

MEMORANDUM



To: Mayor Bauer and Village Board of Trustees
From: Justin Datino, Village Administrator
CC: Aylone Katzin, Assistant Village Administrator
Date: January 30, 2023
Re: FY 2023-24 First Pass Budget

Budget Approach

Over the course of several weeks leading up to the February 6th budget session, staff has been reviewing actual receipts for all revenue categories, as well as performing a line-by-line review of all expenditures, to determine to what extent the current-year budget is aligning with the projections and assumptions that were used in its development at this time last year. This process also involves reviewing the coding of all charges throughout the Chart of Accounts to ensure that expenditures are being charged to the appropriate General Ledger account. This year, no different than others, the First Pass budget document places an emphasis on our review of expenditures. Subsequent passes will review and revise revenue categories based on actual receipts and current-year projections.

Budget Summary

Here is a breakdown of the major components that summarize the First Pass FY 2023-24 budget:

Revenues	FY 22/23 Adopted	FY 23/24 First Pass	Expenditures	FY 22/23 Adopted	FY 23/24 First Pass
Real Property Revenue	\$15,828,739	\$16,146,176	Salaries	\$7,620,727	\$7,983,495
Sales Tax	\$1,130,000	\$1,130,000	Health Insurance	\$2,220,000	\$2,600,000
Parking Revenue (Permits and Train Lots)	\$734,000	\$740,000	Other Employee Benefits	\$3,014,994	\$3,139,521
Building Dept & Land Use	\$542,500	\$566,000	Contribution for LM Sanitation Commission	\$1,525,317	\$1,584,969
Recreation & Programming	\$473,000	\$483,000	Transfer to Library Fund	\$970,271	\$989,676
Mortgage Tax	\$298,741	\$295,000	Overtime*	\$717,950	*\$855,450

Fines & Forfeited Bail	\$230,000	\$230,000	Debt Service	\$866,698	\$603,691
ARPA Funds	\$312,000	\$0	Transfer to Capital	\$875,000	\$563,000
Franchise Fees	\$16,000	\$100,000	LMC Agreement	\$0	\$88,000
Other Revenues	\$876,302	\$766,799	Other Expenditures	\$2,630,325	\$2,586,828
Total	\$20,441,282	\$20,456,975	Total	\$20,441,282	\$20,994,630
			*Includes \$100,000 in Reimbursable Police Overtime		

The First Pass of the FY 2023-24 Budget has a gap of \$537,655. That number is inclusive of an assumed flat 2.0% increase to the tax levy. For informational purposes, a 1.0% increase to the tax levy equals approximately \$153,000. Over the next several weeks, the budget team will review revenue projections, further review on expenditures, as well as evaluating other options for non-property tax revenue, such as changes to the Fees & Charges Schedule and evaluating the appropriation of Fund Balance as tax relief for FY 2023-24.

The attached first-pass budget is based on a 95% review of expenses. The budget team will continue to review all line items to find areas for potential cost savings and revenue growth.

Budget Assumptions

The following are a list of assumptions that were used in preparing the First Pass FY 2023-24 Budget:

Personnel:

- No new positions have been requested as part of the First Pass.
- The Larchmont PBA contract has been settled. The Larchmont PFFA, CSEA and AFSCME collective bargaining agreements are all currently not settled for FY 2023-24.

Major Expense Increases:

- A1-3120-1010 – Police Department Salaries. The budget for this G/L Account has increased by \$334,413 from the Adopted FY 2022-23 Budget to the First Pass FY 2023-24 Budget. This increase is due to a recently-settled contract between the Village and the PBA, adjusting salaries effective January 01, 2023, as well as contractual step increases, as we have a number of Officers recently hired that are nearing top pay.
- A1-9000-9060 – Health Insurance. The budget for this G/L Account has increased by \$380,000, or 17.1%, from the Adopted FY 2022-23 Budget to the First Pass FY 2023-24 Budget. This increase is due to premium increases realized in 2023, as well as further increases anticipated for 2024. The Village utilizes NYSHIP, or New York State Health Insurance Program, as its health

insurance provider. As of January 2023, the Individual rate escalated by 12.45%, and the Family rate increased by 14.91%. This is the second year in a row with increases above 10% for both of these rates. With that in mind, we assumed another 10% increase for the projected 2024 rates.

- A1-9000-9010 – State Retirement. The budget for the G/L Line has increased by \$190,535. Actual year-to-date costs are \$431,551, which was above the budgeted expectations. All indicators from the NYS Comptroller’s Office are for an additional increase in FY 2023-24.
- A1-8160-4251 – Disposal Operation. The budget for this G/L Line, which is the Village’s contribution for the Larchmont-Mamaroneck Sanitation Commission, has increased by \$59,652 or 3.9%. The Village is responsible for 41%, or \$1,549,669, of the Commission’s budget.
- A1-4210-4050 – LMC TV. This is a newly created G/L Line for the FY 2023-24 budget. The incurred cost of municipal cable services, previously handled through the tri-municipal Board of Control, has been included in the budget at \$83,405. The First Pass Revenues also includes an offset of this expense in Franchise Fees of \$100,000, which the Village will begin to receive directly in 2023.
- In various corresponding G/L lines throughout the budget, energy costs (Electricity, Fuel, Diesel, and Gasoline) are budgeted at an overall increase of 9.4%, or +\$28,850, from the prior-year budget. This is inclusive of 18 different lines. Of note, Con Edison received approval to increase its rates by an average 11.2% across its entire New York State service.

Major Expense Decreases:

- A1-3120-9015 – Police Retirement and A1-3140-9015 – Fire Retirement. The Police and Fire Retirement System (PFRS) costs overall are budgeted with a decrease of -\$91,128. Costs for FY 2022-23 have been received lower than originally budgeted. A decrease has been factored into the FY 2022-23 Adopted Budget.
- A1-9730-6000-699 – LMJGFacVehDPWBldEqpFH. The Village retired a 2018 BAN in this current year. This results in a reduction in budgeted debt service of \$261,000 for FY 2023-24.

Accompanying this memo is the FY 2023-24 First Pass budget document, which includes:

- FY 2021-22 Adopted
- FY 2021-22 Full-Year Actual
- FY 2021-22 Six-Month Actual
- FY 2022-23 Adopted
- FY 2022-23 Six-Month Actual
- FY 2023-24 Request

We will review this document at the February 6th Work Session, which begins at 5:30 PM.