



VILLAGE OF SCARSDALE

State of the Village

February 13, 2020

Delivered by Mayor Marc Samwick

Thank you Tim and the Scarsdale Forum for hosting this annual event. And, thank you to the residents present this evening and those who have provided your input on Village matters over the past year. This is our Village and we always encourage you to be active participants in the issues and priorities that face our community.

I am pleased to be here and to report that the state of the Village is strong.

The Village is strong because of a number of pillars that remain consistent over time, namely:

1. Our non-partisan form of government works;
2. Our elected officials serve at-large and work collaboratively toward need-based and practical solutions;
3. The Village Board and staff are fiscally responsible and work hard to manage Village budgets to protect residents while addressing unfunded mandates and an expanding suite of municipal services;
4. The Village engages in active long-term planning and reinvesting based on an open and transparent prioritization of large Village projects; and
5. Village management is responsible and professional in the execution of Village operations.

By at least one prominent external measure, the Village is in excellent financial shape, as Moody's has once again reaffirmed the Village's AAA credit rating. In doing so, Moody's cites key credit factors, such as an "exceptionally strong wealth and income profile", extensive tax base, very low debt burden, moderate pension liability, and an adequate unassigned fund balance.

Budget Process

I would like to discuss the Village Budget, but before I do it is important to understand the budget process.

Village staff spends significant time preparing the annual budget for review and adoption by the Village Board. Over the years, Village departments have been asked to do more with less as the Village seeks to balance its long traditions of fiscal responsibility and providing residents with an expanding suite of services that meet their needs and desires. We appreciate the diligence, flexibility and creativity that staff regularly provides to bridge the competing interests of increased services and fiscal restraint.

This budget season kicked off in November when the Village Board and staff had a high-level budget discussion. From January through March, the Board reviews the operating and capital budgets in a series of public meetings, including a daylong meeting with presentations from most of the Department

Heads. Without exception, the Department Heads are thorough, professional and fiscally responsible when preparing and presenting their departmental budget requests.

We also thank the residents who participated in the budget meetings. All are welcome to attend the Operating Budget Briefing Session which will be held in the 3rd floor conference room of Village Hall at 7pm on February 27th and the Capital Budget Briefing Session which will be held at the same location at 7pm on March 4th.

Operating Budget

Now to the budget details. I am pleased to report that the Village is again in a position to stay within the State-imposed tax cap in the 2020-21 fiscal year with an increase in the tax levy of 1.98%. This modest year-to-year levy increase was supported by the Village's allocation of revenues from the 1% increase in the County sales tax rate. This rate increase brought the Westchester sales tax rate to the level of our surrounding counties and unified the sales tax rate for all municipalities within the County. While we never like to see increased taxes, we are happy to receive a portion of the new County sales tax revenue to help to modestly diversify our revenue sources and provide some relief to our residents. The estimated increase in sales tax revenue is budgeted at \$900,000.

The Tentative FY20/21 Budget totals nearly \$59.5 million, representing a year-to-year increase of \$1.4 million. The bulk of the increases are related to employee salaries determined through the collective bargaining process with our seven labor unions in accordance with the NYS Taylor Law. Overall employee salaries and benefits represent over 75% of total budget expenditures. This level of employee costs is not unique to Scarsdale, but rather the nature of the business of local government, with services such as Police, Fire, Public Works, and Library still labor intensive.

Budget Revenues

The FY20/21 Tentative Budget identifies a total of nearly \$17.4 million in non-property tax revenues, which includes the use of \$1,023,000 in available General Fund Balance to decrease the tax levy. The most notable increase is seen in Sales Tax of approximately \$900,000 mentioned earlier.

In summary, the property tax levy is expected to increase by \$818,000, representing a 1.98% increase year-to-year. To put it in perspective, a residential property owner owning a home assessed at \$1,510,000, the current average home assessment in Scarsdale, would pay the Village an additional \$129 in taxes in the coming fiscal year.

I would now like to take a few minutes to discuss the Village's Capital Budget program starting with current and then moving to planned projects. Reinvesting in our community is a major pillar of Scarsdale's long-term management plan and there are no shortages of projects to discuss.

