

**Village of Mamaroneck Budget Advisory Committee
Meeting Agenda Tuesday, March 1, 2022**

- 1) Approve prior meeting minutes
- 2) Update on filling open Budget Committee seats
- 3) Recap "Budget Schedule & Process" document for presentation to the BOT.
- 4) Review YTD revenue and expenses (Augie if available)
- 5) Review YTD capital (budget) expenditures and remaining projections (Augie if available)
- 6) Feedback/next steps on how Budget Committee can assist during upcoming budget cycle.

**Village of Mamaroneck Budget Advisory Committee
Meeting Minutes Tuesday February 1, 2022**

Present: Tom Murphy, Board of Trustees Liaison; Charles Guadagnolo, Chair; Ellen Hauptman, Vice Chair; Glenn Tippet; Bill Spiro

Not Present: Ed Zagajeski, Len Aubrey

The meeting was opened at 7:13 pm and the minutes for the January 2022 meeting were approved.

Administrative items were discussed:

- There is still one opening on the committee. All agreed to keep looking for someone to join the committee.

Tom provided some updates:

- Tom reviewed the budget schedule document and thought it was very good. He asked for one change to be made before bringing it to the BOT. He would like the section suggesting departments align revenue and expense to be removed. This makes sense for a couple of departments, but not for all. Ellen said she would modify the document and send it to the Budget Committee. Tom stated that it was too late to implement for this year, but would be good for next year.
- The first cut of the budget should be available by the end of February.
- Auditors Report: Tom mentioned that the report (sent to the Budget Committee) was very good and that the fiscal health of the Village is great.
- Jerry is estimating that there will be a \$3 million surplus this year.
- Army Corps Project: As a result of Senator Schumer's work, the IDA Recovery Act is funding the ACE project for flood mitigation; the Village is no longer required to pay its share.
- Sewer project: due to the grants received, the majority of the work will be funded by non-Village resources.

The Committee discussed potential revenue sources (other than property tax):

- Board of Architectural Review fees
- Land Use Notification
- Snack Bar at Harbor Island Park (we need to find out if the Village receives any revenue from the food trucks)
- Advertise the availability of the Harbor Island Pavilion/Deck; include this in the weekly Village email.
- Provide food scrap pick-up for a fee
- Expand parking meter locations to include all business locations
- Expand parking meter hours on Mamaroneck Avenue until 9pm

- Expand parking meter hours at locations other than Mamaroneck Avenue
- Expand parking meter days to include Sunday
- Do fundraising during Village events (eg 50/50 raffle)

Tom will invite Augie to our next meeting to discuss current revenue and expense and see how the Budget Committee can help during the budget cycle.

The meeting was adjourned at 7:55pm

**Budget Advisory Committee
 Suggestions for the 2022/23 Budget Process
 October 12, 2021**

Background

Creating the annual operating budget and five-year capital plan is a very necessary process for the Village of Mamaroneck. Sound financial planning will help ensure the Village remains fiscally healthy, while maintaining services. Three critical factors influence the planning process:

- 1) The tax cap levy imposed by New York State: Although the Village has stayed within the cap for all but one year since the cap has been in place, it is becoming increasingly difficult. Rather than relying exclusively on expense reductions, the Village should continue to look for ways to increase non-property tax and other revenue or even consider exceeding the tax cap levy.
- 2) Investments in Village infrastructure: Many projects in the current five-year capital plan address the infrastructure, such as roads, bridges, sea walls, sewers, Village buildings, for example. Most of these projects have been deferred for years. As a result, emergency spending will likely increase the amount spent on repairs and/or debt service in the operating budget.
- 3) Covid 19 and Flood Mitigation: The pandemic has changed where and how people work, affecting many things from retail space occupancy to train station parking to residential development. Recent flooding of large segments of the Village has increased the urgency to expedite some form of the Army Corps of Engineers flood mitigation project, which will require a contribution of at least \$8 million from the Village. The amount of federal and State funding to the Village to address the impact of these crises is also a key factor in FY 2023 budget planning.

Currently, the Board of Trustees sees a first cut of the budget in January. As a result, staff and the BOT spend several months working on, adjusting or reviewing the budget, but many large ticket items are not available until February or March. An estimate for pension is provided in February, with a final cost provided in March. Insurance premiums are not available until the end of February, early March. Health insurance costs are not available until February. The Power Authority provides costs in January/February. As these costs are provided, the budget is updated and provided to the BOT for further review.

In addition, based on the current year budget, the table below shows 82% of the budget is relatively fixed in the short run.

	Personal Services	Total Utilities	Total Insurance	Emp Benefits	Debt Service	Total
\$	\$ 16,401,569	\$ 623,100	\$ 7,971,181	\$ 4,980,370	\$ 2,435,392	\$ 32,411,612
% of Total Adopted Budget	41.52%	1.58%	20.18%	12.61%	6.17%	82.05%
Total Utilities = Water, Heat, Electric, Telephone						
Total Insurance = Unallocated Insurance, Workmen's Comp, Life, Unemployment, Hospital & Medical, Dental, Optical						
Debt Service excludes the Library bond since that is reimbursed 100%						

Approximately 70% is staff related. These expenses are affected by changes to the number and/or mix of staff or benefit changes which are determined by the Village's CBAs. (Although

we understand, based on information from the State Comptroller, FY 2023 police and civilian pension costs will be lower than the current year.) Certain insurance, utilities and debt service account for about 12%. Absent careful analysis and accounting for future capital investments, opportunities to reduce these expenses in the short run are also limited. Finally, the same is true for the remaining 18%, or about \$7 million, that helps keep the Village operating.

