

THREE THOUSAND TWO HUNDRED FIFTY-SECOND**REGULAR MEETING**

Rutherford Hall
 Village Hall
 March 22, 2016

A Regular Meeting of the Board of Trustees of the Village of Scarsdale was held in the Rutherford Hall in Village Hall on Tuesday, March 22, 2016 at 8:30 P.M.

Present were Mayor Mark, Trustees Callaghan, Finger, Lee, Pekarek, Samwick, and Stern. Also present were Village Manager Pappalardo, Deputy Village Manager Cole, Assistant Village Manager Richards, Village Attorney Esannason, Deputy Village Attorney Garrison, Village Treasurer McClure, and Assistant to the Village Manager Ringel.

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The minutes of the Board of Trustees Regular Meeting of Tuesday, March 8, 2016 were approved as amended on a motion entered by Trustee Pekarek, seconded by Trustee Lee, and carried unanimously.

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Bills & Payroll

Trustee Stern reported that he had audited the Abstract of Claims dated March 22, 2016 in the amount of \$1,470,727.87 which includes \$54,752.91 in Library Claims previously audited by a Trustee of the Library Board which were found to be in order and he moved that such payment be ratified.

Upon motion duly made by Trustee Stern and seconded by Trustee Lee, the following resolution was adopted unanimously:

RESOLVED, that the Abstract of Claims dated March 22, 2016 in the amount of \$1,470,727.87 is hereby approved.

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Mayor Mark stated the Board has just come from a wonderful dinner in which they thanked Trustee Lee for his four years of fine and dedicated service to the Board. This is his last meeting as his second term is drawing to a close. Before the Board turns to the business of the meeting, he would like the public to hear this Board's thoughts about Trustee Lee and for him to hear them as well.

Mayor Mark called on the Trustees for their remarks.

Trustee Callaghan stated that he has found Trustee Lee to have a lawyer's gift and that is the ability to get to the point of the matter and very quickly; both vocally and in writing. He stated that he has been on the minority end ready to write the minority opinion on several occasions and Trustee Lee, early on advised both he and Carl that there are no surprises and a full consensus of the entire Board is needed. Trustee Callaghan cited a book entitled "Seven Steps of Efficient People" that sold over 220 million copies and the last part of that book has to do with consensus building, not around one person, but around many people. He thanked Trustee Lee very much for that.

Trustee Finger agreed with Trustee Callaghan's comments and stated that he wanted to personally thank Trustee Lee for taking an interest in facilitating his participation on the Board in the sense of initially spending the time to show him the ropes. People probably don't really get a full sense of how the Board functions just by watching on television. It was much appreciated and really helped him to hit the ground running. During the course of the year, he has found many times that Trustee Lee's comments were mind altering in a good way to assist him to either see the other side of something more clearly or to see things from a perspective that he hadn't thought of and often times regret that he had spoken before him. That will certainly be missed, is greatly appreciated and he hopes that Trustee Lee will continue to alert the Board to the side of an issue that they may not be seeing even when he is off the Board. He thanked Trustee Lee for an instructive year.

Trustee Pekarek stated "with a little twinkle in his eye and the ability to see clearly all sides of an issue in a complex, thoughtful manner, David then weighs each idea to discern the most compelling and essential resolution to the issue at hand, clearly and articulately.

He has approached all responsibilities as a Trustee with a generosity of spirit, an enormous capacity to think deeply and truly listen attentively, to ask questions that get to the heart of the matter. He teases out the nuances that contribute essential ideas that aid the Boards ultimate decision.

Dave's serious and careful, methodical process has provided unique depth to our Board conversations – he encourages us to take the time to think, rethink, ponder, reflect.

More than once Dave's clear thinking, his articulate and carefully crafted discussion that respectfully incorporates opposite views, has helped me make better decisions. It has been an honor to listen and learn, rethink and reconsider.

And then we see David, simply and elementally, as a great neighbor! He is part of the fabric of our Town and Village...Biking to the train station; at Village Parades; at neighborhood events, celebrations and ceremonies; attending multiple meetings in one evening!

We, I, will truly miss you David. It has been especially nice this year sitting across from you. It was an honor to work with a great, ever patient, kindhearted, gentle man. Your presence on the Board has made it better.

Enjoy your new found extra time! See you around the ‘dale!”

Trustee Samwick stated “As I already told you, you were the first person I contacted when I was asked to consider running for Village Trustee. I reached out to you because I have known you for years and I value your opinion and I knew, with certainty, that you would give me your direct, thoughtful and unbiased view. As I have gotten to know you better over the past two years, my initial opinion of you has been reinforced many times over.

You have an incredibly open and inquisitive mind. As a Trustee, we are often asked to think about issues from different perspectives without rushing to judgment. David, you are deliberative and unbiased with every single issue. You listen intently to all people who voice an opinion on a given matter and you digest and synthesize a vast array of inputs and their relative strengths and weaknesses in a deeply contemplative way that consistently yields balanced and fair results. I cannot count the times that your thoughtful approach has provided perspectives and insights that had not been considered by others at the table.

David, I have learned an enormous amount from you and I will miss your insights and, of course, your presence.”

Trustee Stern stated that he would like to say that when the public attends the Board meetings, they see final decisions and resolutions. These resolutions are not decided overnight. Many of them even take months. They require great insight and careful understanding of all the issues; of unintended consequences and of every Village resident that might be affected by the resolution and the Board tries to do its best. David has an incredibly sharp mind; a legal mind. He has an ability to look at all the issues – some issues that we don’t even think of. Trustee Stern stated that he has often come in with one view and David is able, through his tremendous insight, give him a different understanding of what is on the table. Trustee Stern stated that he will miss that. David has a tremendous legal mind, is very insightful, and always looks at the Village residents’ interests and point of view on all the resolutions that come before the Board. He will be sorely missed – he is a great asset to the community and a great asset to the Village Board. Trustee Stern expressed his hope that Trustee Lee will continue with his service to the Village. He thanked Trustee Lee for his service.