Current Year Capital Projects

The Village continues to invest in key infrastructure in the current fiscal year, including the following projects: public library renovation and expansion, paving 6.5 miles of Village roads, completing the conversion of over 1,500 streetlights to energy-efficient LED light fixtures, completion of the Popham Road Fire Station, reaching the major milestone of recycling over 1 million pounds of food scraps, as well

as continuous investment in our infrastructure for potable water, storm water, and sanitary sewers and much more.

Allow me to provide more detail.

Scarsdale Public Library

The Scarsdale Public Library expansion and renovation project continues and the new library is expected to open later this year. The library is one of our most treasured community hubs. When completed, the re-imagined building will bring library services into the 21st century with modern facilities and services such as its sun-filled reading gallery, toddler area, dedicated children's program space, multi-purpose rooms, office suites, technology room, maker's space, Teen Room and a cafe. The work and generosity of so many people have gone into making this project a reality and the community is better for its many volunteers and donors and we all thank you. Looking forward, I hope you will join me, the Village Board, Library Board, the Friends of the Library, staff, donors, volunteers and so many others when we open the new library later this year.

Road Resurfacing

In 2019, the Village resurfaced 6 1/2 miles of pavement on 20 different roads. This represents an investment of \$1.6 million in the Village's roadway system. It also represents over 8% of the 79 miles of Village-owned roads in a single year making significant progress toward bringing our roads up to the standards we all seek. Additionally, nearly 6,000 linear feet of new curbing was installed and over 2,400 linear feet of curbing was reset. I would also like to recognize Village Manager, Steve Pappalardo, and Village staff for suggesting a change in the Village code that requires those who open our roadways to repave the road from curb to curb rather than merely patching the road. ConEd, as we regularly see, opens many roads and this change in the Village code has resulted in our ability to perform a material amount of incremental paving each year. In fact, ConEd has reimbursed the Village over \$2 million for paving since the code change was enacted in 2015.

LED Streetlight Fixture Installation

In 2019, the Village completed the installation of the last of the over 1,500 new LED street light fixtures. The Ad Hoc LED Committee, consisting of members of the Conservation Advisory Council and Village staff, did extensive research on different lights and did wide-ranging field-testing that included community surveys. The committee worked hand in hand with LED light manufacturers to develop a superior quality light fixture. The result is a noticeably better-quality LED light than is seen in any other community. Our Department of Public Work's ability to perform the installation work, accelerated this process and saved considerable costs. There are also real cost savings that inure from the use of these more environmentally friendly LED lights. The \$290,000 cost of the new LED light fixtures is expected to be repaid in less than 2.5 years as we anticipate saving about \$125,000 per year in electricity and manpower costs. Thank you to the LED Committee for your diligent hard work.

Popham Road Firehouse Completion

The addition and renovation of the Popham Road Firehouse was completed in 2019. The project scope of work was extensive and we are very pleased to have the Fire Department now utilizing this newly improved modern facility.

Food Scrap Recycling

In December, the Village reached a sustainability milestone when we recycled a cumulative 1 million pounds of food scraps. Scarsdale is very fortunate to have dedicated volunteers that worked hard to find a cost-effective model to recycle food scraps. We are also fortunate to have staff that is open minded, creative and solution-based. The result is a food recycling program being used as a model for other municipalities in Westchester, Rockland and Fairfield Counties as well as serving as an impetus for Westchester County as it works to create a county-wide food waste recycling program. Thank you to the volunteers and staff that found creative solutions to enable a new sustainability program to take wings in Scarsdale and to lift so many other communities as well.

Climate Smart Community

I am pleased to announce that on Tuesday evening, the Board adopted the New York State Climate Smart Communities pledge. Sustainability and resilience themes are integral parts of our community. Our municipal operations and infrastructure increasingly reflect our collective conscience in that regard, with highly visible projects. I have already discussed the successful LED street light and curbside food scrap recycling programs. The Village also purchased its first electric vehicle and has installed recycling bins at all of Scarsdale's parks. These programs have yielded significant financial and environmental benefits. By becoming a Climate Smart Community, Scarsdale joins 291 other municipalities throughout the state to work toward reducing greenhouse gas emissions and adapting to a changing climate. The state program offers free technical assistance, a range of grant opportunities, and rebates for electric vehicles. With the help of the Climate Smart Communities program, we expect to continue to seek opportunities to reduce the environmental impact of our Village operations.

