

Village of Larchmont 2023-24 Tentative Budget
A Resident Taxpayer's Perspective

- I. Substantive Presentation of Tentative Budget evinces a lot of commendable work put in.
- II. That said, there is no budgetary need to raise taxes. The Tentative Budget looks and feels like it is raising taxes just because it can raise taxes 2% without overriding the tax cap in order to get to a bigger base to raise taxes 2% next year and in future years.

What has not been discussed sufficiently throughout this year's abbreviated budget process is that *Unallocated* fund balance has grown by \$1.4 million over the past 2 years and will be materially above the top end of the recently adopted fund balance policy.

A look back at the prior two fiscal years:

- a. 2021/2022: 2.3% tax levy increase pitched to close a \$344,598 budget gap. Yet, the May 31, 2022 audited statements confirm that the increase wasn't needed, and that taxpayers were overtaxed by \$517,848, which went to fund balance. *Unassigned* fund balance grew to \$4,908,409, "or approximately 27% of total General Fund expenses." See Audit at page 4. The Village's auditors found that this budget underestimated various sources of revenues by over a \$1.1 million. See Audit at page 10.
- b. 2022/2023: 3.12% tax levy increase pitched to close a \$477,219 budget gap. Now, the Tentative Budget at page 60 projects a year-end surplus of \$916,156, again showing that taxpayers were overtaxed in the current fiscal year, this time by three times the amount of the below listed gap. *Unassigned* fund balance is projected to grow to \$5.8 million.

There are ways to close the tax levy gap without raising taxes:

- c. Tentative Budget for 2023/2024 has a tax levy gap of \$315,437
- d. Two material revenue forecasts are under their 20-year trend line. See Exhibit 1.
 - i. Fines and forfeiture forecast (\$300,500) is \$150,000 *below* the median; actual collections, for 9 months in 2022/2023, is \$430,796--with 3 months left to go.
 - ii. Sales tax forecast (\$1,265,000) is \$257,000 *below* what was collected last year. Westchester County budget projects an increase in sales tax collections for 2023.
 - iii. There are other areas in which your pencils can be sharpened before you vote.
- e. Zero fund balance appropriation runs afoul of the Village's fund balance policy, ignores prevailing economic pressures on taxpayers and is not good public policy.
 - i. Median amount of fund balance appropriated by VOL boards over the past two decades is \$225,000, with a range from \$0 to \$421,000. See Exhibit 1. Those boards appropriated fund balance when the level was well below where it is now.

ii. Tentative Budget statement that Fund Balance appropriations in the last four fiscal years were “0” cannot be corroborated:

- Resolution dated March 14, 2022 “repurposed” \$100,000 for police cruisers that was in fund balance as of May 31, 2021.
- Resolution dated December 5, 2022 encumbered \$245,914 of unrestricted proceeds from the settlement of sanitation overcharges for future unspecified, unplanned, unbudgeted capital projects. This was an extraordinary use.

III. Why does this matter:

a. Larchmonters are already paying more for:

- Real Estate Taxes. The Town budget projected that the average VOL homeowner is paying 6.5% more tax in 2023. We pay \$723 more in County tax than the “average Town taxpayer” who receives the same services. We fund 29.1% of the Town budget while making up 20.5% of the population as of July 1, 2021. See Exhibit 2
 - Cost of Sanitation “average” VOL taxpayer, still subsidizing 5% of the sanitation cost of unincorporated area taxpayers who receive the same service. The sanitation cost exceeds the private sector cost, and our leaders can’t find a way to provide a popular service that most want: food scrap pickup for composting.
 - Cost of water is 19.7% more than the Town’s, 26% more than the Village of Mamaroneck and 45.1% more than Scarsdale’s. See Exhibit 3. The Assigned Fund Balance is projected to grow by 20% (\$100,000). See Tentative Budget at Page 70. It is going to go higher because the Loss ratio of water purchased has increased.
 - Parking. It used to be free. Taxpayers were pitched \$1,080,000 in annual revenues from the franchise as part of the public presentation on instituting paid parking. Now, the Tentative Budget sets a net revenue budget that is 70% lower. Since costs are “allocated” across two funds, the Tentative Budget makes it harder to see that the franchise is costing current taxpayers money when costs are fully considered. An independent investigation is warranted.
- b. “Meanwhile, Larchmont’s elderly population (65 years and over) is 7.6%, while the County-wide figure is 17.8%.” See Tentative Budget at Page 8 (emphasis supplied).

At bottom, VOL Taxpayers are entitled to a tax break this year.

