

Minutes of the Regular Meeting
Of the Board of Trustees of the
Village of Larchmont, N.Y.
held on Monday, June 18, 2018

PRESENT: Mayor Lorraine Walsh
Trustees Carol Casazza Herman
Peter Fanelli
Malcolm Frouman
Sarah Bauer

Also present: Dep. Clerk Riley, Attorney Staudt, Administrator Datino, Treasurer Brucciani

Mayor Walsh welcomed all in attendance and called the meeting to order at 7:30 PM.

The Mayor introduced Mayor for a Day, Blaine Westbrook who led the audience in the Pledge of Allegiance.

Mayor Walsh read letter from VAC Chief, John Pomponio, Sr. about a member of VAC, Paul Rodriguez. While driving on Harrison Avenue in Harrison, Mr. Rodriguez witnessed an accident between a car and a truck. As a fire began in the car, Mr. Rodriguez and 2 Harrison DPW workers used a fire extinguisher to put out the fire. He then went to a nearby property and removed a fence post to break the windows of the car so the victims could be removed. Ambulances arrived and Mr. Rodriguez assisted in treating the victims. The Mayor thanked Mr. Rodriguez and all the volunteers who serve even when they're not in the community.

On motion of Trustee Fanelli, seconded by Trustee Frouman, and unanimously carried, it was:

RESOLVED, to appoint Sara Hanna as a member of the Coastal Zone Management Commission for a term of 3 years.

Mayor Walsh stated the Village is down one member on the CZMC and if anyone is interested in volunteering contact the Clerk's office.

Next the Mayor welcomed from MHS, the 2018 NYS Doubles Tennis Champions, Charlie Levinson and Connor Aylett. Mayor for a Day Blaine presented them with Certificates of Achievement.

MHS Athletic Director, Bari Sumon spoke about the work and dedication Charlie and Connor put to become champions. She thanked Recreation Director, Joyce Callahan for her work in making the Flint Park Tennis Courts available to the high school.

Mayor Walsh then asked the volunteer officers of the Fire Department to come forward for the oath of office.

Trustee Fanelli thanked Chief Caparelli for his leadership with the paid and volunteers members having them work as a team.

Mayor Walsh added the Board has witnessed the growth and dedication in the training of the Fire Department.

The Mayor then administered the oaths of office to Capt. John Pomponio, Sr., Lt. Joe Clifton, Lt. John Ruggerio and Lt. Alex Gerace. Capt. Kris Walters was absent.

Mayor Walsh said that this afternoon Mayor Blaine took a tour of Village Hall including the police and fire departments. Mayor Blaine said his favorite part was seeing the ladder truck. The Mayor then presented Mayor Blaine with a certificate as he left the meeting.

Next Mayor Walsh opened a discussion on allowing the Village to accept charitable donations and began with a timeline of events.

1. Federal Tax Reform Act, December 2017- limiting the SALT deductions to \$10,000. States affected most by the tax reform act were California, New Jersey and New York. Governor Cuomo's staff began looking at options to mitigate the reform act.

2. NYS Budget-created a law which took effect on April 12, 2018 authorizing municipalities and school districts to create charitable gift funds and issue tax credits for up to 95% of said donation as an incentive.

3. NYS issued Guidance document on May 16, 2018. This document explained the procedures municipalities and school districts would have to follow.

4. IRS issued Notice 2018-54 on May 23, 2018. "This notice informs taxpayers that the Department of Treasury and the Internal Revenue Service intend to propose regulations addressing the federal income tax treatment of certain payments made by taxpayers for which taxpayers receive a credit against their state and local taxes."

5. Governor's economic advisor presented information and took questions at a county-wide elected officials meeting on June 8, 2018. We were informed it would be the only presentation made to Westchester.

6. Village tax bills for 2018/19 fiscal year went out on June 1 and are due by July 2nd. Donations would have to be made on or before Friday, June 29th.

The Mayor then spoke of the Pros & Cons of this issue.

Pros:

1. Residents may be eligible to claim a charitable deduction on their 2018 federal tax return, thereby mitigating the effect of the reduction of allowable SALT deductions.

Cons:

1. The Village would have to make a written statement that "no goods and services were provided in exchange for donations". Most of what a Village spends general fund monies on would be considered goods and services. Making this statement could put the Village in a dangerous position.

2. Villages are to use the donated funds for "charitable purposes". A Village is not a charitable entity and few of our expenditures would be classified as charitable. The charitable fund is a government fund, not a separate entity such as a 501c3.