Other Completed Projects

Other Village initiatives that have recently been completed include repairing structural cracks at the high school and middle school tennis courts; the construction of the Wynmor tot park and resurfacing of the Wynmor tennis court; continuing water system improvements and sanitary sewer work in the Mamaroneck Valley District with more discussion on these last two items to follow.

2020-2021 Fiscal Year

Coming up over the next fiscal year and beyond are the following capital projects:

- *Water System*

In fiscal 2018-2019, our water system pumped over 1 billion gallons of water with a daily peak flow of over 6.6 million gallons. Many parts of the Village's water distribution system are over a century old. Over the past ten years, the Village has completed significant work on the above-ground segments of our water system – upgrading the Ardsley Road Supply Station in 2011, rebuilding the Reeves Newsome Supply Station in 2014, upgrading the Ardsley Road Water Tank in 2018 and the ongoing work on the Boniface Water Tank. The Village has an aggressive leak detection program, a comprehensive water conservation plan and is in the process of installing radio frequency meters that will enable monthly billing of water. Monthly billing will help

residents better identify and remedy water leaks, conserving water and money and helping the environment.

The Village plans to continue its significant investment in its aging water system with completion of a water system master plan; continuing upgrades to water pumping facilities; and continuing water distribution system leak detection and repair, supported in part through an intermunicipal agreement with the New York City Department of Environmental Protection which provides the Village with \$657,000 in grant money to reduce community consumption.

Over the coming decade, required investments in the water system are expected to cost \$34 million in addition to the over \$10 million invested over just the past four years. The long-term capital plan includes an average expected expenditure for capital improvements to the water system of \$3.6 million per year over the coming five fiscal years. The Village will continue to seek grant funding where available to cover water system investments but there will be meaningful costs that must be paid by water system customers, namely our residents. Future projects include upgrading distribution facilities and infrastructure (cleaning and lining of water lines and replacement of substandard water mains, valves and hydrants) as well as improvements to the Village's connection to the Catskill Aqueduct at Ardsley Road (including the replacement of a 16-inch suction line).

Many are aware of the increases in water rates that have been phased in over the past four years to help meet these significant capital outlays. These material rate increases are necessary to complete the work just outlined and to maintain our aging water system. Unfortunately, the higher water rates are also being felt by many homeowners. System upgrades, however, benefit all residents and are appropriate to be reflected in the base water rates we all pay.

The Board clearly recognizes the burden placed on residents by recent rate increases and has paused further water rate increases in the 20-21 budget pending the results of the Master Plan of the Water Distribution System that will commence within the coming months. During this time period, the Village plans to engage a water rate consultant to assist us with creating a long-term water rate structure that balances the capital needs with well thought out responsible rate increases to our customers. The Village will provide regular updates on the important work being done on our water system and the Master Plan will be posted online upon its completion.

- *Sewer Infrastructure*

The Village continues to focus on improving its sewer infrastructure, currently making necessary repairs identified in the Sanitary Sewer Evaluation Study in the Mamaroneck Sewer District. This work is part of the Capacity Management Operation and Maintenance Plan prepared by the consulting engineer and Village staff for the Mamaroneck District. Over the next 2-5 years while this field work continues, the Village will engage a qualified engineering firm to study the Bronx Valley and Hutchinson Sewer Districts as well. We are currently evaluating ongoing issues in the Drake Edgewood section of the Village which require immediate attention, relative to storm water inflow and infiltration into sanitary sewer lines resulting in excess sanitary sewerage discharge flows into the County's sewerage lines and treatment plants. Sanitary sewerage discharge is heavily regulated and is subject to law suits, consent decrees and intermunicipal agreements. Like most Westchester municipalities, much of the Village's sanitary sewer

infrastructure is over a century old and suffers from storm water inflow and infiltration that can overburden parts of the system. The 20-21 fiscal year budget includes an allocation of \$650,000 of work on our sanitary sewer system with the long-term capital plan calling for continued expenses of over \$700,000 per year for at least the next four fiscal years. This is an important issue for the Village that will continue to be discussed over the coming years;