Dated April 17, 2023

Michael Gottfried
16 Ocean Avenue
Larchmont NY 10538

Exhibit 1

Please note that the Fund Balance amount included on the attached chart is the "Total" fund balance, a calculation that was incorporated in Village budgets until a few years ago. This figure includes, but is not the same as, the "Unallocated Fund Balance" (i.e. unrestricted) that is referenced in the preceding comments. The "Total Fund Balance" is listed in this exhibit to put into context what prior boards considered when making appropriation decisions.

Tentative Budget 2023/2024
A Taxpayer Resident's Perspective

Exhibit 1

Fiscal Year	Actual Fines & Forfeited Bail	Actual Sales Tax Revenue	Actual Fund	
			Balance Appropriated	Total Fund Balance Level
1994-95	296,517	429,390	N/A	N/A
1995-96	321,799	461,799	N/A	N/A
1996-97	253,239	479,464	N/A	N/A
1997-98	378,092	502,639	N/A	N/A
1998-99	359,110	519,115	N/A	N/A
1999-2000	397,485	566,815	N/A	2,599,049
2000-01	390,524	617,154	250,240	2,565,431
2001-02	397,363	610,214	191,280	2,548,490
2002-03	409,851	626,783	277,945	2,252,440
2003-04	390,852	653,840	421,000	2,329,785
2004-05	458,631	839,539	275,015	1,733,632
2005-06	508,881	831,820	250,000	1,761,202
2006-07	622,190	875,171	190,000	2,005,636
2007-08	629,044	916,318	200,000	2,346,291
2008-09	569,402	837,103	300,000	2,145,383
2009-10	571,818	799,072	300,000	2,107,799
2010-11	485,519	823,907	300,000	2,059,963
2011-12	449,860	778,972	300,000	2,380,369
2012-13	449,868	783,567	-	2,829,257
2013-14	412,718	844,452	200,000	2,908,525
2014-15	457,199	844,219	150,000	3,328,758
2015-16	482,794	855,671	150,000	3,645,452
2016-17	504,964	863,689	250,000	3,345,921
2017-18	644,579	917,337	250,000	2,788,365
2018-19	656,739	958,428	180,000	3,276,087
2019-20	443,415	1,158,510	-	3,801,089
2020-21	121,829	1,394,260	-	5,055,085
2021-22	277,938	1,522,183	-	5,604,625
Current FY Budget	2022-23	230,000	1,130,000	-
9 month Actual YTD	2022-23	430,796	510,691	-
Proposed Budget	2023-24	300,500	1,265,000	-
Median Value		446,637	225,000	2,565,431

Exhibit 2

**TOWN OF MAMARONECK
AVERAGE PROPERTY TAX BILL**

Below is a breakdown of an average tax bill for the services that cannot be reasonably captured solely with a separate fee. The comparison is based on tax rates for the 2022/23 School District Rates and the current 2022/23 Village Rates.

Average Assessed Value	\$1,408,000	2023 Estimated Tax Bill			
	Rate	Town Resident Mam Sewer	Town Resident NR Sewer	Village Larchmont Resident	Village Mamaroneck Resident
General Town	0.542	\$ 763	\$ 763	\$ 763	\$ 763
Ambulance District-Townwide	0.057	80	80	80	80
Part Town	2.100	2,958	2,958	-	-
Highway- Part Town	1.274	1,795	1,795	-	-
Special Districts-Town	1.623	2,285	2,285	-	-
County	2.878	4,052	4,052	4,052	4,052
County Refuse	0.306	431	431	431	431
Sewer		-	-	-	-
New Rochelle	1.085	-	1,528	1,528	-
Mamaroneck	0.572	805	-	-	805
School-Mamaroneck	13.795	19,423	19,423	19,423	19,423
Village of Larchmont	5.295	-	-	7,456	
Village of Mamaroneck	6.740	-	-		9,490
TOTAL ANNUAL TAX		\$ 32,592	\$ 33,315	\$ 33,733	\$ 35,045
TOTAL BY TAXING DISTRICT:					
Town		\$ 7,881	\$ 7,881	\$ 843	\$ 843
County		5,288	6,011	6,011	5,288
School		19,423	19,423	19,423	19,423
Village		-	-	7,456	9,490
TOTAL ANNUAL TAX @ AV \$1.4 m		\$ 32,592	\$ 33,315	\$ 33,733	\$ 35,044
TOTAL 2022 ACTUAL TAX @ AV \$1.3m		\$ 30,732	\$ 31,404	\$ 31,683	\$ 32,901
\$ Increase from 2022		\$ 1,860	\$ 1,911	\$ 2,050	\$ 2,142

