

Village of Mamaroneck Budget Advisory Committee
Meeting Minutes, Tuesday, March 9, 2020, 7pm

Present: Daniel Natchez, Trustee Liaison; Chair Charles Guadagnolo, Vice Chair Ellen Hauptman, Leonard Aubrey, Ed Zagajeski, John Campbell, Glenn Tippet.

Absent: Bill Spiro

Discussion:

1. Charles opened the meeting at 7pm and asked members who had attended the budget work sessions for their comments. Ellen was glad to hear that the ~~R~~Recreation ~~D~~Department is looking break even with revenues covering expenses for both the ~~R~~Recreation and ~~P~~Parks ~~D~~Departments.
2. Ellen, Len, and Glenn are concerned revenues are going to reviewed at a future, separate session and not with department expense presentation. Ellen suggested in the future, each department present revenue and expenses by program at the same time. All agreed this was a good idea. Len added that an initial outlook of total expenses and revenue be shared with the Board and Committee at the start of the budget process to better understand the magnitude of any budget challenges.
3. Some questioned if overtime and supplies were cut too much in order to meet numbers.
4. Committee members noted discussion of the ~~e~~Capital budget is at end of the process. The Village Manager is still working on the Capital budget. Ellen suggested members of the Committee could help in future. Charles presented Capital expense report and noted the long list of projects, many from prior years without information on their progress. This report needs to be clarified. Ellen pointed out some doubling of projected spending on certain items.
5. Committee agreed that the draft advisory document would be updated by Len. Members with comments, suggestions or questions to be added should be sent to Len no later than March 14th. Len will update the document to be reviewed by the Committee at the special Committee meeting on March 17th and subsequently sent to the Board of Trustees. Ellen questioned if the document would be useful/valuable to the BOT since we have not received a response from the BOT on our recommendations for Capital Planning or Operating Budget Planning. Further discussions needed on capital spending this year and the updated five-year capital plan.
6. The meeting adjourned 8:15pm

**Village of Mamaroneck
Budget Advisory Committee
FY 2022 Tentative Budget Observations and Recommendations**

March 17, 2021

Background

1. FY 2019 to FY 2022 revenue and expense data based on Budget Preparation Reports was shared by the Clerk-Treasurer with the Budget Committee. These observations and recommendations are based on the tables at the end of this document and FY 2022 budget workshop meetings to-date.
2. Further review of the budget by the Board of Trustees and the Budget Advisory Committee remains to be done. But at this time data for FY 2022 show a significant increase in revenue and a much lower expense increase. **The Tentative FY 2022 budget assumes a stronger economy and return to normalcy by June:**

	FY 2022 Tentative	% Change 2019-2022	% Change 2021-2022
Revenue	\$39,278,833	8.4%	6.2%
Expenses	39,239,977	9.3%	1,3%
Net Results	\$38,856		

3. Property Taxes and Sales Tax account for 77% of total Revenue, at \$26 million and nearly \$4 million for property taxes and the sales tax, respectively
4. Property tax revenue has increased \$1.1 million, or 4%, in the three years since FY 2019. Non-property tax revenue sources have increased \$1.3 million, or 12%, over the same period, helping to limit property tax increases to less than the 2% cap.
5. Expenses are expected to increase in the final budget and Department Heads have reduced certain non-salary expenses by 10% to limit the increase in expenses. However, employee compensation and benefits account for 72% of total expenses, and additional personnel costs have yet to be included in the budget.
6. The Board of Trustees face important decisions for the new budget but, just as important, there are significant longer term revenue, expense and capital investment challenges that must be discussed at this time. ¹

Observations on FY 2022 Tentative Budget

¹ The Committee recommended to the Board of Trustees on January 26th and again on March 8th that the Village prepare a 3 to 5-year financial plan. The Committee recognizes such a plan cannot be prepared at this time but strongly recommends preparing such a plan begin in June, prior to preparation of the FY 2022-23 budget.

