

Minutes of the Budget Hearing
of the Board of Trustees of the
Village of Larchmont, N.Y.
held on Monday, April 5, 2021

The Board of Trustees held this meeting via Zoom with Mayor Walsh calling the meeting to order at 7:05 PM. Instructions to join the meeting were published on Village website calendar and meeting agenda.

PRESENT: Mayor Lorraine Walsh
Trustees Carol Casazza Herman
Peter Fanelli
Sarah Bauer
Brigid Brennan

Also present: Dep. Clerk Rilley, Administrator Datino, Treasurer Gutwein
and Amanda L. Brosy representing the Village Attorney's office

Mayor Walsh welcomed everyone and called the meeting to order at 7:05PM.

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

RESOLVED, to appoint Heather Mahland as a member of the Planning Board.

RESOLUTION
Mahland, H.
Planning Bd.

Mayor Walsh thanked outgoing Planning Board member Joe Shein for his 12 years of service. Ms. Mahland will fulfill Mr. Shein's term to December 2023.

To view the presentation and public hearing on the 2021-22 Tentative Budget and other items in their entirety on the agenda, go to:

<https://lmcmedia.org/show/village-of-larchmont-board-of-trustees-meeting-4-5-21/>

Administrator Datino began a presentation on the 2021-22 Tentative Budget. Our budget process has been even more in depth this year than then prior years. Generally, we start the budget process with staff in December, we review our current year activities and we project what we need to continue the delivery of services into the next fiscal year. Given the impact of COVID, we've been monitoring staff monthly, sometimes daily, the intake of revenues and the expenses on a on an item per item basis. And as a group with the Board, we've had monthly and even quarterly meetings on the status of our finances. Items also presented:

Datino, J.
2021-22 Tent Budget

78% Property Tax income, 22% Non-Property Tax income, Building Permit fees, Street Lights savings, Comparisons with other Communities, no use of Fund Balance, Capital Projects and 2.30% Tax Levy.

Discussion
2021-22 Tent Budget

Next the Mayor, Board, Administrator Datino and Treasurer Gutwein began a discussion on the Tentative Budget. Some items discussed:
Road Resurfacing and Substructure, Field Permits, Flint Fields A&B renovation, Allocation for Trees, Sales Tax, Sanitation Surplus, Payment of Tickets On-Line, Enforcement, Sanitary Sewer Project and Water Main Replacements.

RESOLUTION
Open P. H.
2021-22 Tent Budget

On motion of Trustee Brennan, seconded by Trustee Herman, and unanimously carried, it was:
RESOLVED, open the public hearing on the 2021-2022 Tentative Village Budget.

Gottfried, M.

Michael Gottfried of 16 Ocean Avenue addressed the meeting on the Tentative Budget. On February 7, I sent to the administration a series of questions regarding the first pass of the budget. I see that several of my questions were addressed in the tentative budget and I want to thank Justin for considering those suggestions are much appreciated. I do want to reiterate the most important recommendation however, which was to consider distributing the \$3.6 million of benefits and department 9000 to the general fund departments which contain the salaries. As most of you will recall, a few years ago, the Board acted upon the advice of a distinguished resident and Wall Street investment banker was served along with Trustee Herman on the Finance Committee. And he encouraged the administration to move police and fire retirement costs from department 9000. To the police and firefighters fire budgets as is being done now. Many years later, some of us wonder why the administration still separately reports, costs to social security and other employee benefits. Mr. Gottfried spoke on other matters.

To read Mr. Gottfried's statement in its entirety, see attachment.

RESOLUTION
Adj. P. H.
2021-22 Tent Budget to
4/19/2021

On motion of Trustee Bauer seconded by Trustee Brennan, and unanimously carried, it was:
RESOLVED, to adjourn the Public Hearing to April 19, 2021.

The Mayor said tonight there is a public hearing on a proposed local law to amend Chapter 273 Vehicles and Traffic use of Meter Parking Fees. This proposed local law to amend Chapter 273 vehicles and traffic regarding use of metered parking funds/fees. Any funds/fees derived from metered/timed parking may be credited by the Village to a special revenue fund, provided however, the funds/fees credited to such special revenue fund may at the discretion of the Village Board of Trustees be transferred from such fund and credited to the general fund and or the capital fund. Mayor Walsh asked Attorney Brosy to confirm that New York State Code required that metered revenue from meter fees is to be credited to the general fund, unless the Village Board by legislation determines that it can be credited elsewhere. Attorney Brosy replied that is correct.

Mayor's comments
Proposed L.L.