- *Pool Complex*

Our pool complex is over 50 years old and is an iconic community institution. The time has come for a comprehensive study of the complex infrastructure. We are aware that there are a number of systems and infrastructure items that are not up to current code requirements and we will be seeking extensive community input into preferences and priorities before undertaking material repairs and upgrades that are expected in the coming year or two. Please be on the lookout for a community survey of the pool complex. We encourage all residents to take time to respond to the survey to better inform the Village of where to focus our resources when we undertake the pool improvement project;

- *Traffic Safety*

The Village Board and staff are focused on pedestrian, bicycle and traffic safety and on implementing various measures to achieve enhanced safety. A Board work session with the Village's Traffic Safety Committee was held on Tuesday to discuss traffic safety matters including: (i) the pursuit of State approval to reduce the current 30 MPH area speed limit to 25 MPH, (ii) potential future implementation of the Safe Routes to School program, (iii) enhance traffic safety in areas such as Popham Road, Fenimore Road and Heathcote Five Corners, and (iv) enhanced traffic safety through design and implementation of a pilot traffic calming measure on a suitable residential roadway. The Traffic Safety Committee is taking a holistic approach to safety that includes the 3 E's of traffic safety - education, engineering and enforcement. Staff is aggressively seeking various funding sources, including grants and partnerships such as the Safe Routes to School program in partnership with the School District. The Police Department has increased diligence in its effort to enforce existing traffic laws and to further resident awareness of traffic laws and safety. Pedestrian, bicycle and traffic safety are priorities of the Board and staff and we encourage resident input. The Traffic Safety Committee will review all resident complaints and comments;

- *Heathcote Road Bridge*

Engineering work is under way with commencement of work to repair and reinforce the abutments under the Heathcote Road Bridge planned for FY 2020-21. Timing of this project was in part determined by the effort made by Village staff to successfully obtain a New York State grant to cover 95% of the cost of the design and construction work. The grant will save residents \$1.35 million on this important infrastructure improvement;

- *Hutchinson River Flood Mitigation*

The Village is party to an inter-municipal agreement with the City of New Rochelle, and the Town of Eastchester to complete the Hutchinson River Flood Mitigation project. Over the

coming fiscal year, the design of this project is expected to be completed and preparation work in advance of construction will commence. This project will be partially funded by a \$2.5 million grant from the County of Westchester and a \$1M grant from the State of New York; and

- *Cybersecurity*

The Village will continue to invest in strengthening its cybersecurity. Recognizing that this important effort is likely to become a recurring expense for the Village, the capital and operating budgets have added dedicated line items for this work.

Much of the infrastructure improvements just outlined are not highly visible as they are either underground or electronic. We recognize that it is easier to see and appreciate the work being done on our library or the paving our roads. Nevertheless, the less visible work we foresee over the coming years is equally important and must be a focus of the Board and staff and requires the allocation of budget funds.

Village Center

The Village Board is acutely aware of the issues with retail vacancies in our Village Center. Our Village Center is a crown jewel of Scarsdale and the Village is committed to working collaboratively with property owners, tenants and residents to create a vibrant hub for our community to enjoy. Over the past year, the Village has: (i) worked to reduce parking issues by implementing the Pango parking app, (ii) started using a license plate reader to enforce parking limits to create more parking capacity for shoppers and (iii) reviewed and implemented parking fees to maintain equitable parking availability and costs to residents and merchants.

The Scarsdale Business Alliance has quickly become an invaluable partner in improving our Village Center. With new events such as Wing the Dale, the Health and Wellness Fair and, of course, the Scarsdale Music Festival adding to existing programs including the Sidewalk Sale, summer Westchester Band concerts in Chase Park, the Concourse Car Show, Light the Dale, the Halloween parade and window painting, and more, we believe that progress is being made toward bringing vitality back into the Village Center. We continue to seek more opportunities to enhance the Village and we invite the community to be part of the discussion to improve Boniface Circle where we hope to create an open and inviting space for people to congregate and enjoy the surrounding area.

