

Village of Mamaroneck Budget Advisory Committee
Meeting Agenda for Tuesday, June 6, 2023

1. Approve May Minutes
2. Review the Court Elimination document (attached)
3. All other business

Village of Mamaroneck Budget Advisory Committee
Meeting Minutes, Tuesday, May 2, 2023

Present: Charles Guadagnolo, Chair, Ellen Hauptman, Vice Chair, Glenn Tippet, Catherine Chapman, Ed Zagajeski, Nora Lucas, Village BOT Liaison

Not Present: Bill Spiro, Len Aubrey

The meeting was called to order at 7:15 pm.

The Committee discussed the overall budget process and voiced concerns that we did not receive a formal response from the BOT concerning our April 16 email. The Committee continues to be concerned about the lack of a contingency plan, especially with such aggressive revenue targets.

The key takeaways that the Committee had from this year's budget process include:

- A great deal of time and effort is spent by the Village staff for the Work Session meetings
- There is not much time for public feedback (not allowed during the work sessions) and for responses to be given to the public
- The Budget Advisory Committee is not able to provide feedback except via email
- It's not clear what changed in the budget – draft versus adopted
- It's not clear if any feedback from the public and/or the Committee was incorporated into any changes
- The primary focus on creating the budget appears to be to stay within the cap, versus creating a "real" budget
- There should be a session for the public to walk through the budget

Potential Analysis for the Committee:

- What do other communities do with budget work sessions/allowing the public to speak
- Do other communities rely on use of reserve funds during the fiscal year to fill budget gaps
- What is the Debt Service % of the Operating Budget in other communities

Meet with the BOT:

- What does the BOT want from us? What analysis and planning can we help with?
- Walk the BOT through work done in the past

The meeting was adjourned at 8:30pm

Report to the Board of Trustees
Prepared by the Budget Advisory Committee
Assessment of the Elimination of the Village Justice Court

June 6, 2023

Introduction

On March 16th, Mayor Tom Murphy sent the following email to the Budget Committee:

“The consensus of the Board of Trustees at a work session was to ask you folks to investigate what are the financial benefits of letting the Towns take over the Court function.”

The Mayor subsequently provided the Committee with a contact in the Village of Port Chester (“PC”). Port Chester recently eliminated their Justice Court and court activity shifted to the Rye Town Justice Court. A member of the Budget Committee followed up to discuss the financial results of the consolidation with the PC Treasurer. The former mayors of the Villages of Tuckahoe and Ossining, both with experience in court elimination, were also interviewed.

The Port Chester Treasurer began working for PC in 2019, when work on eliminating the PC Justice Courts was underway. He provided numbers in support of the process and said Rye Town was “shell shocked” by the transition. PC did save \$734,000 in expenses, 1.6% of total PC budget appropriations, but the Port Chester tax cap was reduced by the same amount, Rye Town taxes increased, and court revenue to Port Chester declined 35%, from \$1.4 million in FY 2020 to \$910,000 in the FY 2024 tentative budget, likely due in part to the pandemic and in part to a split in court revenue for certain infractions between the Town of Rye and Port Chester as a result of elimination of the PC Justice Court.

The Tuckahoe Board of Trustees did not approve of the elimination of the village’s Justice Court. Court personnel’s connections to the community and public trust were more important. Village of Ossining Trustees approved elimination of their Justice Court in 2012. The former mayor said the transition to the Town of Ossining was very difficult and “sense of betrayal” by village residents was very strong. The Village of Ossining realized little or no net savings.

At first glance, shifting responsibility and expenses for the Village of Mamaroneck (“VOM” or “Village”) Justice Court to Mamaroneck Town and Rye Town while keeping a large share of court revenue would provide a financial benefit to the Village. But it became clear early in the work done to prepare this report that a more complete look at all the factors determining the benefits and costs of eliminating the Village Justice Court is necessary.

Recommendations

1. Based on discussions with PC, Tuckahoe and Ossining officials, and other factors described in this report, the Budget Committee does not recommend eliminating the Village of Mamaroneck (“VOM” or “Village”) Justice Court without further analysis and discussions with all affected by the change.