Mayor Mark stated “David – It has been a pleasure serving with you, a fellow Scarsdale High School graduate, on this Board. After a somewhat rocky take off that involved your surviving one of your first Board assignments, the reading of a resolution to euthanize geese that were visiting the Library Pond – a solution the Board was persuaded not to pursue – your career as Trustee took flight.

Your work on land use issues, your liaison work with various Boards and Councils and your vetting of my Mayor's comments all evidenced your commitment to the Village, your analytic skills and sense of balance and fairness.

Throughout your term you maintained an unflappable nature, heard residents out and approached the Staff and your colleagues on the Board with thoughtfulness and consideration.

I thank you for your diligent contribution to the Board and the Village over the past four years. It is my hope that you will continue to find time in the future to volunteer your valuable skills to the town in which we grew up. Thank you."

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Village Manager Pappalardo presented Trustee Lee with an engraved pewter plate to commemorate his four years of service as Trustee and very dedicated service to the Village. He thanked Trustee Lee for his wonderful service and great work on behalf of the entire community.

Trustee Lee stated "It is now my turn to offer some parting praise for my colleagues on the Board with whom, as you can imagine, a strong bond develops after working together for so much time.

I'll begin with our two freshman Trustees, starting with Trustee Finger. Carl, although you are just, as I say, a freshman, one would never guess it was your first year. You hit the ground running as a Trustee, as you said. You speak up at our meetings, both in the conference room and here in Rutherford Hall, with thoughtful, incisive comments, that reflect your quick grasp of the big picture of the issues at hand and, I would add, with no small amount of boldness when you do so before a large crowd on contentious Village issues. You have a lawyer's skill in speaking to the competing interests that we often have to balance in coming to our decisions. Carl, your analytic powers and clarity of thought will continue to be of immense value in helping the Board identify and weigh the key issues in future board discussions.

Trustee Callaghan -- Matt, your enthusiasm for our Village Board work is truly evident, and I can tell that you're soaking in as much as you can both because you love it and because you want to be as well informed as you can be. Your decades of experience both professionally as a safety management consultant and as a volunteer in Scarsdale in so many areas, but especially as a volunteer firefighter and on the Zoning Board of Appeals, gives you a unique perspective on our work ... and your contributions at our meetings reflect that. I happened to catch your presentation in December to the CNC about what they should look for in selecting a Trustee candidate. You are a master at public speaking - and without so much as a note card. They were enthralled and so was I. So, with the wisdom that comes from experience and with your speaking skills, you bring great value to our Board work and

your contributions will become even more valuable with this first year under your belt. Keep it up.

Now on to our two great sophomores, starting with Trustee Pekarek: Deb, you bring passion and a caring soul to your work. You pursue matters such as your work on sustainability and environmental issues to the fullest, until you have fully wrapped your intellectual arms around them, their plus's and minus's, spending more hours probably than any of us (except for the Mayor) in your liaison capacity,... attending functions, visiting locations, and participating in Village government-related events. And then you conscientiously present what you have learned or experienced to us with knowledge and enthusiasm, bringing us up to speed. You also have a great intuitive sense for what is fair and speak your mind on such issues even when you're in the minority. I can remember several times when your voice on a sensitive issue swayed me from my previous thinking. We in the Village are most fortunate to have you on the Board.

Trustee Samwick - Marc, your financial and land-development acumen runs deep and wide, and we all benefit when you bring it to bear - as you regularly do - on the questions we face. In those areas and beyond, you consistently demonstrate a grasp of the major issues with which we wrestle, asking the important questions and helping us identify and focus on the key concerns of the topics before us. You learned the ropes of how we needed to approach issues in your first year and you have gained full stride in this your second year. You express your opinions clearly and persuasively, while still listening carefully to others and occasionally being swayed by them to change your view. Flexibility of mind is a great virtue. Keep up your great work - you add immensely to the quality of the discussions that take place at the Board.

Now to our third-year man - Trustee Stern. Bill, what a fascinating guy you are. Knowledgeable beyond measure, likeable beyond measure, and dare I say quotable in the Inquirer beyond measure. Bill, you bring your special brand of expertise to the board and it's terrific. Your passion for sustainability and the environment is un-paralleled on the Board - and most timely in today's world. We've learned to rely on your expertise and your wisdom. You comfortably address contentious positions taken by some of our residents at Board meetings and do so persuasively, while still showing respect for the other's position. And your lucid, un-scripted liaison reports of meetings you have attended or events you have witnessed are often the most entertaining parts of our Board meetings. You are a terrific partner to all of us on the Board, bringing a hugely valued perspective to our discussions with your engineering and business background. Best of luck in your final year.

Now to our exceptional Mayor Mark. Jon, a fellow Scarsdale high school graduate, you and I first met as CNC running mates (along with Kay Eisenman). You quickly earned my gratitude and respect as you and Kay very generously helped prep me for a pre-election debate among the candidates. The debate was prompted by the fact that an independent candidate was running against the three of us CNC candidates for one of the three available Trustee slots. Over time, my respect for you only grew as I witnessed the irrepressible thoroughness with which you tackled your role as Trustee. And, you brought this same

amazing thoroughness, along with clarity of expression and analysis, to your role as Mayor. From day one as Mayor, you have studied the issues, shared your learning with us and with the community in your carefully crafted Mayoral remarks at our televised Board meetings. Your promptness in responding to communications from all sides, your insatiable appetite for reading the in-depth pieces you come across and sharing those you find worthy with the rest of us -- bringing the level of our preparedness and education on the issues up several notches -- is remarkable. And, despite this massive ability to gain command over and to address the many issues and communications that come your way with clearly crafted expositions, you retain a modesty and an unassuming character that I marvel at. Along the way, I have seen you impress even ardent opponents on issues of reval and roads, budget allocations and the library project. You may not have always changed their minds, but you consistently earn their respect as they hear in your articulate presentations a solid, credible rationale for your position. Jon, you follow a line of outstanding Mayors and have added to their legacy in full measure. Good luck, friend, in your second year.

