

**To: Mayor Dan Hochvert and Members of the Village Board of Trustees**

**From: The League of Women Voters of Scarsdale**

**Re: 2018-2019 Tentative Village Budget**

**Date: April 24, 2018**

The League of Women Voters of Scarsdale (the "League") held a membership meeting on Monday, March 26, 2018 to evaluate the 2018-2019 Tentative Village Budget (the "Budget"). We thank Village Manager Steve Pappalardo, Village Treasurer Mary Lou McClure, Mayor Dan Hochvert and Trustee and Liaison to the League Deb Pekarek for attending the meeting and addressing our questions relating to the budget, as well as potential issues going forward. The League supports the Budget of \$56,574,713, representing a year-to-year increase of 1.921% or \$754,921. We commend the Village staff, Mayor Dan Hochvert, the Board of Trustees (the "Board") and its Finance Committee for again conducting a budget development process that was accessible to all residents, fully transparent and clearly presented. We also commend them for their nimble and responsive actions in allowing Scarsdale taxpayers to prepay the Village portion of their property taxes in light of the uncertainty caused by recent changes to the federal tax law affecting the deductibility of local property taxes. Finally, the League commends the Village Board and Staff for continued careful planning and prudent financial practices that allows the Village to maintain -- and in some cases, improve -- the services that are important to the community while keeping tax increases well below the state-imposed tax cap, especially in light of recent federal tax law changes. That being said, the relatively low tax increase in the proposed budget is the result, in large part, of deferring spending on some projects. While we understand and appreciate the Board's sensitivity to keeping tax increases low, we encourage the Board to work with the community to develop a new comprehensive plan and begin to build up resources in order to invest in enhancements to the Village.

### **1. Property Tax Levy**

The proposed property tax levy increase is 1.921%, or \$754,921, which corresponds to a tax rate increase of approximately \$128 for a Village homeowner with an average assessed property value of \$1,499,000. This homeowner would pay roughly \$6,773 in Village taxes in 2018-2019, representing approximately 18.19% of the homeowner's total property tax bill. We note that the proposed Budget is well below the New York State property tax levy cap, representing a year-to-year increase of only 0.25%. We commend you for not using the tax cap as a guiding principle for the Budget. We do appreciate the restrictive nature of the state's tax cap calculation for the Village. We understand that reforms to the current state property tax levy law are a "tough sell" in

Albany. However, the League encourages the Village to continue to advocate for changes to the law that would benefit municipalities. Reasonable reforms to the current law would include: calculating the tax levy limit based on a fixed 2% cap, as opposed to a fluctuating measure of inflation, so that municipalities can budget and plan from year-to-year and into the future; allowing the same exemptions for debt service and capital expenditures as currently allowed for school districts; and including an exemption for any increases in employee health care and other mandated costs in excess of 2%. The League also recommends that the Village engage the community in Village advocacy by giving residents relevant information and specific action items for lobbying to the State government.

## **2. General Fund Balance**

The League supports the rationale provided for the proposed budget's \$190,000 increase in the use of fund balance. Specifically, the following factors were considered in determining next year's fund balance: maintenance of adequate reserves to deal with unplanned emergencies; maintenance of fund balance within 10-15% of prior year's budget; and mitigation of tax increases. We commend the Village for its successful strategy that has maintained our Aaa bond rating, specifically by using some of our surplus for capital improvements. However, this tight budgeting may be at the expense of longer range investments in Village services and facilities desired by the community. We would encourage the village to allocate some of the surplus or increase borrowing for this purpose before borrowing rates go up. This also suggests a need for an updated comprehensive plan that incorporates a longer range view of needs and goals of the community in order to ascertain community priorities from a more holistic perspective, recognizing that the comprehensive plan has not been updated since 1994.

## **3. Capital Projects**

The League supports the funding of capital projects in the amount of \$11,145,025, a 58% increase in capital expenditures compared to last year's budget. We commend the Village for addressing many capital projects that have been deferred in the past. However, we are concerned that some important projects continue to be deferred, most notably, improvements to Village Hall, as well as some infrastructure projects. Also, we note that the proposed capital budget includes many projects that will not be undertaken unless grants are obtained. The League supports the Village's ongoing efforts and effectiveness in obtaining grants as a source of funding. However we recognize that grants are not a reliable source of funding, and that available grants frequently do not align with our Village's capital project priorities. We also support the Village's approach to prioritization with those projects that must be addressed for safety reasons at the top of the list, followed by less pressing, but nonetheless needed projects, and then "wanted" projects at the bottom, including those that improve community aesthetics. We recognize that each year for the last decade the Village Board and Administration have made difficult decisions to strike a balance between responsibly addressing capital needs and keeping tax increases at manageable levels for Scarsdale taxpayers. We further recognize that in each budget year, the choice of projects is the result of many

considerations, including state mandates, operational necessity to maintain core services, and operational efficiency. More importantly, we appreciate the Village's tactical management of capital spending but have some concern with the lack of a longer term comprehensive strategy and would encourage gathering community input into a long range vision for the Village, ideally, as stated previously, in the development of a new comprehensive plan.

