

Minutes of the Meeting of the Budget Committee – Village of Mamaroneck

May 20, 2014

In Attendance: Dan Margoshes, Chair; Manny Enes, Dan Karson, Stephanie Lividini
Ex Officio: Andres Bermudez

The meeting was called to order at 7:35 PM.

1. Minutes of the Meeting of April 29, 2014. The minutes of the meeting of April 29, 2014 were approved after amendment.
2. Village Pension Liabilities. Mr. Margoshes discussed a resolution introduced at the village board by Trustee Leon Potok (referenced in the email reprinted below). The resolution proposed by Trustee Potok would seek home rule legislation allowing the Village to set up a trust fund to receive contributions in order to offset liabilities incurred for retiree medical benefits for active employees; contributions would be at the discretion of the Board of Trustees, and trust fund assets would be managed by the State Controller's office. Mr. Karson asked that before the Budget Committee takes any action, that we hear a more formal presentation on the facts and the liabilities involved.

From: Margoshes, Dan [mailto:dan.margoshes@verizon.net]

Sent: Tuesday, May 20, 2014 4:49 PM

To: Jeff Rubin; Douglas C. Dunaway; Manny Enes; Stefanie Lividini; Steven Koller; Karson, Dan

Cc: Andres Bermudez; Leon Potok

Subject: Village retiree medical benefits

Those of you who were on the budget committee several years ago will recall a set of recommendations that the committee issued regarding village financial planning and reporting. Among the recommendations was that the village recognize the expense of retiree health obligations that are earned each year but not paid until village employees retire. Currently these future obligations are not funded and we pay out benefits as expenses are incurred. Effectively, this means future taxpayers bear the burden of today's personnel costs.

The pension system is similar future obligations, but the village makes current payments into the NY State pension plan for future obligations so that future tax-payers do not bear the cost of retirees.

Currently, there is no similar mechanism to fund medical obligations, but Leon Potok has put forward the attached resolution for consideration that would ask the state to either allow the village to fund a retiree medical account or to have the state establish one. Note that he has included correspondence from our state legislators as well.

I look forward to discussing this at tonight's meeting.

Mr. Margoshes said that the pension expenses are now "baked into" the annual budget. \$66.8 million is the projected future benefit for medical expenses for past, current and future employees. Mr. Margoshes said that he would ask Mr. Fusco to attend the next committee meeting to review the subject, and also to inquire of him as to how other municipalities are dealing with this.

3. Village Hall Repairs. Mr. Bermudez said that repairs to the Village Hall were being done. An annex is being added to the police department section. Mr. Enes asked why the work was being done if the building might be replaced. Mr. Bermudez said that the building still required repairs and that the repairs would make the building marketable if it were sold. He said that the HVAC repairs will make it unnecessary to use the windows air conditioners, and that some offers to purchase have been considered. The offers included plans to convert the building to other uses, including use by the village.

Mr. Bermudez further stated that the building needs an elevator. In the police station, prisoners have to be walked through public areas. Mr. Margoshes asked Mr. Bermudez about the estimated time for this work to be done. Mr. Bermudez said that this was under discussion and that he did not have answers right now. Mr. Margoshes mentioned that the village had projects in planning for the harbor wall, the Army Corps project (for flood control), recreation fields work and flood issues. Mr. Bermudez mentioned that there also was the

situation involving the collapse of the village building in Harbor Island Park. He said that there would be federal government Hurricane Sandy money Sandy that would reimburse the village for the park building.

4. Parking Study. Mr. Margoshes said that Mr. Slingerland had provided the committee today with a copy of the parking study. Mr. Margoshes suggested that the committee read the study and discuss it at the next committee meeting.

5. Next Projects for the Committee. Mr. Margoshes raised the subject of next projects worthy of attention by the Committee. He suggested:

A. Developing a long term financial plan for the village. What will the revenue and expenses look like in the future? There should be some capacity in next few years with the village bonds being retired. The School District did this.

B. What will the capital needs be in the village, such as the purchase of major equipment and space planning? This is a big undertaking for the village's old buildings.

Ms. Lividini said that the committee has talked a lot about the problems caused by water. The village has been hit hard 3 times in the last 7 years. She asked if there was "light at the end of the tunnel" after the big projects that were undertaken. Mr. Bermudez said that the village will repair 10% of the sewers every year to help with flooding and manhole seepage. Further, he said that the village was working with contractor Arcadia to find illegal sewer hook-ups, and that this would help with the flooding problem, as will the Army Corps project. All the Westchester water drains to Mamaroneck and Mamaroneck is bordered against the ocean.

Ms. Lividini said that she wished to have more information on the building projects. Mr. Margoshes asked if the village intended to bond any of the projects. Mr. Bermudez replied that the village can bond some of the projects at a later stage.

6. Tax Certiorari. Mr Bermudez stated that the village will adopt the tax rolls of the Town of Mamaroneck and the Town of Rye and that there would no longer be a village assessment office. Tax grievances now will go to the Town. The cost to the village for defense of tax cert. cases was \$780,000 for the 2012-2013 tax year. The village will save money on certiorari costs, but not on assessments. The measure passed by a 4-0 vote of the trustees.

7. Curbside Garbage Pickup. Ms. Lividini asked if there had been any agreement on requiring curbside pickup of garbage. Mr. Bermudez said that there had not. Mr. Karson suggested that the village offer to buy wheeled trash carriers for residents to facilitate curbside deposit and exempt senior and disabled residents from curbside requirements.

8. Union Contract. Mr. Bermudez reported that the CSEA membership voted to roll over their contract. This would apply to all employees except managers and police. He stated that this would be a good financial savings for the village. Mr. Bermudez also reported that the PBA contract had been approved.

The meeting was adjourned at 8:30 PM.

Dan Karson
Secretary