Thanks to all of you, staff included most assuredly, for making my experience on the Board an exceptional experience.”

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Mayor Mark stated that he has one more Mayor’s comment to make about the recently concluded Village Election:

“Many have commented on the recent Village election process and its outcome. So I will weigh in very briefly. First, I would like to say we are delighted that Trustee Pekarek will be re-joining this Board for a second term. Second, we applaud Seth Ross for volunteering to serve and sincerely hope that he will be willing to submit his name again next year as I believe he would make a fine Trustee. I also want to commend both Trustee Pekarek and Mr. Ross for the dignified manner in which they conducted themselves during the process. The civil tone they took in working through what must have been a difficult situation for each of them was stark contrast to the unprecedented spectacle we are witnessing in the national, partisan presidential race.

Third, as for our non-partisan system, it has its supporters and its detractors, and that is to be expected. However, to those who criticize the non-partisan process my observation is simply if another process is desired, pursue it. It is easy to say something is “broken.” It is harder and requires the commitment of time to pursue an alternative. While I have not agreed with all that has been written in the *Inquirer* about the CNC and the non-partisan process, the conclusion in last Friday’s editorial had it right. Those who wish to implement a different process are free to do so. The CNC does not have to be the only game in town. As a matter of tradition borne of a desire to spare Village residents from partisan campaigning for volunteer positions, it happens to work out in most years. However, all that alternative processes require is an investment of time and the desire to pursue them. The barriers to entry are negligible: 150 signatures to get on a ballot, but even being on a ballot is not a necessity. As the recent election has just demonstrated, a write-in

vote can be just as effective. The real issue as I see it is time. Time is precious and we are all busy with family and careers. While there are issues and outcomes over which there is disagreement, for the most part residents seem to be reasonably content with the operation of the Village by our professional staff as overseen by this Board of volunteers.

So let the conversation continue -- more thoughtful involvement is better than less -- and with that, let us turn to our work.”

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Manager's Comments

None.

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Public Comment

Ann Lewis, Friends of the Scarsdale Library Secretary, spoke in support of the proposed Library renovations. She stated that she visits the library at least once a week and considers it a major amenity in the Village. The building now needs repair and updating to meet present day codes. The amount of money required for only repair and the mandated updates will be considerable and the disruption to the regular use during construction will also be considerable. In her opinion, it makes sense to bite the bullet and fully update the space for the next 25 years. The proposed alterations will accomplish that. The proposal is not a ‘dream’ library with all the bells and whistles but it is a pragmatic response to current community needs.

Kay Eisenman, Brewster Road, stated that her first order of business was to tear a speech which she had prepared for Deb Pekarek – she was happy to say that she did not need make her speech tonight. However, it is time to say farewell and thank you to David Lee, an excellent and dedicated individual who is leaving the Board. She stated that she wanted to add her praises by saying that it all comes too quickly. David, your quiet, calm demeanor and grasp of the issues, your ability to tease apart the salient points of any problem are something she admires. He is a consummate problem solver, his well-chosen observations manage to quickly get to the core of every decision. He is fair and balanced with great skills; someone who recognizes that there is not an immediate answer to every problem. Some problems require evolving solutions that need time and space to adjust. You have the patience to seek higher ground and therefore, lasting results. As a member of the Greenacres Association Board since her term as Trustee ended, she stated that they have had the pleasure of having David as their liaison from the Board of Trustees. She stated that she can truthfully say that he has done an outstanding job of bringing the important issues to their attention; keeping them informed and involved. He also waited patiently for his turn to speak through long evenings when he might easily have requested to speak at the beginning of the agenda. She thanked him and told him to enjoy having more time with his family.

After serving four years as a Trustee, she stated that he is one of those dedicated people who believe in all work and no pay.

Gary Katz, Fox Meadow, stated that he and his family are in support of the library renovations. He shared an invitation to the Board that they sent to friends and neighbors to join the public discussion of the library. The library is the residents' public space to relax, meet friends, introduce children to books, to think or just to dream. The building is in need of significant repair, does not meet handicap standards and has failed to keep pace with the changing design and culture of library use. This is an important project for the community. He thanked the Village Board for providing a public forum for this discussion to thoroughly consider this.

Mr. Katz also thanked Trustee David Lee for his very important and valuable service to the community.

Bob Steves, Fairview Road, stated that he had the privilege this evening in participating in the dinner and tribute to David Lee. He stated that he made comments and as he heard the comments of other people, he compared them in his mind with the destructive cynicism around government these days. He stated that he thought it was important to make a public comment about David, first of all, a thoughtful individual who has added much to this Village and who he has worked with. But even more so, David as an example of the quality of individuals this Village has been able to attract both at the School Board and Village Board level to manage this Village. He stated that he had the opportunity but others haven't, to get to know the people who have taken the time and given the energy to serve and knowing them at a level and depth of appreciation that unfortunately, a lot of people may not understand and grasp. If people had a better insight into the quality of people who serve and who are attracted and grow in this job, there wouldn't be the cynicism and the negativity around government. David has been a shining example of someone coming from the community with no political aspirations, no axe to grind, but a commitment and a willingness to serve and has taken that commitment as fully as anyone he has ever worked with.