3. The IRS has issued NOTICE 2018-54 warning that the IRS will be taking action to disallow these "charitable donations" made to municipal governments as charitable deductions. As of today, no further notice has been issued by the IRS. IRS decisions could cause trouble for the Village and residents, could lead to loss of allowable deductions and could lead to increased chance of audit.

4. Timing: The resolution to accept charitable donations and the local law to issue tax credits would have to be done prior to the last day of the tax bills can be paid without a penalty, which is July 2 for the Village. Additionally, we would have to be ready to receive donations immediately because only donations made prior to July 2 would be eligible for receiving a tax credit.

5. Residents who pay through escrow (or because of timing of Village tax bill) would have to in essence pay a double tax bill and then await a refund. Village would have to track donations, and track and issue refunds in lieu of credits.

Mayor Walsh asked the Board for their comments.

Trustee Bauer:

I think all the cons outweigh the pros. If it is not successful and the IRS says you are not allowed to do this, the consequences of having to unwind the entire process, not only the fees and penalties that the taxpayer would have to deal with on top of not getting a tax deduction, also the liability and expense to the Village. Until we have more information it doesn't seem now we don't know enough to implement this with success.

Trustee Fanelli:

I feel the same way. I'm certainly not interested being the first in when the format hasn't been laid out. This needs to be situated and handled up in Albany and above our local little Village. We do not have any input or say on this. I need more information and traction before recommending going forward or not. The plan itself is not ready to be implemented.

Trustee Herman:

I would be enthusiastic about any tax relief for this Village. It doesn't seem at this time we could take a risk and there are significant legal risks with this and certainly with regards to the attestation, I find incredibly problematic particularly with the Federal Government and the IRS saying this is problematic. I am concerned about opening the Village and perhaps taxpayers to some risk with regard to this plan. I am keenly interested in what our neighboring communities are doing.

Mayor Walsh:

The Town of Mamaroneck and the School Board have not made decisions as to whether or not they are going to participate with this plan and adopt the resolutions and laws necessary to do so. They like us are having discussions and meetings. Their time frame is a little more lenient. The Town on its own could wait till December. The school tax would have to be done by September so they can wait and see what the IRS comes out with next. The IRS has promised in this next notice they are going to come out with regulations that exactly address the situation that this law describes. We are opening up our taxpayers to grave risk if we receive a notice that the IRS said this is their intention. If we provide opportunity to participate in something that we know at the onset will not be allowed because we have clear warning, residents could end up with penalties, audits and problems on their end. It would be the Village Treasurer who be signing this statement "no goods and services were provided in exchange for donations", and I think we would be very uncomfortable putting an employee in a position to sign something none of us that none of would be willing to stand behind.

Trustee Frouman:

For all the reasons given, it just seems impractical to consider this and in practical terms, given our deadline when our taxes are due, there really isn't enough time to implement this anyway.

The Board decided to take no action on this item at this time. A statement will be provided by the Mayor and posted on the Village website.

On motion of Trustee Bauer, seconded by Trustee Fanelli, and unanimously carried, the following resolution was adopted:

WHEREAS, Westchester County has implemented a system called the Repository for Integrated Criminalistic Information (RICI System); and

WHEREAS, the Village of Larchmont Police Department uses the RICI System for fingerprint submissions; and

WHEREAS, the information stored in the system includes, a subject's arrest, booking, detention or incarceration including name, address, social security number, physical description, telephone number, fingerprints, palm-prints, photographs and related data; and

WHEREAS, Westchester County now desires to enter into a new agreement with the Village of Larchmont under similar terms commencing July 1, 2018 and ending June 30, 2023; and

WHEREAS, the Chief of Police has reviewed the proposed IMA and recommends that the Board of Trustees to approve the proposed agreement; and

WHEREAS, participation requires the execution of the attached Intermunicipal Agreement with the County of Westchester; now therefore be it

RESOLVED, that the Village Administrator is hereby authorized and directed to execute the Repository for Integrated Criminalistic Information (RICI System), Intermunicipal Agreement in substantially the same form as attached hereto; and be it further

RESOLVED, that the Village Administrator is authorized to undertake any administrative acts required under the terms of the agreement.