Freightway

Another item that has received much Board and staff time and attention is the potential redevelopment of the Freightway parking garage in our Village Center. I will provide a very brief history of the recent discussions about the potential redevelopment of the parking garage while acknowledging that discussions about the redevelopment of the garage started shortly after its completion in 1974. Three years ago, the Board of Trustees formed the Freightway Steering Committee and retained a planning firm to engage the community in an active discussion about the potential redevelopment of the aging Freightway parking garage. The Freightway Site Redevelopment Study included many public meetings and engaged at least 750 people with the resulting Visioning Study issued in February 2018. The Village issued a Request for Expressions of Interest (RFEI) in July of 2018 and seven responses were received in October 2018. After public meetings in November 2018 and January and May 2019, the Village issued a

Request for Proposals (RFP). The two finalist development teams presented their respective preliminary plans to the community in December 2019.

The Board of Trustees has been and remains committed to an inclusive and transparent discussion about Freightway. The Board paused the Freightway process based on overall Board and public dissatisfaction with the proposals submitted to date and to provide the public with an additional opportunity to be heard. Only after the Board has evaluated the community's comments will the Board discuss what might come next. To be clear, the Board has no specific plan or timeline with respect to Freightway.

The Board is listening to the community and we share the community's focus on school and fiscal impacts. As we have said and it is worth repeating, the Board will not support a project that does not have a positive economic benefit to the Village and the school district or a project that would harm the quality of the education that our children receive.

Thank you for your active participation in the Freightway process. We continue to want to hear from you on this issue and other matters. We are listening and will continue to do so.

Communications

One of the challenges of running the Village is effectively communicating with the community – both inbound and outbound. Over the past year, we have implemented a number of changes to enhance communications, including: (i) placing the Public Comment section of Village Board meetings earlier in the meeting agenda, (ii) adding a second Public Comment session to each Board Meeting, (iii) implementing an informal monthly Coffee with Mayor series, and (iv) standardizing Trustee email addresses to the first letter and last name of each Trustee @scarsdale.com. These new tools supplement prior changes such as: (i) forming an Advisory Council on Communications, (ii) issuing the Scarsdale Official following each Board meeting, and (iii) upgrading the Village website, which includes Notify Me – a way for residents to receive notices of Village items that matter most to them. We encourage residents to: (i) visit the Village website and sign up for the Scarsdale Official and other items on Notify Me, (ii) attend Board meetings or less formal Coffees with the Mayor, and (iii) email your elected officials. We want to hear from you and we are listening.

Nonpartisan System

As I stated earlier, one of the many great things about Scarsdale is our nonpartisan political system. Over 100 years ago, Scarsdale put in place an early form of its political system to combat the bitter partisan feuding of the day. The nonpartisan system has evolved continuously and has stood the test of time as our Village has become a model that many communities seek to emulate.

Our system encourages a wide diversity of thought and lively debate that is based on mutual respect and active listening. We seek extensive community input and we strive to build consensus. We benefit from having our elected leaders represent the community as a whole without embedded interests and we strive to maintain a high degree of integrity. Our nonpartisan system encourages a wider range of participants that might not otherwise volunteer their time to serve the community. As a direct result of our political system, we have avoided corruption, graft, nepotism, campaign finance debts and unscrupulous business dealings in Scarsdale. Our form of government is not perfect, but it has proved

over the decades to be well suited for dealing with matters of shared community concerns and the delivery of municipal services desired by residents.

Concluding Remarks

Scarsdale is a wonderful place to live and raise a family – it has been for a very long time and I have no doubt that it will continue to remain so given the natural beauty of our Village in a Park, pervasive spirit of volunteerism, outstanding school system, high level of municipal services, close proximity to New York City and successful track record of our nonpartisan system.

I will conclude my comments on that positive note and will now open the floor to questions and comments.