Mr. Steves urged the community to better understand the people that serve in the Village. Being critical is not the same as disagreeing. In his view, the cynicism that people have concerning government may well be the most destructive element that this country faces. When we have the luxury and opportunity to work with people for which we should not have a cynical point of view, we should enjoy that and take the time and energy to appreciate it. He thanked David Lee for being that example.

Bob Harrison, 65 Fox Meadow Road, congratulated Trustee Pekarek on her re-election. She is a Trustee that performed above and beyond the call of duty. Mr. Harrison stated that he and David Lee worked together in the second year of his term on the Board and felt that David did a terrific job – he is very open minded and thinks about problems in detail.

Mr. Harrison thanked Village Treasurer McClure, who fulfilled his request for information on the Tentative Budget. He also stated that the staff has done a terrific job in watching expenditures. However, in looking at the 2016/17 Tentative Budget, page 14, regarding the allocation of monies as a tax relief measure. He read the information on the page to those present. He encouraged the Board to rethink the 3.69% tax increase which in his opinion is harsh. The Board has the ability to bring this tax increase down by using more of the fund balance and he also cited the low CPI. There will also be an average \$118 water bill increase, an increase of 21.95% from the previous year.

Mr. Harrison also stated that it is important that the residents find out what their new reval assessment is as soon as possible. He also urged the Board to schedule the meeting with J.F. Ryan that is mentioned in the Tentative Budget where a progress report will be presented regarding the status of the 2016 reval and take property owner questions. This cannot wait until June 1st as the grievance day will be held sometime around June 15th-20th.

Trustee Samwick stated that Mr. Harrison has brought up some important comments, one of which is that regarding the General Fund. He stated that the General Fund is the Village's primary source of managing unexpected expenses. It is the Village's financial cushion. The Board does not know what the fund balance is going to be on May 31, 2016. If you look at the Tentative Budget, it is expected that the number Mr. Harrison used of \$8.7 million which is expected to decline by a material amount by the end of this fiscal year by about \$800,000. When calculating the General Fund balance as a percentage of the next year's budget which is the appropriate way to do it and the way it is done by Moody's in their credit rating, you have to do an apples to apples comparison. Therefore, you need the final audited number of the General Fund balance and you need the adopted budget. Trustee Samwick stated that the Mr. Harrison's current calculation of over 15% fund balance is likely to be an overestimation based on our expectations in the future.

Trustee Samwick continued, stating that Mr. Harrison referenced CPI as going down by approximately 2/10 of a percent for one single month. The way the Village government works is not at all related to CPI. CPI is an average basket of goods for an average household – the Village is not an average household. The vast majority of the Village's expenses are personnel related expenses and a large portion of those are not controllable and include health care and pension requirements. In addition, a large percentage of the wages are based on union contracts. Union contracts don't go down. So when you look at CPI and look at what is going on within the Village, they are completely disassociated from one another. While we would all like to see a reduced increase in the levy for this year, the Village management has done an exceptional job under very trying circumstances. If you look at our non-tax revenues for this coming fiscal year, many categories are showing reductions in revenue and it took an enormous effort in order to get to a level where the levy increase was 3.69%. When you look at that in conjunction with the purpose of the General Fund, which is to provide the Village with a cushion, and you look at the capital expenditures that are forthcoming in the Village – infrastructure improvements including the replacement of Heathcote Road bridge, construction on Fire Station No. 1, the proposed

renovations of the library – we have a number of major capital improvements coming up and now is not the time to be depleting the General Fund balance.

Trustee Samwick stated that he supports a strong General Fund balance, and as the stewards of the Village's finances, he views it as not a responsible time to be raiding that for taxpayer relief. As a taxpayer, he agreed, he would like to see the number as low as possible but there is a very fine balancing act and there is a very important balance that the Board has to strike. The Board and staff has put in an enormous effort with Village management doing an exceptional job.

Mr. Harrison responded, stating that he is well aware of the capital improvements that are needed. He stated that when Moody's evaluates a municipality, they look at something called capacity, or the ability of the residents to make their tax payments. He stated that his argument would be why the Village has to hold the taxpayers' money when the Village is in its policy range of 10-15%. If the Village needs money in the future, they could raise taxes at that time. The residents are already highly taxed. With the 2016 reval, assessments will change.

Trustee Stern stated that Mr. Harrison has great remarks and ideas, but the Board has to struggle with one thing, which no one has the answer to. That is, what is going to happen next year in terms of some kind of large storm, an emergency repair, or some kind of catastrophe? The Board has to try to anticipate these types of things and take a very conservative approach to the tax base. The Village has the fund balance so unanticipated events can be covered. You cannot go back to the taxpayers easily and make a special levy to cover something that could not be anticipated during the previous year.

Mr. Harrison argued that during the year of Hurricane Sandy, he was on the Board at the time. The fund balance was 14% in 2011 and 12.8% the following year – the Village survived. If the Village needs more money the tax rate can be raised the following year. There is plenty of money in fund balance to cover these things. The residents don't want their taxes to go up 3.69% when there is over \$8 million in the fund balance.

Mayor Mark stated that "No one is happy about a tax increase. The members of the Board are residents and bear their share of the burden of an increase along with their neighbors. The Board and the Staff spend a great deal of time and thought over a five month period reviewing and revising the budget. The result of that effort represents their best judgment of what should be spent in the next fiscal year to maintain Village services at expected levels and to fund capital needs that are considered most pressing.

