

PURPOSE OF 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.

This Study of Dissolution & Options is intended to assist the residents of Mastic Beach in understanding the effects and costs of dissolution prior to the vote on **November 16, 2016**.

Copies of the Study are available at the Village Hall and at labergegroup.com/masticbeach

CITIZEN EMPOWERMENT

Upon dissolution, the Town of Brookhaven is eligible to receive an annual Citizen Empowerment Tax Credit (CETC) to apply toward the reduction of the Town tax levy.

By law, a minimum of 70% of the CETC must be applied as a reduction of the tax levy. The remaining 30% may be used to further reduce the tax levy or fund eligible capital improvement projects any where in the town. The following table displays the CETC based on the combined tax levies excluding special districts, sewer, etc.

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.

Village of Mastic Beach
369 Neighborhood Rd.
Mastic Beach, NY 11951

REFERENDUM

November 16

12 PM to 9 PM

Vote on Dissolution:
Mastic Beach Fire Dept.
265 Neighborhood Rd.
Mastic Beach, NY

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For more information please visit:
www.labergegroup.com/masticbeach
www.dos.ny.gov/lge/lge/dissolution.html

WHAT ARE MY OPTIONS?

Option	Budget	Tax Rate	% Change to FY 2016-17	Tax for \$1,000 Assessed Value
Option 1:				
Maintain "Status Quo" 2016-17 Budget	\$3,890,581	\$19.70	0%	\$196.97
Option 2:				
Remain a Village "Increase for Sustainability" (Sample)	\$7,464,893	\$60.82	208.7%	\$608.15
Option 3:				
Dissolve Village		\$24.04	22.0%	\$240.36

Based on data sources, the current Village budget is unsustainable in the long-term, but residents have the following options.

Option 1: Remain a Village "Status Quo Budget".

Do nothing and the Village will experience increased fiscal and operational stress to the point where the State may have to intervene or approve future budget allocations.

Option 2: Remain a Village "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. A sample "sustainable" budget was generated to provide an outlook for what taxes could be should the Village choose not to dissolve.

(Does not include Capital Expenses.)

Option 3: Dissolve the Village.

Abolish the Village and transferring all service responsibility to the Town.

PRO'S AND CON'S

Pro's of Dissolution: "Why you might vote yes"

Unsustainable Budget: The Village has reported deficits at the end of year audits for two years. The FY 2016-17/2017 is unsustainable. Previous budgets indicate a lack of planning for improvements, lack of funding for public works, code enforcement, building inspection, and court.

Capacity to Meet Needs: Town-government has capacity to address the needs of the Village. Some services would be entirely absorbed, while others the Town has proposed to ramp-up as a result of the needs of the Village (i.e. building, codes, law, court).

Citizen Empowerment Tax Credit (CETC): Upon dissolution, the Town of Brookhaven is eligible to receive an annual credit towards the reduction of taxes. 70% of the CETC must be applied as a reduction of the tax levy. The remaining 30% may be used to further reduce the tax levy or fund eligible capital improvement projects anywhere in the Town. Through negotiation, this 30% could be limited to Mastic Beach.

Streamlined Government: If dissolution occurs, the Village government will be abolished. All services will be provided through the Town.

Future Debt at Town Rating: The Village's credit rating is a "Ba1" and declining. All new debt would be at the Town's higher rating "AA". The Town may be able to refinance existing Village debt at this rate pending contract clauses.

Larger Pool of Individuals Capable for Office: The NY Municipal Insurance Reciprocal plans not to renew its policy offering legal protection to members of the Board of Trustees, acknowledging the Village's susceptibility to lawsuits. This is due to pending lawsuits including but not limited to, housing discrimination complaints and litigation of the beachfront properties. **Ability to Attract & Retain Qualified Employees:** The Village neither participates in NYS Retirement nor are wages competitive. Both these characteristics make it difficult to attract and retain employees.

Con's of Dissolution: "Why you might vote No"

Smaller Voice in Government: If dissolved the decisions for the Village would be determined town-wide and the 14,880 residents may lose the individual attention to their needs amongst the 488,485 residents of the Town.

Land Use & Code Control: The Village currently has authority over Land Use and Code Enforcement. The creation of the Village was predicated on resolving the former land use decisions of the Town. This control would be lost upon dissolution.

Local Control of Beach/Marina: The Village of Mastic Beach gained control of 6 miles of beachfront and a marina as a result of its incorporation from the Mastic Beach Property Owners Association. While ownership is currently under litigation, should the deed and conveyance be deemed legal, the property would remain under Village control.

Sanitation & Garbage: The Town will include the Village in its current sanitation district and contract these services at a higher rate of an additional \$45 per year for the majority of the Village's single family homeowners.

Grants: The Village is in a better position to secure grants based on income and demographics than it would be as a hamlet of the Town. Upon dissolution the Village would be one of many hamlets vying for grants through the Town of Brookhaven.

Residual Debts & Obligations: All existing debts and obligations of the Village will stay with the Village regardless of dissolution. Residents would be subject to an additional tax levy to pay outstanding debt, liabilities, and worker's compensation insurance until all such debts are paid off.