

MINUTES OF A REGULAR MEETING OF  
THE BUDGET COMMITTEE OF THE VILLAGE OF MAMARONECK  
APRIL 15, 2013 AT 7:30PM AT VILLAGE OFFICES AT THE REGATTA

**PRESENT**

Chair	Dan Margoshes	
Members	Doug Dunaway	Myron Tannenbaum
	Manny Enes	Dan Karson

**NOT PRESENT**

Board Liaison	Andres Bermudez-Hallstrom	
Members	Rose Silvestro	Jeffrey Rubin

**DISCUSSION**

1. Minutes of the February 13, 2013 were approved as amended.
2. **Budget Committee/Guidance from Board of Trustees** – Mr. Margoshes reviewed the April 1 Trustee Work Session at which the work of the budget committee was discussed, including discussion of participation in departmental budget meetings. The 1990 budget committee resolution was distributed and discussed for background.
  - a. Mr. Margoshes discussed the committee's desire to:
    - i. actively participate in budget meetings and
    - ii. gain a deeper understanding of financial issues affecting village departments.
  - b. On the first point, the Mayor and trustees agreed that limited participation in departmental meetings would be welcome, but asked that we limit ourselves to a few questions in the interests of time.
  - c. On the second point, Mr Margoshes offered an example of what the committee hoped to achieve by reviewing the committee's meeting with the Harbor Master last year and the opportunity to explore capital investments and revenue growth at the village docks.
  - d. The trustees agreed and the Mayor directed the Village Manager to work with the committee to develop a plan to meet with department heads at the conclusion of the budget process. In this regard, it was agreed that the committee should follow up with Mr. Slingerland after our April meeting.
3. **2013/14 Budget** – Mr Margoshes shared observations from recent departmental budget meetings. Generally, the operating budgets for each department were status quo - no significant investment or operational changes.
  - a. It was noted that the fire department's budgeted spending had declined significantly over the past several years, due mainly to a better capital planning so that capital repairs and replacement were removed from the operating budget.
  - b. The police department noted that performance metrics would be more readily available with the implementation of new computer systems.
  - c. Certain projects were discussed as potential areas of deeper analysis by the budget committee – for example, purchase of specialized dredging equipment rather than contracting for services. In this particular case however, the committee agreed that operational risks would outweigh the potentially modest financial benefits.
4. **Sportime** – The committee discussed a recent proposal from Sportime that included a request that the village obtain municipal financing to complete expansion and redevelopment of the indoor

facilities. Under the proposal, Sportime would pay all of the debt service in addition to their license fee, along with a premium for use of the Village's credit. The committee reviewed the limited financial information included in their presentation and made the following observations:

- a. The committee has serious reservations about using municipal financing for commercial projects, but agreed that there could be circumstances under which this could be achieved.
- b. The committee noted most of the financial benefit of using municipal financing (in the form of lower interest rates and thus debt service) should accrue to the village and not Sportime. In this regard, it was agreed that the proposed premium was unsatisfactory.
- c. The committee expressed concerns about default risk and whether appropriate assurances could be obtained from Sportime. It was noted that Sportime's partnership structure would not lend itself to usual loan covenants such as adequate collateral and/or corporate guarantees, and thus alternatives would have to be explored.
- d. The committee expressed concerns about the magnitude of the proposed loan, and the impact on the Village's credit rating and future borrowing capacity. Existing debt and the capital budget were discussed, along with potential major capital items not currently captured in the budget.

#### **ADJOURNMENT**

With no further matters before the committee, on motion duly made and seconded, the meeting was adjourned at 8:45 PM.

Prepared by: Dan Margoshes  
Chair

Approved: May 20, 2013