While the 3.69% increase in the tax levy for the upcoming year is a larger increase than we might like, it may help to put it in some perspective. Looking at residents' total yearly tax bill, using rounded numbers the portion that is attributable to Village taxes is approximately 18% or one-sixth of the aggregate annual tax bill. The other significant components are County tax which represents about 18% or a bit less than one-sixth; and School tax which represents approximately 63%, or two-thirds. A County Solid Waste Tax

and a Mamaroneck Sewer tax make up the balance of the annual bill. While the absolute amount of each of these taxes varies from year-to-year, the relative percentages have been fairly constant over the years.

In thinking about the proposed 2016-2017 Village budget increase it may therefore be instructive to think of it in the context of the total tax bill. In that light, the 3.69% proposed increase would, assuming the other components remain at approximately the same percentages, represent an increase in the total projected 2016-2017 taxes less than 1% -- 0.67% in fact, applying the 18% number above.

As stated at the start, no one is happy about a tax increase. I understand that some have observed that each taxing entity – the Village and the School District – must stand on its own and be analyzed separately in terms of their respective budgets. That is certainly true and in addition, it follows the legal framework in which they operate and prepare their budgets. However, regardless of which taxing entity is being paid, the aggregate tax bill is what we all focus on when we write out our payment checks. When looked at from that perspective and put into context, the increase in Village taxes of 0.67% of total 2016-2017 expected taxes is relatively small.”

Village Manager Pappalardo mentioned that the 2016/17 Tentative Village Budget has been posted on the Village’s website, so anyone in the audience or those watching at home who are interested in looking at the numbers, should look at the budget on the website. He stated that one of the interesting parts of the budget are a number of appendices in the back of the book. There is an appendix in the back which compares tax rate increases over the ten years or so. The average over the last ten years is right in line with what is in the Tentative Budget this year – $3\frac{1}{2}$ - $3\frac{3}{4}$ % a year. Certainly what has been proposed in the Tentative Budget is in line with the tax increases that the community has absorbed over the years. In addition, year to year spending has increased at a 3.6% rate since 2008/09, not counting this year. The Village’s expenditures are increasing 1.85% this year and that is the lowest we have seen in many years. That was done by design and for the reasons Trustee Samwick and the Mayor mentioned, the Village needed and wanted and proposed that we decrease the amount of fund balance as a revenue source to lower the tax rate; it was done through cutting expenditures. The year to year expenditure increases are approximately \$1,007,000. Last year was closer to \$1.8 million. There was a decrease in spending of roughly \$760,000 this year. The difference in the use of fund balance is a little over \$400,000 and again, that was done by design to make sure, based on all the issues that the Mayor and Trustee Samwick mentioned before, that the Village has enough money in fund balance.

The Village is coming into a period where there are some very important and expensive capital improvement projects. It is anticipated that the debt service is going to increase; that is another one of the factors that Moody’s looks at. The Village has been looked at and graded very favorably from the AAA standpoint because the Village has been investing in the infrastructure and investing in capital projects by utilizing cash as opposed to heavy borrowing and subsequent debt service payments. The concern is there about the

capital improvement projects that are coming up in the future and again, the Village wants to make sure that there is adequate unassigned fund balance to be able to have that cash on hand in case there are issues with those projects.

Mr. Pappalardo continued, stating that based on his experience over the years and on the size of the projects that are upcoming, it is not unheard that a couple of million dollars could be lost on one of the projects if there are real problems that are unforeseen at this time. Therefore, it is prudent to have that fund balance there at this point in time.

Trustee Samwick stated that the Board has asked Mr. Harrison to carefully consider what he is proposing. As the Mayor pointed out, staff has been working on this budget for five months. The Board has been working on this budget for a number of months and have spent tens of hours – the Board has carefully considered this. This is not something that is taken lightly by anyone. Also, with respect to the fund balance, Mr. Harrison proposed waiting until there is a hit to the fund balance before replenishing it. Once you are behind the curve, it is much more painful to try to catch up than it is to stay at a level where there is adequate comfort. Lastly, Moody's was mentioned. Trustee Samwick stated that his understanding is that Moody's requires generally, for a AAA, 15-20% fund balance level and that the Village has a slightly easier target than most because of the investment that is done on a regular basis with capital expenditures and doing it with funding of which a major portion is from operating expenses. If you are looking at Moody's general standards, the Village is at the bottom end of the range, not at the top of the range.

Mr. Harrison stated that in the Tentative Budget it states that Moody's uses the rate of 10-15% for the fund balance level.

Trustee Samwick stated that to his understanding, there are two different standards and asked the Village Treasurer to expound.

Village Treasurer McClure stated that Moody's looks for a healthier fund balance than the Village carries; 10-30%. The Village is working with an unassigned fund balance of 10-15% in general. However, Moody's has changed its standards over the last couple of years and there are now four different aspects of Moody's evaluation. Moody's does publish them and they are on their website. There are positives and negatives; they have updated their information on the Village whenever the Village goes to the market. In fact, the Village receives a confidential analysis from them. Moody's comment to the Village in the past has been that because the Village takes any available operating funds and use them for capital projects to minimize borrowing, they consider this a favorable evaluation on the Village. In that case, they are more comfortable with the level of fund balance that the Village maintains.

Trustee Finger stated that the notation Mr. Harrison is reading from the Tentative Budget regarding Moody's rating is not Moody's recommendation that is their evaluation of the Village. Because the Village has the 10-15% fund balance, along with the other favorable factors, they are re-affirming it. That is not their general municipal guidance.

Mr. Harrison stated that the Village has historically had a closeout surplus of over \$1 million each year. The Village has that cushion to play with after receiving the audited figures that come out in the late summer. He stated that the Board can do a little more for the taxpayer.