On motion of Trustee Frouman, seconded by Trustee Herman, and unanimously carried, the following resolution was adopted:

WHEREAS, Westchester County has a Firing Range located in Valhalla, New York; and

WHEREAS, the Village of Larchmont Police Department desires to use the Firing Range for training purposes; and

WHEREAS, Westchester County and the Village of Larchmont Police Department agree that the Police Department may utilize the Firing Range for firearms training; and

WHEREAS, Westchester County now desires to enter into agreement with the Village of Larchmont under the terms in the agreement that will commence upon execution and will be in full force and effect for five (5) years; and

WHEREAS, the Chief of Police has reviewed the proposed IMA and recommends that the Board of Trustees to approve the proposed agreement; and

WHEREAS, participation requires the execution of the attached Intermunicipal Agreement with the County of Westchester; now therefore be it

RESOLVED, that the Village Administrator is hereby authorized and directed to execute the Firing Range, Intermunicipal Agreement in substantially the same form as attached hereto; and be it further

RESOLVED, that the Village Administrator is authorized to undertake any administrative acts required under the terms of the agreement

On motion of Trustee Herman, seconded by Trustee Bauer, and unanimously carried, the following resolution was adopted:

WHEREAS, the Village of Larchmont and the Village of Rye Brook have a long history of sharing services to improve local government efficiency; and

WHEREAS, both parties desire to gain additional efficiencies and increase the opportunities to share equipment on an individual basis when such needs arise by having in place an existing Inter-municipal Agreement (IMA) that would establish a Master Equipment Exchange Agreement which would allow the Larchmont Village Administrator and the Rye Brook Village Administrator to share equipment without the need for a separate IMA each time the need for such shared equipment arises; and

WHEREAS, the purpose of this IMA would be provide opportunities for greater efficiencies of operations and potential cost savings by allowing both parties to borrow equipment in a more timely manner while still providing the appropriate protections to both parties as a result of the use of such shared equipment; and

WHEREAS, an IMA has been prepared by both parties that accomplishes these goals; now therefore be it

RESOLVED, that the Village Administrator is authorized to execute the Inter-municipal Agreement (IMA) that would establish a Master Equipment Exchange Agreement between the Village of Larchmont and the Village of Rye Brook for the purpose of sharing equipment to gain greater efficiencies and cost savings; and be it further

RESOLVED, that the Village Administrator is authorized to undertake any administrative acts required under the terms of the agreement.

Trustee Frouman made the following report.

1. In each water bill being mailed will be the latest edition of "Our Village" newsletter. The newsletter is also available on the counter outside the Clerk's office and on the Village's website, www.villageoflarchmont.org.

Mayor Walsh thanked Trustee Frouman for all his work on the current newsletter.

Trustee Herman gave the following report.

1. Thanks to all the volunteers who worked on the Turtle Park "Tailgate in the Park" fundraiser. The money being raised will be used for the renovation of the park that will include making it handicap accessible. To contact or donate you can email, @TurtlePark10538.com

Trustee Fanelli made the following report.

1. Thanks to all the volunteers who worked on the Memorial Day Parade especially Recreation Director, Joyce Callahan.

2. Over 50 children came to see Marcia the Moose on June 15th at the Flint Park Playhouse.

3. Also on June 15th at Flint Park was the Sprint to Flint. There were close to 900 runners.

Thanks to Carolyn Lee and the Police, Fire and Public Works department and all the volunteers. Additional thanks to Trustee Frouman for photographing the winners.

4. Thanks to Lt. Joe Clifton of the Fire Department for bring Rescue 1 to the "Tailgate in the Park".

5. The Annual 4th of July Races will take place at 10:00 AM in Flint Park. The volunteer firefighters will be serving hot dogs.

6. Thanks and congratulations to those volunteer members of the Fire Department on the completion of their training.

7. The Music in the Parks concerts begins on the 4th of July with Dixie Dandies in Manor Park. For information on the other concerts got to the Village website.

8. Sign-up will begin soon for the 2018 Arts Festival in Constitution Park on September 29th.

Trustee Bauer gave the following report.

Library:

1. The Library has many e-books and magazines available to read on-line and if you have trouble with technology, you can sign-up for Tech Tuesday. Go to the Library website for more information.

On motion of Trustee Bauer, seconded by Trustee Herman, and unanimously carried, it was:

RESOLVED, to approve the minutes of the meeting held on May 21, 2018.

On motion of Trustee Bauer, seconded by Trustee Herman, and unanimously carried, it was:

RESOLVED, to approve the minutes of the work session meeting held on June 4, 2018.

On motion of Trustee Herman, seconded by Trustee Bauer, and unanimously carried, it was:

RESOLVED, that Abstract Audit Voucher #1, dated June 18, 2018, in the amount of \$1,043.622.56 per copies filed with the Clerk, be paid, subject to confirmation and approval of Trustee Herman.

On motion of Trustee Frouman, seconded by Trustee Herman, and unanimously carried, the meeting adjourned at 9:02 PM.