2. The further analysis and discussions would include:
 - Experience and circumstances of other villages and towns
 - Impact on VOM Police Department, Building Department, Clerk-Treasurer
 - Input from Village Justices and Rye Town and Town of Mamaroneck elected officials
 - Impact on Village residents
 - Reduction of VOM tax cap and Rye Town and Town of Mamaroneck tax increases
 - Impact on Village Justice Court expenses and court revenue
 - Legal issues
3. The Board of Trustees should decide if a more comprehensive analysis of Justice Court elimination is necessary at this time and how to proceed with that work—VOM staff, Budget Committee, consultant, or a combination.

Experience and Circumstances

Based on a 2020 consultant study on court elimination prepared for Port Chester, the PC financial problems were due to “...demands of city with the financial resources of a village.” In addition, the property tax burden on residents is “high relative to household income and spending per resident is lower than comparable communities.” At the same time, Village of Mamaroneck (“VOM” or the “Village”) property tax rate increases have been under the State cap for more than a decade and for some time the Village has operated with a balanced budget or better.

Port Chester and Rye Brook are located entirely within the Town of Rye. The Rye Neck neighborhoods of the Village are also part of Rye Town. Port Chester has 31,693 residents, or 64% of the total Rye Town population; Rye Neck in the VOM is 16% of Rye Town.

Ossining and Tuckahoe are also located in the Towns of Ossining and Eastchester, respectively. The population of Ossining Town is 40,061 with the Village of Ossining at 27,551, or 69% of the Town total. Tuckahoe, with 7,084 residents, is just 20% of the Eastchester Town population.

Offices for Rye Town, Port Chester, the PC Police and, prior to elimination of the PC Courts, the Town of Rye and Port Chester courts are all located in the same building. Tuckahoe courts are in the Village of Tuckahoe with the Town court one mile away. Ossining Village and Town offices are in the same building and the courts and police are also in the same building.

VOM Police Department and Court are in the municipal building on Pleasant Avenue, just under 1 mile from the Mamaroneck Town Center and 5.7 miles and at least 15 minutes on local roads from the Rye Town court. Approximately 60% of the 20,151 Village residents live in Mamaroneck Town and 40% live in Rye Neck. Therefore, elimination of the VOM Justice Court would involve two towns, distinctly different than Port Chester and Ossining,

The initial motivation for PC, Ossining, and Tuckahoe for justice court elimination was the same as the Village—potential financial benefit.

Other VOM Departments Involved

In calendar 2022, the VOM Justice Court heard 5,678 cases, about 4,500, or 80%, of those cases were violations of vehicle and traffic laws, from parking tickets to speeding and DWI. Other cases include, but are not limited to, criminal cases and civil actions (including small claims up to \$3,000 and landlord/tenant disputes).

According to Chief DeRuzza, the Village Police Department is the 3rd busiest town or village PD in Westchester County, after Port Chester and Ossining. The PD received over 17,000 calls for service and made 416 arrests in 2022. Reported Part I offenses—considered the most serious by the FBI—increased from 200 in 2020 to 278 in 2022.

Many cases require court appearances. Arrests are brought to the municipal building, booked, in certain cases held at the Police lockup, and arraigned in court. Currently, this is all done in the same location. However, the arresting officer and an additional officer would need to travel to the Mamaroneck and Rye Town courts and may wait hours for their cases to be heard. The Rye Town court is one of the busier local justice courts in Westchester. Such delays could result that fewer tickets being written by VOM police, resulting in less revenue.

An analysis of the financial impact on the Police Department of relocating the courts is critical. This change might result in increased overtime, a requested increase in police officers or both.

Similarly, Buildings Department staff are appearing in court for violations of certain Village ordinances and the property maintenance code. The financial impact on the Buildings Department and possibly other departments must be analyzed as well.

Meeting with VOM Judges

It was known before the Mayor's March 16th email to the Committee that the Village Board was going to ask the Budget Committee to evaluate the transfer of the courts to the Towns of Mamaroneck and Rye. As a result, Judges Derrico and Gallagher attended the Committee's March 7th meeting to inform Committee members on court operations, role in the community, and to answer questions.