Mark Lewis, 98 Brewster Road, congratulated Trustee Lee on his four years of service on the Board. He also congratulated Trustee Pekarek on her re-election. Mr. Lewis congratulated Mayor Mark on his remarks about the condominiums and the Homestead Tax Option at the Special Town Board meeting. He stated that it was an excellent statement of why he voted to keep the condominium taxes as is.

Mr. Lewis stated that he questions the need for the renovations at Fire Station No. 1. The cost of the Fire Station versus the need is very questionable. There are several other fire stations around the Village that satisfy response time with or without Fire Station No. 1. The money could be better used towards the library renovations. The library is a municipal building; it is the Village's fiduciary responsibility to keep up the building and modernize it in terms of at least the ADA requirements which at this time it does not comply. There are several upgrades that are needed which the Village is responsible for that would run at least \$5 million. The Village should make a commitment to the library.

Mr. Lewis stated that he agreed with Mr. Harrison that the 3.69% proposed tax increase is too high; he felt that the Board needs to take another look at their numbers and see if they can reduce it. There are residents like him and his wife that are living on fixed incomes. In regard to pension costs that are fixed by the State, for the third year in a row, the pension costs have gone down. He stated that as a city planner he is well aware of how budgets work and where money can be hidden.

In terms of Village Hall, Mr. Lewis stated that the walls in Rutherford Hall are a disgrace. Why can't the Village use their employees to sand down and re-stain the walls? The Board should be ashamed of the appearance of the walls. If done in-house, the cost would be very little.

Mayor Mark responded to Mr. Lewis' comments regarding the firehouse, stating that it is his understanding that it is an integral part of the Village's Fire Department safety net. It is the firehouse that is closest to the downtown where the tallest buildings in Scarsdale are, and therefore it is important to have it available for the hook and ladder truck. Its existence is part of the reason the Village maintains its Number 2 ISO rating which is the second highest rating by Municipal Rating organizations and is the reason that residents get better rates on their fire insurance than they would if the Village had a lesser rating. Further, approximately 7-8 years ago, there was a consolidation study done of southern Westchester to see if communities in southern Westchester could consolidate municipal services including fire. One of the recommendations of that consolidation study was that Fire Station No. 1 be retained, not eliminated. That fire station has been recognized as a very important part of the Village's system. The money to do that project has already been

borrowed and plans are in the works. An RFP is being prepared and this project will go forward.

Regarding the capital-type projects and the library mentioned by Mr. Lewis and the \$5 million figure he used. At the presentation held regarding the library, a \$4.5 figure to do those renovations was mentioned by Paul Zaicek who supervises capital projects in the Village. The Village Board made a commitment to bond \$4.5 million contingent on the library raising \$4.5 million from private donations. A commitment was made, but in fact what has happened is that the library went back with new plans for renovations costing \$18.5 million plus \$1 million estimated to move the library to a temporary space during the renovations. The commitment that had already been made by the Village was scrapped and had to be re-looked at. Members of the Library Board have stated that they will look very carefully at the plans to see if there are any items that they can cut back on. His understanding is that they are doing that but he does not yet know the current status of their review. There will be more meetings concerning the library and he is confident that at some point they will get to a place where they will be able to make a decision. This is not something the Board is ignoring; people are working very hard on this.

As for the tax increase, Mayor Mark stated that the views of this Board are already known. There is not much more to add to that at this time.

Mr. Lewis stated that when the new Public Safety building was constructed, one of the bigger selling points that was made was that they could store the hook and ladder there. After it was built, the Fire Department changed its tune and stated that they needed to put it behind Village Hall. He stated that he is questioning what their position is. He stated that the Board needs to take another look at this and see whether Fire Station No. 1 is really needed.

Mr. Lewis noted that a few weeks ago Trustee Stern was in support of the food waste compost program. He stated that he wrote an editorial in the Scarsdale Inquirer and sent a copy of that editorial to the Mayor which objected to Trustee Stern's support of that program. He stated that Trustee Stern stated that the program was environmentally friendly, but stated that Trustee Stern didn't take into consideration the cost of picking up and transporting the food waste to Connecticut.

Mayor Mark noted that the Food Waste compost program is not in the budget. He stated that if the school buys the machinery to do the composting and the Village can work out a system where the school will take things from volunteers in the Village who want to participate, the Board will look at that. However, the \$45,000 is not in the proposed budget.

There being no further comment, the Mayor closed the public comment portion of the meeting.

* * * * *

Mayor Mark stated that Deputy Mayor David Lee will conduct the Board through the balance of the agenda.

* * * * *

Finance Committee

Trustee Samwick reported on the statements of expense and revenue for the various funds of the Village for the first nine months of fiscal year 2015-2016.

General fund appropriations were 72.31% spent as of February 2016, which is a 0.82% increase from the 71.49% in 2014-2015.

General Fund Revenues other than property taxes are \$13,670,539 through February 2016, compared to \$12,848,788 through February 2015, an increase of \$821,751. The primary factor in the increase was the sale of 3 Edgewood Road which yielded revenue of \$628,300. The proceeds are expected to be appropriated to the Capital Fund as part of the year-end closeout. Building Permit revenue (included in License and Permit revenue) is \$239,000 less than last year's record pace. The Recreation Department increase of \$211,600 is attributable to new programs and has offsetting expenses. Tax penalties and delinquent tax collections are down \$34,900. An increase of \$195,000 in Mortgage Tax, Recreation Department and \$142,400 In State Aid offset declines in Licenses and Permits, Investment Earnings and Miscellaneous Revenue (exclusive of the property sale). Parking Permits and Meter Income, Court Fines, and Rental Income offset declines in Gross Receipts tax and Departmental Fees.