The League notes that water rates have been increasing steadily for several years and will continue to rise in the near future, to cover capital projects associated with our water supply and litigation costs. While these capital projects are of paramount importance, we encourage the Village to undertake these increases with much thought and analysis, as they contribute materially to the cost of living in Scarsdale.

#### **4. Road Repair**

The League commends the Village for its ongoing efforts to hold Con Edison accountable for performing and paying for "curb-to-curb" road repairs following Con Edison's gas line work and for effectively managing such efforts. The League also thanks the Village for continuing to apply pressure on NYS and for securing funding for the repaving of Post Road/Rte 22. The League encourages the Village to continue similar ongoing efforts relating to Weaver Street/Rte 125.

The League supports this year's updating of the pavement management study and subsurface investigation as a means of prioritizing future road repair work.

The League stands by its previously expressed position, in agreement with the Village Board and Administration, that bonding is not a fiscally prudent or responsible manner of financing road repair. The League is pleased that the Village has continued to apply for grants and has continued to apply budget surplus to increase the Village's annual expenditures on road repair expenditures.

#### **5. Staffing**

The proposed level of Village staffing has not changed since 2006, and is approximately 10 FTEs lower than the level 30 years ago. The League recognizes and commends the Village for maintaining the current level and quality of village services. However, we are concerned about the long-term viability of current levels of staffing, given the increasing need for individual staff members to perform multiple tasks and the increasing complexity of many of the Village staff responsibilities. Scarsdale, unlike many other municipalities, has a dedicated Capital Projects Manager, without whom the Village would be unable to efficiently and effectively address the annual list of capital projects. However, there are other areas for which the Village should but does not have designated managers, such as communications and environmental sustainability. In addition, the Village needs to hire staff to fairly, effectively and universally enforce our Village code. This will avoid selective enforcement, neighbor-to-neighbor enforcement, and may likely result in increased fee revenue to the Village, which should be able to

justify the additional staffing cost. The League recommends that the Village consider and plan for additional managerial staff for these and other critical areas in the near future. We commend the Village on its continued commitment to quality professional development. We reiterate our previously expressed concern about the Village's ability to continue to attract and retain quality staff and departmental leadership in a competitive environment. We are particularly concerned given the fact that many current department heads are approaching retirement age and that younger hires are subject to higher state-mandated pension contribution rates that, together with rising health care contributions, negatively affect their overall compensation.

## **6. Village Center, Development, Historic Preservation, Recreation**

We commend the Village's current and proposed studies, most notably, the studies of Freightway, the recreation department, and the assessor's office. We recognize the potential Village enhancements and revenues resulting from these initiatives. We are concerned, however, that a new Village Comprehensive Plan is long overdue. A comprehensive plan would give the community a formal opportunity to consider the full range of choices (historic preservation, commercial development, recreation, etc.) and articulate priorities in context. With fully assessed community priorities, Village leaders would have the guidelines to act with confidence in their budgeting decisions. Also, this process would promote the long-range thinking necessary to build resources to move beyond maintaining services at the current level and move our Village forward in providing excellent services for the 21st century.

## **7. Sanitation and Sustainability Initiatives**

The League commends the Village for its emphasis on sustainability initiatives. Although the League supports the Village's use of advisory councils, focus groups and public forums to solicit community input, the Board ultimately can and should retain full authority and responsibility for properly vetting any proposals and for conducting its own full assessment, including a thorough cost-benefit analysis.

The League supports the proposal to install LED street lights in the high traffic roads as well as the plan to phase in additional street light replacement over the course of the following years. The League questions the Board's delay thus far in implementing the street light proposal, particularly in light of the electrical savings that could have accrued to this point had the proposal been acted on expeditiously.

The League thanks the Board for listening and responding to community feedback concerning the CAC's proposals for changes to the existing sanitation services, and for exercising independent judgment on whether to supplant rear yard with front curb collection of commingled recyclables. The League urges the Board to undertake its own thorough cost-benefit analysis of the forthcoming pilot for curbside collection of food waste, including its overall impact on the sanitation budget as a whole. As reported during the information session, the monetary costs associated with collecting segregated food waste and hauling them significant distances for recycling into compost

is more than double the cost of commingling food waste with regular garbage. If participation in the food scrap recycling program increases as the result of curbside collection, the overall sanitation costs will likewise increase incrementally. Those monetary costs and the carbon footprint of hauling food scraps farther than regular waste need to be analyzed and the environmental benefits of such forms of disposal quantified. The League looks forward to seeing a detailed and impartial analysis by the Board itself as to whether the program itself increases or decreases the Village's total carbon footprint, and whether the program serves to measurably reduce the total Village waste.

## **8. Budget Process**

The League again commends the Village staff members for their transparent and clear explanations, their careful planning, and their accessibility to answer questions. The League also commends the Board for videotaping two of the six budget meetings and encourages the Board to record more of its public deliberations for the benefit of residents unable to attend such meetings in person.

In conclusion, we thank you for the invaluable assistance and cooperation that was extended to us in our study of the proposed budget. We applaud the professionalism and dedication with which the Village Manager, Deputy Village Manager, Village Treasurer, Mayor and Trustees developed the 2018 - 2019 Tentative Budget. Thank you for considering our comments.

Sincerely,

Janice Starr  
LWWS Co-President/Village Budget Chair

Linda Doucette-Ashman  
LWWS Co-President