The Judges shared the attached memorandum with the Committee and subsequently provided additional data. Summarizing the memo and supplemented with additional data:

- The VOM Court is efficient—The 2 judges and number of full-time staff have stayed the same for more than 20 years and FY 2023 expenses are down about 3% from FY 2020. One measure of efficiency is the number of cases started and judges employed by the courts. In calendar year 2022 the Village Justice Court started 5,678 cases with 2 judges, or 2,839 cases per judge; the Rye Town Court (after elimination of the PC courts) started 5,939 cases with 4 judges, or 1,485 cases per judge; and the Town of Mamaroneck Court started 3,800 cases with two judges, or 1,900 cases per judge. This measure shows the VOM Justice Court more efficient than the Rye Town and Town of Mamaroneck courts.

- The State uses revenue to measure operational efficiency. The most recent data published by the Office of the State Controller (“OSC”) is for calendar year 2020 and shows Village court gross revenue at \$918,513 in 2020, the 5th most active among the 35 town and village courts in Westchester County. Port Chester before elimination of the PC courts, was the most active among Westchester courts with \$2 million in total revenue; the Town of Mamaroneck was 27th and Rye Town was 32nd most active among the 35 Westchester town and village courts. Irrespective of the statistic used, PC and VOM courts were among the most efficient in the County.
- Recent court revenue is down due to external factors, such as the pandemic. The PC Treasurer reported revenue has declined and is expecting lower revenue this fiscal year due, in part, to Rye Town receiving revenue belonging to PC prior to court elimination. VOM court revenue has declined from FY 2020 actual, also due in part to the pandemic, but the FY 2023 revenue forecast is higher than FY 2021 and FY 2022 actuals.
- The Court is an important resource to the community handling Village code enforcement, criminal cases, landlord-tenant disputes, among other violations. Perhaps more important, the Court regularly deals with domestic violence, families in crisis, substance abuse, child abuse and problems with teenagers. The VOM court provides crucial social support to Village residents.
- VOM Judges and staff are sensitive to our diverse community. A notable majority of visitors to the VOM court are persons of color (African American, Hispanic or Latino, and Asian) while persons of color are 36% of the Village population. One Judge noted that in one day about 70% of cases involved Black or Hispanic defendants.
- Prior experience with transferring functions to the Town is not good—the assessor’s office and Section 8 housing program which the Village is taking back from the Town.

Village Judges have a combined 28 years of experience in the Court, live in our community and are elected by Village residents. A community is defined in large part by its institutions. The VOM Court has served our community for more than 100 years. The future of the Court requires careful consideration and a long-term focus.

Village Residents

The Village Justice Court is among the most active in Westchester County. The court facility is close to Mamaroneck Avenue and the Village’s most diverse communities. As previously noted, 36% of Village residents are persons of color. There is easy access to the VOM court, particularly for those lower income residents. Transit to and parking for the Mamaroneck Town and Rye Town courts must be evaluated.

We know Port Chester has a significant Hispanic or Latin population. The Rye Town Treasurer, given his role and responsibilities, did not speak to the community impact. However, the former mayors of Tuckahoe and Ossining emphasized their concerns about the impact of elimination of courts on their village residents.

The former mayor of Tuckahoe—which did not pursue justice court elimination—was convinced that the court should be kept in the village because court employees and judges know their community and have important relationships there. Tuckahoe has only 7,000 residents with 22% Black or Hispanic/Latin. This demographic is very different than the town of Eastchester, which includes Tuckahoe and Bronxville. About 85% of Eastchester’s 34,000 residents are White.

The former mayor of Ossining—which eliminated their justice courts ten years ago—said the Town court was not accustomed to Village cases and had very different approaches to defendants. Ossining Village is 69% of the Town of Ossining population, and 41% of village residents are Hispanic or Latino. The transition to the town court was long and difficult. The financial impact “was a wash” since town taxes increased, some court revenue went to the town, and the Village also took over the town’s small police department.

Tax Impact

The Committee recommends the Village evaluate the impact on Rye Town and Mamaroneck Town taxes on Village residents as a result of a Justice Court elimination and the impact of a reduction in the Village’s property tax cap.