The actual collection of Village taxes through February 29, 2016 is at 99.24%. This is a drop of 9 basis points from last year's collection rate.

* * * * *

Upon motion entered by Trustee Samwick, and seconded by Trustee Pekarek, the following resolution regarding Calling for a Public Hearing on the Fiscal Year 2016/2017 Tentative Budget was approved by the vote indicated below:

WHEREAS, pursuant to New York State Village Law §5-508 (3), a public hearing must be held on the Fiscal Year 2016-2017 Tentative Budget on or before the fifteenth day of April, with notice of such public hearing published in the official newspaper; now therefore be it

RESOLVED, that the Village Board of Trustees herein schedules a public hearing for Tuesday, April 12, 2016 at 8:00 PM in Rutherford Hall in Village Hall to receive comments on the Fiscal Year 2016-2017 Tentative Budget filed on March 18, 2016; and be it further

RESOLVED, that the Village Clerk is hereby directed to publish notice of said hearing pursuant to Village Law.

<u>AYES</u>	<u>NAYS</u>	<u>ABSENT</u>
Trustee Callaghan	None	None
Trustee Finger		
Trustee Lee		
Trustee Pekarek		
Trustee Samwick		
Trustee Stern		
Mayor Mark		

* * * * *

Law Committee

Upon motion entered by Trustee Lee, and seconded by Trustee Samwick, the following resolution regarding Authorization to Execute a License Agreement with 17 Harvest Realty, LLC, 17 Harvest Drive was approved by the vote indicated below:

- WHEREAS**, 17 Harvest Realty, LLC, represented by Lee Handler (hereinafter “Licensee”) is the owner of certain real property located at 17 Harvest Drive, Scarsdale, New York, as shown on the official tax map of the Village of Scarsdale as Section 22, Block 11, Lot 31 (hereinafter “Property”); and
- WHEREAS**, Licensee is the owner of an existing walkway that encroaches upon the Village right-of-way at the grass area between the Property line in the front of the home located on the Property and the curblin; and
- WHEREAS**, due to the asymmetry of the property, the dwelling was designed to have a front walkway directly to the street from the front door; and
- WHEREAS**, the Village Engineer has inspected the walkway and determined that the existing encroachment of the Village right-of-way does not result in a visual obstruction or unsafe condition; and
- WHEREAS**, Licensee has requested that the Village Board approve a license agreement to legalize the encroachment to permit the use and maintenance of the existing walkway in the Village right-of-way, at the Licensee’s expense, in accordance with the final as-built survey dated February 11, 2016 prepared by The Munson Company, attached hereto and made a part hereof and included as Exhibit “A” of the license agreement; and

- WHEREAS,** Licensee will indemnify and hold harmless the Village in all actions, claims, judgments, costs or expenses arising from said use and maintenance of said walkway and provide the Village with a certificate of liability insurance naming the Village as an additional insured, at limits approved by the Village Attorney; and
- WHEREAS,** the granting of said revocable license agreement will not interfere with the Village's present use and maintenance of said Village right-of-way; and
- WHEREAS,** Licensee has informed the Village of a pending sale of 17 Harvest Drive and has requested that the license agreement be transferable to said buyer upon completion of the sale; and
- WHEREAS,** should Licensee sell the property and home at 17 Harvest Drive within three months of the Village Board's approval of said license agreement, the Village agrees to provide for the transfer of said license agreement without additional fee, contingent upon the necessary amendment to the agreement and proof of ownership; now, therefore, be it
- RESOLVED,** that the Village Manager is herein authorized to execute a revocable license agreement in substantially the same form as attached hereto, with 17 Harvest Realty, LLC, represented by Lee Handler, owner of the Property located at 17 Harvest Drive, allowing for the existing walkway to remain in the Village right-of-way; and be it further
- RESOLVED,** that pursuant to the FY 2015-2016 Village-Wide Fees and Charges Schedule, Licensee shall pay to the Village of Scarsdale the sum of \$1,000.00 as an administrative fee associated with the preparation and execution of the license agreement; and be it further
- RESOLVED,** that should Licensee sell the property and home at 17 Harvest Drive, within three months of the Village Board's approval of the said license agreement, the Village agrees to provide for the transfer of said agreement without additional fee, contingent upon the necessary amendment to the agreement and proof of transfer of ownership.

AYES

Trustee Callaghan
 Trustee Finger
 Trustee Lee
 Trustee Pekarek
 Trustee Samwick
 Trustee Stern

NAYS

None

ABSENT

None

Mayor Mark

Municipal Services Committee

Upon motion entered by Trustee Stern, and seconded by Trustee Samwick, the following resolution regarding Authorization to Execute a Grant Agreement with NYSDEC for the Cayuga Pond Stormwater and Sediment Reduction Project was approved by the vote indicated below:

- WHEREAS,** In order to understand and mitigate flooding that has historically been prevalent in certain sections of the Village, a Storm Water Drainage Condition Survey was completed in 2004, followed by development of a 2009 Comprehensive Stormwater Management Plan, which incorporated mitigation measures targeting six Critical Sub-Drainage Basins located within the Federal Emergency Management Agency (FEMA) recognized 100-year floodplain, including the Sheldrake River Critical Sub-Drainage Basin identified as SR3; and
- WHEREAS,** the Village has aggressively pursued grant funding to support the water quality improvement and flood mitigation projects called for in the 2009 Comprehensive Stormwater Management Plan, including 2015 work in SR3 targeting silt removal from the open water course between Seneca and Cayuga Roads, thereby increasing both capacity and flow rates; and
- WHEREAS,** the proposed SR3 Cayuga Pond project will deliver both water quality improvements and flood mitigation services through the combination of a new sediment forebay, increasing the depth of Cayuga Pond by a couple of feet, and installing a pumping station that will help to proactively manage stormwater flows, making it both a logical and necessary project to maintain and enhance the effectiveness of the 2015 completed work; and
- WHEREAS,** the Village applied for a NYSDEC Water Quality Improvement (WQIP) Grant to support completion of the proposed Cayuga Pond project and was awarded a \$1.4 million grant requiring a 25% (\$350,000) local match, a portion of which can be met through in-kind services; and
- WHEREAS,** New York State Department of Environmental Conservation (NYSDEC) has proffered a grant agreement to the Village, attached hereto and made part hereof; and

