

MAYOR MARVIN'S COLUMN

I had the opportunity to speak at the recent Bronxville School Board meeting and the following were my comments from that evening.

School Board President Richard Rugani urged Villagers to reach out to the School Board members to share opinions as they enter a very challenging budget process. I, too, welcome your input on the Village budget because hard decisions must be made on both sides of Midland Avenue.

Thank you for this opportunity to speak with you and as a resident thank you for all you do for our Village. It is very much appreciated.

I am here tonight in my role as Village Mayor to speak to you on two subjects. First to update you on the finances and economic health of Village government and then I have been asked to speak on behalf of many Village residents to add their voices to the discussion as you continue the budget process.

First to Village finances. Our situation is unfortunately even more challenging than last year. Of the \$13.4 million needed to operate the Village, \$7.7 million is derived from property taxes with \$5.7 million or over 42% derived from other non-property tax revenue sources so our budget is significantly impacted by the health of the economy.

Unfortunately, our income from mortgage tax, sales tax, building permits, investment income, parking tickets, parking meters is down in the hundreds of thousands of dollars compared to the recent past.

In addition, our contribution to the State Pension Fund - to make it whole again as required by law due to its significant losses last year - is \$164,000 translating into two tax points on this one line item alone.

Last year in order to reach a 0% property tax increase, we actually had to cut spending by 3.5% which necessitated layoffs, leaving positions unfilled and curtailing services.

We also found savings by re-bidding our general insurance package, our telephone services, cleaning services, and legal services. We also achieved savings by doing more joint purchasing with our neighbors in Eastchester and Tuckahoe.

For this year's budget, we are reviewing our employee healthcare provider and will most likely change carriers to achieve some savings. We are also re-bidding all of our IT and computer service contracts to hopefully trim operating costs.

Beyond this, we have little room to maneuver. Our Department of Public Works and Police Department continue to operate with unfilled and

unfunded positions and our administrative staff is bare bones because of layoffs in the administrative area.

On a positive note, we have achieved some significant savings that will help our long term economic health though not so much impact the upcoming budget.

We have reached agreement with most of our employees to contribute 15% of their healthcare costs while active employees and in retirement our police, teamsters and non-union staff all must contribute up to 35% to their healthcare costs and 50% for their spouses healthcare.

Also, we have made a commitment to keep all of our salary levels in the very moderate range for Westchester County. For example, our Treasurer or Chief Financial Officer, an 18 year senior employee of the Village who earns \$144,000.00, I believe the second highest paid individual on our staff.

Also, thanks to what is a three pronged approach in attacking certioraris, we are in much better stead than our County neighbors save for Pelham and Rye who also conducted recent revaluations.

Our approach to certioraris is

1. keep values as current and defensible as possible,
2. aggressively negotiate any settlements, and
3. litigate where we have the best chances so we do not have a reputation as a community that settles easily.

Our budget process, like yours is on-going and we will continue to look for savings in this most challenging of years.

In a similar vein, I have been asked to speak on behalf of many of our residents who reach out to me at Village Hall. My comments will be a distillation of their comments.

I must preface by saying that I am not one to get excited but based on my recent exchanges with a good cross section of residents - many, not a few - are at a real cross roads as to whether they can afford to live in our community anymore. So, I am sounding the alarm on their behalf. Many residents are simply waiting for the housing market to rebound before departing. I decided to personally accept the tax payments at Village Hall in the final days when they came due this past December and the constant refrain was "Mayor, this is my last one, we cannot do this anymore" and "We are so sad because we do not want to leave the home and Village we love." Their departure will only further exacerbate the tax burden.

I give you an example - many of our empty nesters live in multi-bedroom homes they will be forced to sell because the tax burden of say \$45,000 a year is most probably too much – and makes no economic sense. They will not be selling to empty nesters, but families with two and three children who at approximately \$25,000 per year per child to educate makes that house have quite a different tax result for our Village.

In essence, we need a percentage of our homes occupied by empty nesters to keep taxes in some kind of balance and many residents believe they have reached the tipping point.

Just as importantly is what this shift will do to the character of the Village. What makes our Village so special is the variety of ages and life situations of our residents and it would be a huge loss and real change in the fabric of our Village if we lost this intergenerational mix. It is to no one's best interest that they leave.

It is a fact that many more of our non-school families are moving out than in past years and we cannot become a community where you move in at age 30 and depart at age 55 and remain the special community we are today. So many of our older residents are the backbone of our organizations, be it on Village Boards, Hospital and Hospice volunteers, the Beautification Committee or the Historical Conservancy to name just a few.

But for many residents, the current tax burden imposed upon them is unsustainable. To put it in context, there are only 2,316 households or taxable entities to shoulder the burden. Many are frustrated and some are angry. The following is a quote from a very distinguished and long time resident of the community which is quite representative of the messages I am receiving. I quote, "Although Bronxville residents are well known for their composure in the face of adversity, I believe we have a serious tax revolt brewing in our community."

The effect of high taxes also has a negative ripple effect on our business district. Even in spite of some savings garnered through the non-Homestead designation, our commercial taxes per square foot are right at the top for Westchester County making the stores even harder to rent, and as is proven, a distressed or partially empty commercial district further decreases the value of our residential real estate.

Speaking now for myself as Mayor, it is also not healthy or sustainable long term to have a Village tax split where only 17¢ on the dollar goes to maintaining the public safety, public works, ambience and quality of life for those who live, work and shop in the Village. Our 17% - 83% Village tax split is the most skewed in Westchester County.

Many of our residents are now asking all of us in the public trust to reach our same goals in a less costly way to respond to the new economic reality that they are living daily.

To distill their message, a significant portion of our Villagers can literally no longer afford to live in the highest taxed community in the highest taxed County in the Nation.