On motion of Trustee Bauer, seconded by Trustee Fanelli, and unanimously carried, it was:
RESOLVED, to open the Public Hearing on a proposed Local Law to amend Chapter 273, Vehicle and Traffic, regarding use of Metered Parking Funds/Fees.

RESOLUTION
Open P. H.
Ch. 273 Vehicle & Traffic

Mayor Walsh asked if there any comments on this proposed local law. There were none.

On motion of Trustee Fanelli, seconded by Trustee Herman, and unanimously carried, it was:
RESOLVED, to close the public hearing

RESOLUTION
Close P. H.

On motion of Trustee Brennan, seconded by Trustee Herman, and unanimously carried, it was:
RESOLVED, to adopt Local Law No. 4-2021

RESOLUTION
Adopt Local Law No. 4-2021

LOCAL LAW NO. 4-2021

A LOCAL LAW TO AMEND CHAPTER 273, VEHICLES AND TRAFFIC, REGARDING USE OF METERED PARKING FUNDS/FEES

Be it enacted by the Board of Trustees of the Village of Larchmont as follows:

Section 1: The title of Section 273-3 of Chapter 273 of the Code of the Village of Larchmont is hereby revised in its entirety as follows:

§ 273.3 "Schedules; adoption of regulations; disposition of funds."

Section 2: There is hereby added to Section 273-3 of Chapter 273 of the Code of the Village of Larchmont a new subsection C, which shall read as follows:

C. Pursuant to Section 1640(a)(9) of the New York State Vehicle and Traffic Law, any funds/fees derived from metered/timed parking may be credited by the Village to a special revenue fund. Provided, however, the funds/fees credited to such special revenue fund may, at the discretion of the Village Board of Trustees, be transferred from such fund and credited to the General Fund and/or the Capital Fund.

Section 3: Severability. If any section, subsection, clause, phrase or other portion of this Local Law is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body or other authority of competent jurisdiction, such portion shall be deemed a separate distinct and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect.

Section 4: This Local Law shall take effect immediately upon filing with the Secretary of State.

**Mayor & Administrator's
Comment
Proposed L. L.**

Mayor Walsh said next is a proposed local law regarding an Assistant Village Administrator. This is an amendment to Chapter 14, Administrator, Village, which includes amending the section 14-3 of that chapter in its entirety. The main addition here is the reference to the Assistant Village Administrator, which is not referred to in current village code.

The Mayor asked Administrator Datino to explain about the need for this law. Administrator Datino said the opportunity to create the position does not solely rest with the Village but requires the approval of the Westchester County Department of Human Resources, who is our civil service agency. And the title or the job description that the county will authorize as it pertains to an Assistant Village Administrator requires that by local law, and Assistant Village Administrator may act on behalf of the Village Administrator in his or her absence or inability to fulfill the duties.

RESOLUTION
Open P. H.
Ch. 14 Asst.
Administrator

On motion of Trustee Herman, seconded by Trustee Brennan, and unanimously carried, it was: **RESOLVED**, to open the Public Hearing on a proposed Local Law to amend Chapter 14, Administrator, Village, regarding an Assistant Administrator.

Mayor Walsh asked if there any comments on this proposed local law. There were none.

RESOLUTION
Close P. H.

On motion of Trustee Herman, seconded by Trustee Brennan, and unanimously carried, it was: **RESOLVED**, to close the public hearing.

RESOLUTION
Adopt Local Law No. 5-
2021

On motion of Trustee Herman, seconded by Trustee Bauer, and unanimously carried, it was: **RESOLVED**, to adopt Local Law No. 5-2021.

LOCAL LAW NO. 5-2021

A LOCAL LAW TO AMEND CHAPTER 14, ADMINISTRATOR, VILLAGE, REGARDING AN ASSISTANT VILLAGE ADMINISTRATOR

Be it enacted by the Board of Trustees of the Village of Larchmont as follows:

Section 1: The title of Section 14-3 of Chapter 14 of the Code of the Village of Larchmont is hereby revised in its entirety as follows:

§ 14-3 “Supervision; absence; Assistant Village Administrator.”

Section 2: Section 14-3 of Chapter 14 of the Code of the Village of Larchmont is hereby revised in its entirety as follows:

§ 14-3 Supervision; absence; Assistant Village Administrator.
The Village Administrator shall be subject to the ultimate authority, supervision, and direction of the Mayor and Board of Trustees consistent with their authority established in the New York State Village Law. During the absence or disability of the Village Administrator, the Assistant Village Administrator shall perform the duties, assume the responsibilities, and act for and on behalf of the Village Administrator. If this position is not filled, or the Assistant Village Administrator is also not available due to absence or disability, the Board of Trustees may designate any properly qualified person to perform his or her duties.