1. **American Rescue Plan Act**—Based on the Mayor’s March 8 email, the Village is expected to receive as much as \$1 million, but the final amount is yet to be determined.
2. **Additional expenses**—The Budget does not include salary and benefits costs for a Village Attorney, Senior Office Assistant for Buildings, and the recently hired 2nd Court Clerk; and must also account for a new PBA contract, police reform and perhaps a Village Engineer.
3. **Amount of property tax increase to be determined**—Property taxes in this analysis based on the computation of tax cap compliance prepared by the Clerk-Treasurer
4. **Increases in non-property tax revenue are very aggressive, up \$1.5 million in total, or 14%, over FY 2021.** The Village may not be able to rely on growing non-property tax revenue to offset contractual personnel cost increases:
 - Sales tax revenue of nearly \$4 million high relative to prior years (except FY 2021); assumes County and Village residents will spend the same when COVID passes and not in the City or elsewhere
 - Recreation fees up substantially from prior fiscal years, \$188,000 over FY 2019 I reflecting a full slate of recreation activities and new items, such as kayak racks
 - Other significant revenue increases include property rentals, building permits, and the mortgage tax. These increases somewhat offset by a \$200,000 reduction in bail and smaller decreases in such revenue items as equipment sales.
5. **Fringe benefits expected to increase just over 10%** or just over \$1 million FY 2021 to FY 2022 to \$11.9 million. Police and civilian pensions, health benefits, FICA and Medicare taxes, Medicare reimbursement, and payments in lieu of health insurance are all up significantly. The Village has little control over these costs and they represent significant, and growing, financial obligations that risk the Village’s ability to continue to meet service expectations. The Committee suggests benefit rates of increase be reviewed by staff and if they are expected to continue. The Committee offers to assist in this review.
6. **Debt service is up 20% since FY 2019 to \$3.25 million** and there are several debt service issues²:

² The Committee recommended in its report on Capital Planning Principles and Capital Budget Evaluation Criteria discussed with the Trustees and Village Manager that the Village prepare a multi-year Capital Plan. The Village Manager and staff put a great deal of effort into preparing such a plan for FY 2021. However, the plan should be updated and adjusted based on the pandemic and other priorities, most as part of the FY 2022-23 budget process.

- FY 2022 debt service accounts for financings expected to take place next fiscal year (how much?)
- The budget assumes the \$100,000 for new police cars will be financed by the capital and not operating budget, as has been done in the recent past
- Debt service also includes water and sewer debt financed by the water rates and sewer taxes paid by Village residents and businesses.
- The Village's capital plan must be updated and the WJWW has a \$126 million five-year capital plan to be financed in part by the Village. Therefore, significant capital investments will likely be necessary in the relatively short term.

7. **Use of Reserves**—The Committee assumes, as in prior years, \$600,00 in reserves will be used to balance the budget. However, this may increase in light of additional expenses and other factors.

The following tables highlight revenues and expenses and other than property tax revenues since FY 2019.

Summary of Fiscal Year 2019 Actual to FY 2022 Tentative Budget

\$ in Thousands

General Fund	Actual 2019	Actual 2020	Adjusted 2021	Tentative 2022	Change 2019-22		% of Total
					Amount	%	
Property Tax Levy	\$ 25,254	\$ 25,861	\$ 26,203	\$ 26,364	\$ 1,110	4.4%	67.1%
Other Than Property Taxes	10,991	11,018	10,799	12,313	1,322	12.0%	31.3%
Appropriated Fund Balance	-	-	-	600	600	0.0%	1.5%
Total General Fund Revenue	\$ 36,245	\$ 36,879	\$ 37,002	\$ 39,277	\$ 3,032	8.4%	1000%
Personal Services	\$ 15,183	\$ 15,775	\$ 16,131	\$ 16,270	\$ 1,087	7.2%	41.5%
Employee Benefits	10,288	10,017	10,869	11,912	1,624	15.8%	30.4%
Contract Services & Others	7,186	6,856	7,852	6,936	(250)	-3.5%	17.7%
Debt Service	2,700	2,766	2,838	3,252	552	20.4%	8.3%
Equipment and Other	501	505	797	692	191	38.1%	1.8%
Interfund Transfers & Contingency	36	-	232	177	141	391.7%	0.5%
Total General Fund Expenses	\$ 35,894	\$ 35,919	\$ 38,719	\$ 39,239	\$ 3,345	9.3%	100%
Net Gain/Loss	\$ 351	\$ 960	\$ (1,717)	\$ 38	\$ (313)		