Suggested Process Changes

Village staff do a great deal of budget preparation work done over a 4 to 5 month timeframe, potentially impacting their day-to-day functions. To streamline the process and utilize time more effectively, the Budget Advisory Committee suggests the following changes:

- The Village Manager/Clerk-Treasurer prepare a high level operating budget and tax computation in February (not January as is the current practice) based on current expenditures and revenue along with assumptions applicable for fiscal year 2023
 - Provides an early snapshot of what the potential tax increase might be
 - Highlight key fiscal issues for the upcoming fiscal year
 - Since a large portion of the expense budget is not available until February/March, there is little benefit in analyzing major expenses before February.
- Early focus on non-property tax and other revenue and the five-year capital plan, beginning December/January
 - Currently, the analytical focus appears to be on expenses, with less time during the budget cycle focusing on revenues and capital expenditures
 - Look more closely at capital projects which will generate future revenue or reduce maintenance and emergency repair expenses
- Modify the format of the budget reviews with the Department Heads
 - The budget reviews with Department Heads should cover revenue, expense and the capital plan.
 - The BOT meetings with Department Heads should focus on key potential expense, revenue or capital issues and/or concerns. It is not necessary to review budgets on a detailed line item basis since that is the responsibility of the Village Manager.

Suggested Budget Process Schedule

Timing	Activity
December/January	Staff prepares detailed revenue plan and updates five-year capital budget
February	Village Manager/Clerk-Treasurer issue a first cut of the operating budget (high level) including the tax computation
February	BOT, Village Manager, Department Heads review the revenue projections and the capital plan; make any necessary revisions
End of February	Staff finalizes expenses for the operating budget
End of February/ March	BOT meets with Department Heads
March 1	Operating budget presented to BOT for review
March 2-15	BOT and staff make any necessary revisions

March 20	BOT receives tentative operating budget
March 21-April	Budget adjustments made if needed
April 30	BOT adopts final operating budget and capital plan

The five-year capital plan should be a refresh of the current five-year capital plan; items completed should be removed and new items added. Staff should update priorities and include the 1-6 ranking as recommended by New York State.

Department Heads should review current year revenue streams to use as a basis for the upcoming budget. Projections should be made based on current activity along with new revenue stream items.

The February high level FY 2023 operating budget prepared by the Village Manager/Clerk-Treasurer can follow sample format accompanied by a narrative identifying the key underlying assumptions (briefly describing, for example, the basis for specific non-property tax changes, CBA salary and benefit increases and other insurance, utility, or other expense changes). This high level budget would also be accompanied by a FY 2023 property tax computation in the format on page 57 of the 2021-22 Adopted Budget.

Sample Format			
Category	Current Budget	Projected Budget	Assumptions
Personal Services			
Employee Benefits excluding Pension			
Pension			
Insurance			
Utilities			
Debt Service			
All Other Expenses			
Total Expenses			
Sales Tax			
Mortgage Tax			
Licenses & Permits			
Fines & Forfeitures			
State Aid			
Rec Dept Revenue			
All Other Non-Property Tax Revenue			
Total Non-Property Tax Revenue			
Difference (Exp minus non-prop tax Rev)			
Projected Property Tax (total to balance budget)			
Property Tax Computation			

Proposed Budget Advisory Committee Schedule/Actions

The work of Budget Advisory Committee and timing of Committee meetings must be aligned with the new budget process schedule. Suggested agenda items for Committee meetings follow:

Actions	Meeting Date
<ul style="list-style-type: none">Meet with the Board of Trustees to review proposed process changes and discuss with the BOT a work plan for the Committee	As soon as possible
<ul style="list-style-type: none">Discuss and approve the revised Capital Framework documentDiscuss the proposed budget process and schedule document	10/6/21
<ul style="list-style-type: none">Approve a final proposed budget process and schedule document and share with BOT and Village ManagerReview and discuss FY 2022 1Q financials; identify any potential issues which can impact the 2023 budget and current fiscal year; advise BOT if necessary	11/3/21
<ul style="list-style-type: none">Review with the BOT suggested work plan and assign to Committee membersIdentify other analytical work to be performed by Committee	No later than 12/1/2021
<ul style="list-style-type: none">Update status of progress on BOT work planDiscuss how to review future submissions	1/5/22
<ul style="list-style-type: none">Review 1st cut of the operating budget	2/2/22
<ul style="list-style-type: none">Attend Budget Work SessionsComplete BOT work plan and Committee initiated analytical work	February/March 2022
<ul style="list-style-type: none">Discuss the budget presented on March 1Prepare and share with BOT thoughts and comments on the FY 2023 budgetSchedule additional meetings for March and April, as necessary	3/2/22 and future