**TOWN OF MAMARONECK
SCHEDULE OF ASSESSED VALUES- ALL DISTRICTS**

TAXABLE ASSESSED VALUES*									
AV Year End	GENERAL FUND TOWNWIDE (A)	GENERAL FUND-PART TOWN (B)	Highway Fund (DB)	Fire District (SF)	Street Lighting District (SL)	Ambulance District (SM)	Garbage District (SR)	Sewer District (SS)***	Water District (SW)
2022	10,837,203,585	4,725,749,652	4,725,749,652	4,766,307,883	4,766,307,883	10,937,958,397	4,766,307,883	4,548,069,983	4,766,307,883
2021	10,148,610,903	4,437,382,377	4,437,382,377	4,474,985,834	4,474,985,834	10,242,944,670	4,474,985,834	4,275,639,434	4,479,156,334
2020	9,747,124,073	4,288,772,791	4,288,772,791	4,324,239,013	4,324,239,013	9,840,315,812	4,324,239,013	4,125,017,413	4,324,239,013
2019	9,749,092,921	4,294,625,309	4,294,625,309	4,327,051,466	4,327,051,466	9,836,668,541	4,327,051,466	4,122,053,365	4,327,051,466
2018	9,751,130,223	4,308,315,488	4,308,315,488	4,341,181,950	4,341,181,950	9,865,111,723	4,341,181,950	4,136,201,850	4,341,181,950
2017	9,743,703,508	4,261,254,601	4,261,254,601	4,298,239,002	4,298,239,002	9,841,241,101	4,298,239,002	4,114,212,152	4,310,659,752
2016	9,441,524,597	4,099,787,504	4,099,787,504	4,139,769,408	4,139,769,408	9,547,112,115	4,139,769,408	3,806,851,004	4,153,155,278
2015	9,210,122,797	4,100,331,806	4,100,331,806	4,144,372,145	4,144,372,145	9,308,604,018	4,144,372,145	3,949,444,895	4,144,372,145
2014	8,685,249,288	3,697,242,921	3,697,242,921	3,738,899,229	3,738,899,229	8,782,833,871	3,738,899,229	3,563,434,029	3,738,899,229
2013**	8,740,083,469	3,714,250,459	3,714,250,459	3,756,121,340	3,756,121,340	8,836,557,152	3,756,121,340	3,579,741,840	3,756,121,340

* Taxable Assessed Values reflected are based on property assessments at the end of May in the year the budget was adopted.
The 2023 tax rates calculated in this budget are based on the AV Year Ended May 31, 2022.

** Reflects Townwide reassessment

*** Sewer Tax was converted to Sewer Fees based on usage beginning in 2015.

ASSESSED VALUES- BY MUNICIPALITY

Municipality	Assessed Value	% of Total AV
Town of Mamaroneck (Unincorporated)	\$ 4,725,749,652	43.61%
Village of Larchmont	\$ 3,220,109,462	29.71%
Village of Mamaroneck	\$ 2,891,344,471	26.68%
Total Taxable Value (Town Wide)	\$ 10,837,203,585	100%

*Taxable Assessed Values reflected are based on property assessments at the end of May in the year the budget was adopted.
The 2023 tax rates calculated in this budget are based on the AV Year Ended May 31, 2022.

Exhibit 3

The Current V.O.L. Water Rate Structure: a Neighborhood Comparison

- Larchmont's Water rate --- per Unit (i.e. per 100 Feet³ or 748 gallons)--- is
 - \$6.38 in off-peak months (Dec. to May) and \$8.1 in peak months (June to Nov).
- "The Benchmark," 100,000 gallons annually, roughly 134 units, costs a user with a ¾" meter: **\$1,152.52**.
- Similar "Benchmark" usage in neighboring municipalities, with a ¾" meter, costs:

	<u>Annual Cost</u>	<u>Per Cent</u>
• New Rochelle (WJWW clients):	\$1,554.68	(34.9% higher)
• City of Rye (WJWW clients):	\$1,412.64	(22.6% higher)
• Veolia District 1:	\$1,382.25	(19.9 % higher)
• Village Of Larchmont	\$1,152.52	
• Veolia District 2:	\$1,122.39	(2.6% lower)
• Town of Harrison:	\$ 971.30	(15.7% lower)
• Town of Mamaroneck:	\$ 924.94	(19.7% lower)
• Village of Mamaroneck:	\$ 853.38	(26.0% lower)
• Eastchester:	\$ 812.66	(29.5% lower)
• Scarsdale:	\$ 633.10	(45.1% lower)

Veolia, a private company, serves 2 districts:

District 1: New Rochelle (primary supplier), Bronxville, Tuckahoe, Ardsley, Dobbs Ferry, Hastings-on-Hudson, Eastchester, Pelham (in part), TOM (in part), Greenburgh (in part), Mount Pleasant (in part);

District 2: Port Chester, Rye Brook, Rye (primary supplier).