FY 2019 Actual to FY Tentative Budget Other Than Property Tax Revenue

\$ in Thousands

Other Revenue	Actual 2019	Actual 2020	Adjusted 2021	Tentative 2022	Change 19-22		% of Total
					Amount	%	
Other Tax Items	\$ 280	\$ 319	\$ 271	\$ 336	\$ 56	20%	2.7%
Sales Tax	3,059	3,739	3,200	3,970	911	30%	32.3%
Hotel & Utilities Gross Receipts Taxes	365	352	308	363	(2)	-1%	2.9%
Departmental Income	53	27	38	48	(5)	-9%	0.4%
Public Safety	229	315	337	267	38	17%	2.2%
Health	10	13	10	10	-	0%	0.1%
Transportation	1,283	1,167	1,116	1,308	25	2%	10.6%
Culture and Recreation	1,373	858	1,021	1,560	187	14%	12.7%
Home and community service	18	29	22	21	3	17%	0.2%
Intergovernmental charges	57	67	59	41	(16)	-28%	0.3%
Use of money and property	232	291	356	361	129	56%	2.9%
Licenses & Permits	1,023	884	908	1,027	4	0%	8.3%
Fines & Forfeitures	1,010	823	965	755	(255)	-25%	6.1%
Insurance Recoveries & Property Sales	335	268	245	303	(32)	-10%	2.5%
Miscellaneous	966	1,181	932	883	(83)	-9%	7.2%
State Aid	695	623	798	846	151	22%	6.9%
Federal Aid--Emergency Disaster Asst	-	-	-	-	-	0%	0.0%
Interfund Transfers	-	60	210	210	210	0%	1.7%
Total Other Revenue	\$ 10,988	\$ 11,016	\$ 10,796	\$ 12,309	\$ 1,321	12%	100.0%

Three revenue sources—Sales Tax, Transportation, Parks & Recreation--make up \$6.8 million, or 55.6%, of total FY 2022 Tentative Budget Other Than Property Tax Revenue. Shaded revenue sources account for \$10.3, or 84% of the \$12.3 million total.

Budget Preparation Report Parameters

Report ID:	SEWEREXP05	3 Stage Only:	Yes	Print Saved Report Description:	No
Version Code:	SEWER	Year:	2022	Print Summary Page:	No
Period:	1	To:	12		
Column 1 Stage:	REQUESTED	Column 2 Stage:	TENTATIVE		
Column 3 Stage:		Column 4 Stage:			
Variance:	Original Budget	Against:	Column 2 Stage		
Memo Date:		To:		Use Alt Fund:	No
Description:	Display	Acct Status:	Active	Exclude Revenue Brackets:	No
Summary Only:	No	Column:	None	Grand Totals on Separate Page:	No
Spacing:	Single	Prior Yr Orig Budget:	BP Adopted	Display Rank:	No
Print:	Zeroes	Print Detail: Yes	Include Accts From Version Only: Yes	Suppress Zero Accts:	Yes

Account Table: GEXP SEWER FUND EXPENDITURES

Rule No.	Component	From	To	Acct Type From	To
1	FUND	G	G	Expense	Expense

Alt. Sort Table:

Sort:	Sort	Subtotal	Page Break	Subheading
1	Fund	Yes	No	No
2	Group	Yes	No	Yes
3	Item	No	No	No

