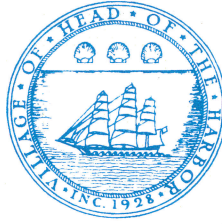


Village of Head-of-the-Harbor



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Village Treasurer

CHARLES M. LOHMANN
Police Chief

December 6, 2018

Dear Friends,

Your Village Trustees will present a 2019-2020 budget at a public hearing on December 19th. Following the hearing the Trustees will vote on the budget. The budget as presented will result in a village tax rate of \$25.90 per \$100 of assessed valuation. The proposed budget represents an increase of 6.02% and exceeds the 2% NYS tax cap. A summary of the proposed budget is available at Village Hall and on the Village website.

This is the first time in a number of years that the proposed Village budget exceeds the NYS tax cap. The budget increase is primarily due to a change in the method St. James Fire District Commissioners will bill the Village for fire and emergency services. Absent this change our budget would meet the NYS tax cap and be in step with the determined efforts of all municipalities in New York State to control property tax costs.

The Village financial position is sound as noted by the NY State Comptroller's fiscal stress test and by the independent CPA firm that audits the village. The Village maintains a level of reserves and contingency funds that are in line with the NYS Comptroller's recommendation.

The amount of long term debt is presently \$481,000. The debt relates to capital expenditures such a road improvements. The proposed budget for 2019-2020 includes debt repayments of \$70,000 and interest of \$12,145.

Fire and Emergency Services Contract

Our Village contracts with the St. James Fire District for fire and emergency services. In essence the Village is a customer, as opposed to being a member, of the St. James Fire District. Your cost of fire and emergency services is included in your Village tax bill. Members of the St. James Fire District pay a tax that is separately stated on their Town tax bills.

Historically, the cost paid by the Village has been "parity" based on a methodology that was developed by the Fire District Commissioners years ago. This methodology bases the total cost to the Village on the average per household cost of fire & emergency services paid by households within the St. James Fire District.

In 2018 the Fire District's "parity" method resulted in the Village contributing 12% of the Fire District's revenue while incurring roughly 7% of the District's fire and ambulance calls. The parity formula resulted in an average cost of a call in the Village to be \$3,162 vs a cost of \$1,821 to St. James residents.

Earlier this year the Fire District Commissioners informed the Village Trustees that, in their view, the Village was not paying its fair share of the cost of fire & emergency services. Given the Village was paying based on a method the Fire Commissioners developed and applied over many years, we were surprised. The Fire Commissioners further surprised your Trustees saying they will be increasing the 2019 Village contract by 30%, a percentage which may be duplicated in 2020 and an additional increase in 2021 at an even higher rate.

The Fire District Commissioners have not given specific reasons for the increases other than to indicate that they want the Village to eventually join the Fire District and pay taxes based on an assessed valuation basis rather than on the “parity” method.

Your Trustees’ responsibilities include obtaining fire and emergency services for our residents. The Village has enjoyed a long-term relationship with the St. James Fire Department. Their services are professional and their volunteers are well trained and equipped. If you have experienced calling 911 for a medical emergency you know that our on-duty Village police officer, who is EMT trained, arrives first followed by a first responder from St. James FD. These responders are followed by an ambulance, and possibly a fire truck if the call requires additional manpower. The turn out is impressive and reassuring. The Village proudly hosts the St. James Fire Department’s annual run that results in a significant contribution to the Stony Brook Hospital Burn Center.

Your Trustees responsibilities also include holding the line on property taxes. As part of our fiduciary duties we visited the Nissequogue Fire Department. Nissequogue, similar to Head of the Harbor, is primarily a residential community and is located north of the LIRR. Our Trustees held discussions with the Nissequogue Fire Department and noted that it is well staffed and equipped. The operating cost of the entire Nissequogue fire department is less than the contract cost our Village pays to the St. James Fire District. At this time Nissequogue is not in a position to expand their area of coverage, but they will supply mutual aid to our Village as requested.

Your Trustees also contacted the Village of Old Field which recently joined the Setauket Fire District rather than remain as a customer under contract. Your Trustees also discussed our situation with the Town of Smithtown. Discussions with the Town involve the greater community and will continue during the coming year.

As of this letter we await a proposed 2019 contract from the St. James Fire Commissioners. We also await a promised document outlining the resources and capabilities of the St. James Fire Department which would explain the need for the significant contract price increase. As we await this information, the Trustees have included the cost of the current contract plus 25% in our proposed 2019-2020 budget.

Highway Department, Roads, Drainage and Beautification

During 2018 the Village resurfaced portions of Fifty Acre Road, Moriches Road and Farm Road from Gate to Three Sisters. All of the mentioned roads received added drainage systems. The total cost of the road work in 2018 was \$200,000. All paving operations were priced at the favorable Town of Smithtown’s rates and our Highway Department provided the labor for the added drainage systems.

In recent years your Trustees have reacted to the unusual amounts of rainfall by improving drainage on Village roads. This is an added expense that cuts into our road budget but is necessary to prevent flooding. Drainage systems require excavating through clay layers to reach sand. Cleaning and pumping out drains is another major effort by our Highway Department. Residents can assist our Highway crews by keeping drain entrances clear of debris.

Also during 2018 our Roadside Beautification volunteers were busy painting street signs and the entrance walls at Gate Road as well as planting native trees, shrubs and bulbs. Our Village is now designated a “Tree City”.

The budget for 2019-2020 includes snow removal, roadside maintenance, tree pruning and additional road improvements.

Village Police

Our village police officers are our First Responders. They are the first at your home in response to a 911 call. All patrol officers are EMT trained and carry oxygen and AED's. Their patrol cars carry the latest communications equipment including license plate readers. Your police department will be testing radar-operated speed signs that will be able to be moved around the Village.

Please use the 911 system to ask for a Head of the Harbor patrol officer to meet you for any police non-emergency or emergency matter.

Deer Management

Like many communities, our Village has a significant overpopulation of white tailed deer. This overpopulation has resulted in numerous negative impacts, including car-deer collisions, landscape damage, over-browsing of our woodlands and has increased the danger of various tick-borne diseases. Village residents examined a range of solutions and settled on a non-lethal program of immuno-contraception. This program is aimed at reducing the deer population over time. Details of the program are on the Village web site. The program will be managed in the Village by Avalon Park personnel. We intend to hold a public information meeting in early winter, prior to the start of field operations.

Building Department

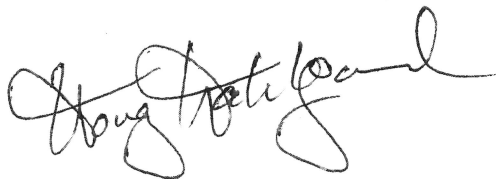
As a reminder, the Building Inspector's amnesty program will end December 31st. After the program expires interest and penalties provided in the Village Code will apply to un-permitted improvements. The amnesty program is aimed at compliance with current building codes and safety regulations. Most residents believe our building codes and our zoning rules are integral with the quality of life in our Village. Should you have any questions about the building or zoning codes please call our Building Inspector directly.

Summary

The goal of the Trustees and all our Volunteers is to make Head of the Harbor the best Village. All employees have the same goal as well. We welcome you to attend our monthly meetings and to also join the Village government as a volunteer.

Our Village web site carries the latest information and our Alert System provides useful texts and emails about road and emergency conditions. Most importantly to our Village is that you become involved with your community, and participate in making Head of the Harbor the best Village.

The Best of the Season and Happy Holidays,



Douglas A. Dahlgard
Mayor