Section 3: Severability. If any section, subsection, clause, phrase or other portion of this Local Law is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body or other authority of competent jurisdiction, such portion shall be deemed a separate distinct and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect.

Section 4: This Local Law shall take effect immediately upon filing with the Secretary of State.

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

RESOLVED, to adopt the Resolution to amend Chapter 273, Vehicles and Traffic of the Larchmont Village Code. **SEE ATTACHMENT**

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

RESOLUTION
Amend Ch. 273
Vehicle and Traffic

RESOLUTION
Adopt Policy
Special Revue
Trans. & Mobility
Fund SRTMF

RESOLUTION
Adopt Policy
Special Revue
Trans. & Mobility
Fund SRTMF

VILLAGE OF LARCHMONT
Resolution to Set Policy on the Use of the
Special Revenue Transportation and Mobility
Fund (SRTMF)

Whereas, the Village of Larchmont (Village) has the authority to allow expansion of metered, time-limited parking in certain areas of the Village potentially creating an expanded source of revenue;

Whereas, the Village is responsible for the maintenance of the Village roads and sidewalks within its boundaries and is committed to continuing investment to improve its transportation and mobility infrastructure (including roads, sidewalks, parking lots, bike paths, etc.);

Whereas, the Village Board of Trustees (the Board) is charged with enacting laws and setting the policies with regard to the use of revenue and the Board desires to direct the expanded revenue in large and significant part to the maintenance and improvement of the Village's transportation and mobility infrastructure;

Whereas, the Village has passed a law enabling the revenue from paid parking to be credited to a Special Revenue Transportation and Mobility Fund (SRTMF);

Whereas, the Board has directed the Village Treasurer to create a SRTMF into which new revenue from certain on-street and off-street parking pay stations will be credited so that it may be used in the first instance for transportation and mobility infrastructure to the maximum extent possible;

Now, therefore, be it resolved that the Board issues the following policy to set out how the SRTMF is managed:

1. Revenue from all meter fees charged for on-street parking and all meter fees charged for non-permit-related off-street parking, except those fees charged for parking on MTA property, will be directed to the SRTMF. The amount remaining after the payment of expenses in the SRTMF is the SRTMF Surplus.
2. In any given year, at the discretion of the Board, up to and including 10% of the annual SRTMF Surplus may be transferred to the General Fund.
3. The fund balance remaining in the SRTMF shall be classified as Restricted and shall be used to fund capital projects to support transportation and mobility infrastructure within the Village of Larchmont.
4. The SRTMF fund balance may be allowed to build up over several fiscal years so as to be sufficient to fund large capital projects at the appropriate time. Such projects shall be presented to the Board in conformance with Board Resolution of September 17, 2020 – Approval of Capital Projects. The Board may then approve a transfer from the SRTMF to the Capital Projects fund.
5. Timing of transfers -- The amount of the annual transfer to the General Fund will be determined during the preparation of the Operating Budget for the subsequent fiscal year. The amount of the transfer to the Capital Budget may be determined at that time as well and/or at a later date, depending upon the timing of the decision to proceed with particular capital projects.

Mayor Walsh announced resolutions adopted at a recent work session.

Work Session
Resolutions

- 3/29/2021 2021-2022 Fees and Charges
- 3/29/2021 Approve a List of Bills-\$102,286.75
- 3/29/2021 Adopt Police Reform and Reinvention Plan

On motion of Trustee Fanelli, seconded by Trustee Herman, and unanimously carried, the meeting adjourned at 9:13PM.

My name is Michael Gottfried and I reside at 16 Ocean Avenue.

On February 7, 2021, I sent to the administration a series of questions regarding the first pass of the budget. I see that 7 of my questions were addressed in the Tentative Budget. I want to thank Justin for considering those suggestions.

I want to reiterate the most important recommendation, which was to consider distributing the \$3.6 million of benefits in Department 9000 to the General Fund departments, which contain the salaries. As most of you will recall, a few years ago, the Board acted upon the advice of a distinguished resident and Wall Street Investment Banker who served along with Trustee Herman on the Finance Committee. He encouraged the administration to move Police and Fire retirement costs from Department 9000 to the Police and Fire budgets. Many years later, some of us wonder why the administration still separately reports costs such as social security and other employee benefits? Everyone knows that the Social Security cost is 6.2% of salary and Medicare costs are 1.45% of salaries and yet we find \$555,987 of Social Security costs listed in Department 9000-9030. Like the retirement costs mentioned above, these costs can easily be grouped with the attendant salary costs we find throughout the General Fund department budgets.