Print Display Description: No Subtotal/Page Break Expenses Only: No

VILLAGE OF MAMARONECK

Budget Preparation Report

Fiscal Year: 2022 Period From: 1 To: 12

Account Item	Description		Adopted		Adjusted		2021	2022	2022	Variance To TENTATIVE Stage
	Type	Sub	2019 Actual	2020 Actual	2021 Budget	2021 Budget	Actual Per 1-12	REQUESTED Stage	TENTATIVE Stage	
Group 1	PERSONAL SERVICES									
G.8120.0110	PERM. REGULAR PERSONNEL									
1	SEWER FOREMAN - M IANNARELLI				88,803.00			90,579.00	90,579.00	
2	SEWER MAINTENANCE WORKER (MEO)				72,092.00			75,401.00	78,865.00	
10	SEWER LABORER				0.00			0.00	61,985.00	
3	LONGEVITY M IANNARELLI				2,400.00			2,400.00	2,400.00	
50	CSEA CONTRACTUAL PER MEMBER (3@ 850)				1,700.00			1,700.00	2,550.00	
60	ASST GEN FOREMAN STIPEND				0.00			0.00	10,000.00	
			84,585.18	143,459.62	164,995.00	164,995.00	130,379.14	170,080.00	246,379.00	49.33%
G.8120.0140	OVERTIME		6,020.47	7,552.60	11,000.00	11,000.00	7,802.37	9,000.00	9,000.00	-18.18%
Total Group 1	PERSONAL SERVICES		90,605.65	151,012.22	175,995.00	175,995.00	138,181.51	179,080.00	255,379.00	45.11%
Group 2	EQUIPMENT & CAPITAL OUTLAY									
G.8120.0250	UNIFORMS									
1	UNIFORMS AS PER CSEA AGREEMENT 2 MEN				2,000.00			2,000.00	2,000.00	
			489.94	714.00	2,000.00	2,000.00	0.00	2,000.00	2,000.00	0.00%
G.8120.0260	MISCELLANEOUS EQUIPMENT									
1	HIGH PRESSURE HOSE/NOZZLES /RADIOS/ SAFETY LT.				7,500.00			4,000.00	4,000.00	
			1,173.18	1,774.77	7,500.00	10,050.00	0.00	4,000.00	4,000.00	-46.67%
Total Group 2	EQUIPMENT & CAPITAL OUTLAY		1,663.12	2,488.77	9,500.00	12,050.00	0.00	6,000.00	6,000.00	-36.84%
Group 4	CONTRACTUAL EXPENSE									
G.8120.0407	AUTOMOTIVE REPAIRS									
1	1VAN, 1JET TRUCK, 1 VAC TRUCK				8,000.00			8,000.00	8,000.00	
			7,787.90	3,318.26	8,000.00	8,000.00	4,298.57	8,000.00	8,000.00	0.00%
G.8120.0408	FUEL, OIL & LUBRICANTS		2,349.02	1,954.49	5,500.00	5,500.00	2,155.60	5,500.00	5,500.00	0.00%
G.8120.0411	MATERIALS									
1	SEWER CHEMICALS / MANHOLE COVERS/ ROOT CONTROL CHEMICALS, CATCH BASIN FRAMES AND GRATES,				12,000.00			10,000.00	10,000.00	

VILLAGE OF MAMARONECK

Budget Preparation Report

Fiscal Year: 2022 Period From: 1 To: 12

Account Item	Description	2019 Actual	2020 Actual	Adopted 2021 Budget	Adjusted 2021 Budget	2021 Actual Per 1-12	2022 REQUESTED Stage	2022 TENTATIVE Stage	Variance To TENTATIVE Stage
Group 4	CONTRACTUAL EXPENSE								
	PRECAST BASINS, MARKING PAINT, DYE VHS TAPES	8,445.23	9,928.06	12,000.00	12,000.00	1,983.69	10,000.00	10,000.00	-16.67%
G.8120.0416	UTILITIES - ELECTRIC	151.01	144.00	275.00	275.00	90.32	275.00	275.00	0.00%
G.8120.0421	CONTRACT SERVICES								
1	PUMP STATIONS CONTRACTORS			12,000.00			12,000.00	12,000.00	
10	PAYMENT TO CITY OF RYE - SEWER RENTS			12,875.00			12,875.00	12,875.00	
20	REPAIR OF SEWER			41,125.00			41,125.00	41,125.00	
60	CAMERAK & SEWER INSPECTION			0.00			0.00	48,000.00	
65	SAVE THE SOUND - ATOTRNEY FEES			0.00			0.00	20,000.00	
70	ENGINEER COSTS - ARCADIS			0.00			0.00	10,000.00	
50	REPLACE 1 PUMP AT PUMP STATION			11,875.00			11,875.00	11,875.00	
		49,819.73	9,900.74	77,875.00	77,875.00	47,358.81	77,875.00	155,875.00	100.16%
G.8120.0422	PROCESSING FEES	3,000.00	3,000.00	5,500.00	5,500.00	2,250.00	5,500.00	5,500.00	0.00%
Total Group 4	CONTRACTUAL EXPENSE	71,552.89	28,245.55	109,150.00	109,150.00	58,136.99	107,150.00	185,150.00	69.63%
Group 6	PRINCIPAL ON INDEBTEDNESS								
G.9710.0600	SERIAL BOND PRINCIPAL								
30	2016 SERIAL BONDS			128,850.00			130,206.00	130,206.00	
40	2017 SERIAL BONDS			20,000.00			20,000.00	20,000.00	
50	2019 SERIAL BONDS			24,226.00			27,205.00	27,205.00	
60	2020 B SERIAL BONDS			0.00			32,500.00	32,500.00	
70	2021 SERIAL BONDS			0.00			0.00	12,406.00	
		242,963.93	179,214.00	173,076.00	173,076.00	213,231.14	209,911.00	222,317.00	28.45%
G.9730.0600	PRINCIPAL								
1	BAN-PRINCIPAL			34,330.00			0.00	0.00	
		0.00	4,262.00	34,330.00	34,330.00	0.00	0.00	0.00	-100.00%
Total Group 6	PRINCIPAL ON INDEBTEDNESS	242,963.93	183,476.00	207,406.00	207,406.00	213,231.14	209,911.00	222,317.00	7.19%
Group 7	INTEREST ON INDEBTEDNESS								
G.9710.0700	INTEREST								
1	2008 SERIAL BONDS			0.00			0.00	0.00	