Rye Town taxes for Rye Neck increased because of the Town takeover of the Port Chester Justice Court. Though less than Village taxes, one Rye Neck resident reported a tripling of Rye Town taxes. That increase combined with higher VOM taxes due primarily to an increase in property valuations raised the total local tax burden.

If 70% of the Village Court’s nearly 5,700 cases go to the Mamaroneck Town Court, then the Town’s caseload will more than double, increasing costs to the Town. Mamaroneck Town taxes will increase thus shifting the tax burden to Town residents, including Larchmont and the unincorporated sections of the Town. Whether or not the shift of up to 30% of the Village Justice Court cases to the Rye Town court will increase court costs—and taxes for Rye Neck residents--needs to be determined because there is likely additional capacity there.

A conversation with an employee of the State Controller confirmed a statement in the PC consultant report: “...under the tax cap statute when the responsibility and associated costs are transferred from one local government to another, the State Controller must determine the affected localities’ costs and savings attributable to the transfer for the first fiscal year following the transfer. The affected local governments are required to adjust their tax levy limits based on those costs and savings.”

The State Controller audited the 2012 transfer of the Village of Ossining courts to the Town of Ossining. The audit resulted in a higher tax cap for the Town and a lower one for the Village. The Port Chester Treasurer said the PC tax cap was reduced following the elimination of court functions to Rye Town. The VOM would also be audited by the State Controller and the tax cap reduced based on expense savings.

Intergovernmental Relations

Should the Village ultimately decide to proceed with elimination of the courts, it would be prudent for the Village’s elected officials and Village Manager to discuss the potential change

in advance with the Rye and Mamaroneck Town Boards and staff leadership. Facility investments by the Town of Mamaroneck are likely necessary and must be considered in Rye Town.

Personnel transfers may be desirable to help ensure a successful transfer and treat Village employees with respect.

The Towns must be as aggressive as the Village in collecting revenue for the Village. A cooperative approach is important to ensure revenue for the Village does not decline, as appears to have occurred in Ossining and Port Chester. If VOM eliminates the Justice Court, an annual audit to confirm all revenue due the Village has been paid is recommended.

Upon dissolution of the Village Justice Court, records for only active cases would be transferred to Mamaroneck and Rye towns. The Village Clerk-Treasurer would be responsible for access to and maintenance of court files for closed cases. For example, a potential employer may request a record of disposition from a former defendant and potential employee. Intermunicipal agreements would likely be necessary so all involved understand who is responsible for these and other issues. This work may require additional Clerk-Treasurer staff, reducing net savings.

Village Justice Court Revenue and Expenses

Although a more complete revenue-expense analysis is necessary, this section will only point out high level revenue and expense information.

Based on the Village Justice Court audit for FY 2022, the court collected and remitted \$1,062,497 to the Village. Of that amount, \$632,616, or 60% of the total, was retained by Village with the remainder to the State and County. Court revenue for Westchester town and village courts are split among the State, County and municipality based on the circumstances of each municipality. The Village needs to better understand this distribution. Following the elimination of the Justice Court some revenue currently retained by the Village may go to the towns of Rye and Mamaroneck, based on the type of offenses.

It is important to understand, in conjunction with the Clerk-Treasurer and, perhaps later, the Rye Town and Mamaroneck Town courts, how and to whom future court revenue will flow in the event the VOM Justice Courts are eliminated.

Justice Court expenses are expected to total just under \$500,000, excluding fringe benefits, in the current fiscal year, and expenses in the adopted budget are higher. It will be important to identify actual expenses removed from the budget because of court elimination. For example, certain fringe benefit costs such as unemployment insurance and workers compensation will not likely be reduced because the number of Justice Court employees is relatively small and the basis for unemployment costs is history and workers compensation is driven mostly by workers who do physical labor or potentially dangerous work, such as police officers and fire fighters. Health insurance savings would need to be determined on an employee basis.

PC made one-time payments to certain court employees who retired or left due to court elimination. The Treasurer added the court lost some good and experienced staff. Existing contract obligations must also be considered.

Legal

The consultant report prepared for Port Chester states: “The process of court dissolution is not clear.” The consultants recommended that the Village Attorney be consulted and asked to prepare an opinion on the legal issues. The Village should also consider such a step.