A few lines down on page 25 of the Tentative Budget, you will see Health Insurance costs of the General Fund budgeted at \$2,114,329. These costs are also directly attributable to known head count in specific departments. *In toto*, the benefit costs in Department 9000 reflect nearly 19 per cent of the General Fund' appropriations. Unless you choose to change the format of the budget this year, these millions of dollars of costs will again be presented in a way that makes the costs of services provided to residents seem, and I quote, "rosier" than they actually are. You have the line items ready to go. I urge you: to make the change this year, at least with respect to the Police and Fire Departments (if not all of the departments in the General Fund), and to budget the employee benefits in the same way you do employee salaries.

That said, I would like to turn from format issues to substantive issues I have with this budget. The Administrator is proposing a budget that seeks to increase the tax levy by 2.3% to close a \$344,598 budget gap in the same year where the Village will have started charging for on street parking and increased grass field fees by more than 15%. Respectfully, I don't believe that level of a tax levy increase is necessary.

I would like to speak to you about four areas of the budget which I believe can be adjusted to not only reduce the proposed 2.3% tax levy increase but to better serve the interests of the residents. Those include: Debt Service, Field Permit Fees, Parking and Sanitation.

- 1) First, I raised last week the idea of investigating the refinance of \$2.4 million of Village Debt some of which is callable right now and the rest callable, effective September 1 of this year. The interest rates on those bonds range from 3% to 4%. Based upon the rate obtained recently by the Town, a drop of a percent or two on \$2.4 million of callable debt might be able to save \$100,000 or more in the next budget. I would like to know if anything will be done prior to the adoption of this budget to determine if savings could be had from refinancing the callable portion of our Village debt?
- 2) Second, I believe the revenue projections for Field Permit fees, which is set at \$200,000 may be off by \$80,000 or more. This past week, I went back to the days when I served as the Field Scheduler and did this work as a volunteer for the Village, and transposed the entries found on the Field Calendars into a spreadsheet. I will send a copy of the spreadsheet to Justin tomorrow and he can send it on to anyone who is interested. But for now my analysis shows that field revenue should be closer to \$280,000 at the current rates. I am sure he will investigate the difference because there's a big gulf between the

analysis that I am going to send him and what is in the Tentative Budget. But for now I wanted to bring that to your attention.

Separately, I have another question: is the Village receiving anything from the concession stand at Lorenzen? If so where can we see the amount in the Tentative budget?

Lastly I wanted to say one more thing about Fields before I move on. I heard what the Administrator had to say about the \$100,000 needed for repairs to Flint A and B. As Trustee Herman and Mayor Walsh have said, that's been a need for many years. Many Boards have tried to figure out how to do that. Generally speaking, however, infrastructure improvements of \$100,000 are capital projects whose costs are spread over the useful life of the project not just paid for as a one shot expenditure.

- 3) Third, I turn your attention to the Parking Fund which is in the process of being established. With the matters affecting the Budget, I find it unfair to the current taxpayers for this administration to allow an increase in the tax levy to pay for costs related, albeit indirectly, to the new parking franchise. At a minimum, the addition of the parking franchise and the revenues and costs derived therefrom should be neutral to today's taxpayer. Yet, it has been announced that the Village is hiring an assistant to the Administrator who is being allocated 50% to the Parking Fund and 50% to the General Fund. While it is surely within your discretion to allocate 50% of this new person's cost to the General Fund, there's no disputing the fact that without the addition of the parking franchise, there would be no incremental hire at this time, and no additional cost to include in the General Fund budget. This incremental cost, which might represent 15% of the \$349,000 tax levy shortfall, is being added in the same year this administration has chosen not to add any portion of the expected parking receipts to the General Fund. I won't now get into the question of whether the right level of proceeds to be included in the General Fund from the Parking franchise should have been set at 10% or a different split between current and future residents. But, it makes no sense to defer the inter-fund transfer of even the 10% level for a year. You know that the Village will start collecting parking revenues in the next month or two or more. I recall hearing a prediction that the 10% contribution will be north of \$50,000 per year and quite possibly in excess of \$65,000. To be fair to the residents of today, the Treasurer should create an Interfund line item that is not in the budget and include an amount that would neutralize the effect of the 50% cost of the assistant administrator which is being foisted on the general fund this year. It will be done so in future years, but in this particular year there is no such transfer budgeted.