VILLAGE OF MAMARONECK

Budget Preparation Report

Fiscal Year: 2022 Period From: 1 To: 12

Account Item	Description	2019 Actual	2020 Actual	Adopted 2021 Budget	Adjusted 2021 Budget	2021 Actual Per 1-12	2022 REQUESTED Stage	2022 TENTATIVE Stage	Variance To TENTATIVE Stage
Group 7	INTEREST ON INDEBTEDNESS								
10	2009 SERIAL BONDS			0.00			0.00	0.00	
20	2010 SERIAL BONDS			0.00			0.00	0.00	
30	2016 SERIAL BONDS			53,097.00			50,506.00	50,506.00	
40	2017 SERIAL BONDS			5,060.00			4,461.00	4,461.00	
50	2019 SERIAL BONDS			14,743.00			13,456.00	13,456.00	
60	2020 B SERIAL BONDS			0.00			32,932.00	32,932.00	
70	2021 SERIAL BONDS			0.00			0.00	5,768.00	
		83,540.29	73,185.17	72,900.00	72,900.00	97,331.83	101,355.00	107,123.00	46.95%
G.9730.0700	INTEREST	4,830.66	16,412.28	27,382.00	27,382.00	0.00	0.00	0.00	-100.00%
Total Group 7	INTEREST ON INDEBTEDNESS	88,370.95	89,597.45	100,282.00	100,282.00	97,331.83	101,355.00	107,123.00	6.82%
Total Fund G	SEWER FUND	495,156.54	454,819.99	602,333.00	604,883.00	506,881.47	603,496.00	775,969.00	28.83%
Grand Total		495,156.54	454,819.99	602,333.00	604,883.00	506,881.47	603,496.00	775,969.00	28.83%

NOTE: One or more accounts may not be printed due to Account Table restrictions.

Budget Preparation Report Parameters

Report ID:	WATR EXP14	3 Stage Only:	Yes	Print Saved Report Description:	No
Version Code:	WATER	Year:	2022	Print Summary Page:	No
Period:	1	To:	12		
Column 1 Stage:	REQUESTED	Column 2 Stage:	TENTATIVE		
Column 3 Stage:		Column 4 Stage:			
Variance:	Original Budget	Against:	Column 2 Stage		
Memo Date:		To:		Use Alt Fund:	No
Description:	Display	Acct Status:	Active	Exclude Revenue Brackets:	No
Summary Only:	No	Column:	None	Grand Totals on Separate Page:	No
Spacing:	Single	Prior Yr Orig Budget:	BP Adopted	Display Rank:	No
Print:	Zeroes	Print Detail: Yes	Include Accts From Version Only: Yes	Suppress Zero Accts:	Yes

Account Table: FEXP WATER FUND EXPENDITURES

Rule No.	Component	From	To	Acct Type From	To
1	FUND	F	F	Expense	Expense

Alt. Sort Table:

Sort:	Sort	Subtotal	Page Break	Subheading
1	Fund	Yes	No	No
2	Dept	No	No	No
3	Expdiv	Yes	No	Yes
4	Item	No	No	No

Print Display Description: No

Subtotal/Page Break Expenses Only: No

VILLAGE OF MAMARONECK

Budget Preparation Report

Fiscal Year: 2022 Period From: 1 To: 12

Account Item	Description	2019 Actual	2020 Actual	Adopted 2021 Budget	Adjusted 2021 Budget	2021 Actual Per 1-12	2022 REQUESTED Stage	2022 TENTATIVE Stage	Variance To TENTATIVE Stage
Expdiv 008000	HOME & COMMUNITY SERVICES								
F.8340.0428	HYDRANT RENTALS								
10	QUARTERLY HYDRANT RENTAL CHARGE			75,000.00			75,000.00	75,000.00	
		63,433.32	70,019.29	75,000.00	75,000.00	68,000.00	75,000.00	75,000.00	0.00%
Total Expdiv 008000	HOME & COMMUNITY SERVICES	63,433.32	70,019.29	75,000.00	75,000.00	68,000.00	75,000.00	75,000.00	0.00%
Expdiv 009700	DEBT SERVICE								
F.9710.0600	SERIAL BOND PRINCIPAL								
3	WATER DISTRIBUTION SYSTEM SERIAL BONDS 2016			48,909.00			49,425.00	49,425.00	
4	WATER DISTRIBUTION SYSTEM SERIAL BONDS 2019			198,187.00			222,561.00	222,561.00	
5	WATER DISTRIBUTION SERIES 2020 B			0.00			82,500.00	82,500.00	
		555,029.07	279,979.00	247,096.00	247,096.00	342,223.00	354,486.00	354,486.00	43.46%
F.9710.0700	INTEREST								
3	WATER DISTRIBUTION SYSTEM 2016 SERIAL BONDS			20,154.00			19,172.00	19,172.00	
4	WATER DISTRIBUTION SYSTEM SERIAL BONDS 2019			120,603.00			110,084.00	110,084.00	
5	WATER DISTRIBUTION SERIES 2020 B			0.00			83,594.00	83,594.00	
		162,337.72	117,721.91	140,757.00	140,757.00	209,581.97	212,850.00	212,850.00	51.22%
Total Expdiv 009700	DEBT SERVICE	717,366.79	397,700.91	387,853.00	387,853.00	551,804.97	567,336.00	567,336.00	46.28%
Expdiv 009700	DEBT SERVICE								
F.9730.0600	PRINCIPAL								
1	BAN PRINCIPAL			93,274.00			0.00	0.00	
		0.00	0.00	93,274.00	93,274.00	0.00	0.00	0.00	-100.00%
F.9730.0700	INTEREST								
1	BAN INTEREST			69,506.00			0.00	0.00	
		0.00	33,333.86	69,506.00	69,506.00	0.00	0.00	0.00	-100.00%
Total Expdiv 009700	DEBT SERVICE	0.00	33,333.86	162,780.00	162,780.00	0.00	0.00	0.00	-100.00%
Expdiv 009000	UNDISTRIBUTED								
F.9950.0900	TRANSFER - GENERAL FUND	0.00	0.00	50,000.00	50,000.00	50,000.00	0.00	0.00	-100.00%

VILLAGE OF MAMARONECK

Budget Preparation Report

Fiscal Year: 2022 Period From: 1 To: 12

Account Item	Description	2019 Actual	2020 Actual	Adopted 2021 Budget	Adjusted 2021 Budget	2021 Actual Per 1-12	2022 REQUESTED Stage	2022 TENTATIVE Stage	Variance To TENTATIVE Stage
Type Sub									
Expdiv 009000	UNDISTRIBUTED								
Total Expdiv 009000	UNDISTRIBUTED	0.00	0.00	50,000.00	50,000.00	50,000.00	0.00	0.00	-100.00%
Total Fund F	WATER FUND	780,800.11	501,054.06	675,633.00	675,633.00	669,804.97	642,336.00	642,336.00	-4.93%
Grand Total		780,800.11	501,054.06	675,633.00	675,633.00	669,804.97	642,336.00	642,336.00	-4.93%

NOTE: One or more accounts may not be printed due to Account Table restrictions.