WHEREAS, on January 26, 2016, the Village Board authorized \$350,000 in proceeds from the Sheldrake River Drainage Project Bond Resolution dated March 23, 2010, attached hereto and made a part hereof, to be applied to the required local match; and

WHEREAS, the Village Board also authorized the Village Manager on January 26, 2016, to execute a \$179,450 professional services agreement with D & B Engineers and Architects, P.C., for engineering services associated with the Cayuga Pond project, WQIP #57157 (resolution attached); now, therefore, be it

RESOLVED, that the Village Manager is herein authorized to execute a NYSDEC Grant agreement in substantially the same form as attached hereto, for the design and construction of the Cayuga Pond project, as outlined in Attachment C - work plan summary of the contract; and be it further

RESOLVED, that the Village Manager is herein authorized to undertake all administrative acts required pursuant to the terms of the agreement.

<u>AYES</u>	<u>NAYS</u>	<u>ABSENT</u>
Trustee Callaghan	None	None
Trustee Finger		
Trustee Lee		
Trustee Pekarek		
Trustee Samwick		
Trustee Stern		
Mayor Mark		

Recreation Committee

Upon motion entered by Trustee Pekarek, and seconded by Trustee Samwick, the following resolution regarding Authorization to Execute and Agreement with Southeast Consortium for Special Services Inc. was approved by the vote indicated below:

WHEREAS, the South East Consortium for Special Services, Inc. is a voluntary not-for-profit corporation whose sole purpose is to provide therapeutic recreation services to Westchester County youth and adults with physical, developmental, learning and emotional disabilities; and

WHEREAS, the Consortium provides these services through an inter-municipal agreement with the member municipalities of the City of Rye, Towns of Eastchester, Pelham and Mamaroneck, the Villages of Bronxville, Mamaroneck, Port Chester, Rye Brook and Tuckahoe, and the Town/Villages of Harrison and Scarsdale; and

WHEREAS, the Village has participated in this program since its inception 33 years ago and has found it to be a very beneficial and successful endeavor; and

WHEREAS, the Village of Scarsdale’s cost to participate in the Consortium for 2016 is \$16,334.00 which remains unchanged from 2015; now therefore be it

RESOLVED, that the Village Manager is hereby authorized to execute a renewal agreement for calendar year 2016, on behalf of the Village of Scarsdale, with South East Consortium for Special Services, Inc. to provide special recreation programs for disabled individuals in Scarsdale, in substantially the same form as attached hereto; and be it further

RESOLVED, that the 2016 program year cost of \$16,334.00 is hereby approved and shall be charged to the Recreation Department Operating Budget Account #A-7020- REC-DISAB-400-499.

<u>AYES</u>	<u>NAYS</u>	<u>ABSENT</u>
Trustee Callaghan	None	None
Trustee Finger		
Trustee Lee		
Trustee Pekarek		
Trustee Samwick		
Trustee Stern		
Mayor Mark		

Liaison Reports

None.

Other Committee Reports

None.

Written Communications

Village Treasurer McClure reported on behalf of the Village Clerk Conking that fifteen (15) communications have been received since the last meeting. All communications can be viewed on the Village's website, www.scarsdale.com under the Board of Trustees or Village Clerk section.

Five (5) communications were received concerning the proposed Library renovations from the following residents:

- Bernard and Jeannie Mackler, 5 Lenox Place
- Carrie Moskowitz & Mark Nesoff, includes a response from the Mayor
- David & Barri Hammer, 29 Circle Road
- Wendy MacMillan
- Steve Kessler, 35 Brite Avenue

Four (4) communications were received concerning the proposed tax increase from the following residents:

- Michael Wachs, 18 Dolma Road
- Howard Goldin, MD
- Anne Schager, 58 Garden Road
- Bob Harrison, Chairman, Scarsdale Taxpayer Alert

Additional correspondence was received as follows:

- An email from Lika Levi regarding various issues such as potholes, development, library renovations, and the proposed tax increase.
- An email from Lena Crandall, 227 Fox Meadow Road, regarding Scarsdale Public Television.
- An email from Bob Harrison, Chairman, Scarsdale Taxpayer Alert concerning the Village's Fund Balance Policy.
- An email from ML Perlman, 1 Carstensen Road, regarding a traffic accident on Crane Road and suggestions to avert future incidents.
- A report from the Scarsdale Leaf Education Task Force.
- A letter from Bruce Freyer, 25 Autenrieth Road regarding road resurfacing.

Future Meetings

Deputy Mayor Lee announced the following future meeting schedule:

- *Tuesday, April 12, 2016* – Agenda Committee Meeting – 7:30 P.M. – Trustees’ Rm.
- *Tuesday, April 12, 2016* – Village Board Meeting – 8:00 P.M. – Rutherford Hall

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There being no further business to come before the Board, Trustee Samwick moved to adjourn the meeting at 10:07 P.M. seconded by Trustee Stern and carried by a unanimous vote.

Donna M. Conkling
Village Clerk