I for one am willing to pay the parking fees in the coming year. I recognize that the "Freeloader Effect"¹ that we have experienced over the years has to be addressed. And for that reason, I support the Parking Franchise. But must we also be taxed on top of that while \$60,000 of revenue is squirreled away earning little or no interest? I do think you should make that change and make it a neutral effect on the taxpayers of today.

Between the \$100,000 that might be achieved from refinancing the Villages debt, and the \$80,000 or more that might be found in the permit fees line item (Justin has to look at my analysis) and a \$60,000 inter-fund transfer from parking, this budget could basically be a zero increase budget.

- 4) Lastly, I would like to speak to the Sanitation Cost that is included on page 23 of the Tentative Budget. As the mayor said, the Tentative Budget reflects a

¹ The "Freeloader Effect" I referenced but did not explain in my comments refers to commuters parking in Larchmont all day because there is no cost to do so and adding to the effects of a shortage of parking spots for shoppers in our Village.

major savings in the budget from the amount the Village paid two years ago. In fact, the amount that is in there is \$250,000 less than was paid two years ago.

The \$250,000 is welcomed relief. As the mayor indicated, it came about from her requiring the Commission to undertake proper accounting for tonnages processed from two routes the Village has shared with the Town since 1989. As the Mayor said, she directed the Commission to run the correct process in a week-long trial. Had she not done so, this year the Village would have been overcharged and Town would have been undercharged by 3.81% of the annual Commission budget. Again, that accounting was not done for decades and, suffice it to say, that was costly to Village residents and very beneficial to Town residents.

Based upon just that one issue, the Village has overpaid and the Town has underpaid in excess of \$1,1 million to the Commission during the 23 years that I have lived in Larchmont.

That's a big number. However, I believe, the \$1.1 million is a fraction of the total that Village residents have overpaid and Town residents have underpaid for sanitation services over the past couple of decades. The Sanitation Commission, as most know, is legally obligated to distribute the annual costs of its operations to the Town and the Village based upon all of the tonnages that it processed in the preceding year. Yet, in addition to the aforementioned error (which was corrected by the Mayors direction), the Commission has not included tonnage from the collection of plastics, bottles, newspapers or organic waste.

Notably, the data to do the proper accounting of recyclable tonnages could easily be found in the bills sent by Westchester County to the Commission. But, because the County doesn't charge the Commission for recyclables, it appears that the Commission never took the additional step of accounting for the tonnages of recyclable materials as part of its annual budgeting process. That decision has been great for Town residents, but bad for Village residents because the Commission serves roughly 1,500 homes in the Village and 3,000 in the Town, along with 130 non-residential establishments found in both. With respect to next year's cost, you should take notice that the volume of recyclables skyrocketed during the pandemic, while business district activity plummeted. It stands to reason that with the proper accounting process, the Village allocation for tonnages of recyclables would have been closer to 33% than it is to 41.2%. Again that's because the homes in the Village are 1/3 of the homes the Commission services. That, in turn, would have pushed down the Commission cost that we are being taxed for in the Tentative Budget. While I haven't done the analysis, I believe based upon what I have seen so far that had the tonnage accounting been done correctly, the Commission cost to Village residents would be \$75,000 to \$100,000 less than what we will be paying if the Tentative Budget is approved.

What's lost in all of this is that the Cost from the Commission isn't the end of the costs of sanitation to the Village resident. The County also includes a refuse tax in its bill. And, if you look at the tax bill you just received this past week from the County, you will see that the County refuse district is passing on the increasingly unrecovered costs of recycling with a 9.8% annual tax increase.

There's a lot to this area of the budget. I am hopeful that before you approve this budget you will undertake an independent review of the facts in order to know what cost village residents should have been charged if the proper accounting procedures were applied to each of the services received from the Commission.

As for the future of sanitation, I ask you to study carefully the history of how Village residents have been treated before you agree to merge us into a Single District. **I am not opposed to the concept of a Single District.** But, without proper representation in a Single District setup, residents will be at the mercy of a Town Board that is much less responsive to the concerns of Village residents than this Board is.

If government is going to be in the business of providing carting services to its residents, there has to be a serious and comprehensive study of the benefits and costs to residents from that decision. And residents should be allowed to be involved since we are being mandated a carting service. At a minimum, you must get an indication of what fee a reputable private carting company would charge residents for the same services we will be receiving.

And with that I would ask that if the Tentative Budget is going to be changed with respect to some of the matters I raised, that residents have an opportunity to speak to those.

Thank you all for the opportunity to be heard.