

Hello to the Assembly & Mayor;

June 8, 2010

Good afternoon and I just have some thoughts about the budget discussion tonight.

As usual it looks like the budget is increasing from the amount spent last year, and yes, this is not unusual. I think the unusual thing about this year's proposed budget and also last year's budget is that we are in a deficit spending mode. I hate to think what will happen in the 2012 and 2013 budget and what the mill rate will be. As you are all aware, if you pass this 2011 budget as proposed we will be taking nearly \$7,000,000 out of our fund balance. According to the projection we will only have about \$7,500,000 in the fund balance by 2014. Of course this projection is unacceptable to me and I imagine to the public. With the economy as it is I see no new industry or increase in real property or oil industry assessments. In fact the values will probably go down. Consider our aging (40 years) pipelines and oil platforms and the unemployment rate. We'll be lucky if at least half the platforms are in operation in the next couple of years.

Sooo! What can we do?

Some suggestions:

1. Don't increase the number of employees in any department or service area.
2. Put a freeze on hiring.
3. Reduce the school funding for operations by \$2,000,000 to \$4,000,000.
4. Reduce all travel and transportation amounts to the bare minimum.
5. Reduce Peninsula Promotion to \$200,000.
6. Reduce EDD by \$100,000
7. Reduce CARTS to \$25,000
8. These are only a couple of places I have looked at, I'm sure you have other ideas

I have talked to a couple of Assembly people and their idea was to reduce the whole budget by a certain percent. In the past I had the same idea and was discouraged by the administration because some departments are very small and it would hurt them more than others, but at this time because of the economy, I now believe this is not a bad idea and should be positively considered.

Just a couple of other comments, on page 15 it shows a total amount going to schools at \$48,537,138 and on page 12 it shows total amount is \$49,185,058. Is there an explanation for this? And then on some page (I don't have the number) it shows Revenues exceed expenses by \$6,956,210.00 and then on page 47 it shows \$6,454,697.00. Why the difference?

Anyway these are just some of my comments and thanks for taking the time to read them. I'll not be able to attend the meeting but if you can take the suggestion of reducing the budget by a total amount or a percentage and let the administration take it back and do that and then have another hearing at another date, I think that would be a positive move for our borough.

Thanks, Grace Merkes