the transition of applications.

Recommendations for Town Consideration

Preservation of Stick Docks and Marina

The Town would be eligible for up to \$500,000 in state funding (using the property as a match) for improving the marina, beachfront, etc. This opportunity to use the land as the match is only available in the first year the property is acquired. The Village would like to see the Town pass a commitment resolution regarding the preservation of the marina and stick docks. If the Town is unable to maintain the stick docks, the Village would like to see it lease the land to a not-for-profit which could improve the facility and share its use with the public. At a January meeting between the Town and Village, the Town indicated that the stick docks and marina would be maintained, however, their long-term viability would need to be evaluated at a later date.

CHIPS Funding

By the time the Village dissolves, it will have received approximately \$470,000 in CHIPS funding. It is the Village's recommendation that these funds be used to repair streets within the Village of Shirley which falls within Mastic Beach. Through an IMA with the Town, the Village will be able to use the Town's asphalt contractor to apply the CHIPS funding to needed road repair within the Village.