



### Message from the Mayor

**Kenneth C. Riscica**  
Mayor

**Daniel Cataldo**  
**Silva Ferman**  
**Gus Panopoulos**  
**Dianne Sheehan**  
**Alvin Solomon**  
**Norman Taylor**  
Trustees

**Arlene Drucker**  
Clerk - Treasurer

**Elizabeth Vera-Koubi**  
Deputy Clerk, Building

**Lenore "Lee" Regan**  
Court Clerk

**Cye E. Ross, Esq.**  
Village Justice

**Mary Breen Corrigan**  
Village Prosecutor

**Edward P. Butt, AIA**  
Building Inspector  
Stormwater Mgmt.  
Officer

**Bart Giusto**  
Emergency Mgmt.  
Coordinator

**Maryann Grieco**  
Architectural Review  
Board, Chair

**Eugene O'Connor**  
Zoning and Appeals  
Board, Chair

**James Madison**  
Planning Board, Chair

**Trey Harragan**  
Technology Advisory  
Board, Chair



**March 15** – It has been a while since I have reported news of events, activities, progress and plans in our Village to you. And I am pleased to report that things are well!

First, let me acknowledge and welcome the many

new families that have moved into the Village recently. This cycle of renewal brings us many new young families and young children. Welcome.

We faced some financial challenges in the fiscal year ended May 31, 2018. Our building fees dropped 41% in fiscal 2018 after falling 20% in each of 2017 and 2016. OUCH. By using “best practices” in finance we spotted this early which permitted us to take action. The good news is that by taking quick action, we ended up with the 10<sup>th</sup> straight year of surplus. We need the surplus to fund our Capital Plan.

Speaking of our Capital Plan, we are now more than half way through our 10-Year Capital Plan with \$625,000 spent and about \$525,000 to go. In August 2018, then Senator Elaine Phillips recommended our Village for a new State road grant for \$125,000. With that road grant, and another one pending from 2016 for \$100,000 as well our funds set aside from surplus, our remaining plan would be funded. BUT, in February 2019, we learned that both pending grants may be at serious risk. So we are working to resolve this.

In July, we submitted our annual financial report to NY State on time, as usual, and with a surplus for the 10th year in a row. More inside.

For our fiscal year that will end May 31, 2019, I expect us to end with a surplus in the \$15 – 20,000 range with savings expected on snow removal and road repairs as a result of a fairly mild (so far) winter.

In February, the Governor’s Budget for next year eliminated certain state aid we receive annually (“AIM”). As a result of strong objection from Mayors across the state, there are now proposals, not yet resolved, to restore such funding.

That leads us to the 2019 – 20 Tentative Budget. We have an unusually high tax cap this coming year of 3.7%. Considering the risks on our state aid and road grants, as well as our need to generate surplus to support our Capital Plan, we are proposing a 3.5% tax increase for next year. That’s \$37/household or about \$3/month. This is below our tax cap, which is 3.7% this year. Importantly, the annual rate of growth over the past 9 years, which was 1.3% before this increase, will be 1.5% after the increase for 10 years. Further, our taxes remain 2.5% lower than 2010 and about \$535 lower per household, than the cost of the same services outside the Village.

There has been lots of talk and anxiety over the Tax Cut and Jobs Act’s effect on State and Local Tax deductions (“SALT”). Many have spread fear and launched plans to call taxes charity. It turns out that the facts are that many or most of us are getting a tax cut.

In 2018 we faced a challenging need for more space. We said we would move “thoughtfully” and we did. We did this by avoiding the costs of larger more expensive space, by being creative in our existing space. We spent a little money, created some storage space, increased our use of technology and gave the place a face-lift. By staying in place, and making the space more functional, we save significantly compared to the higher rents for more space that is available on, vs. off, Plandome Road.

It is a privilege to serve as your Mayor. You can reach me at Mayor@PlandomeHeights-NY.Gov

*Kenneth C. Riscica,*

Mayor

## 10-Year Capital Plan and Resources

Our 10-Year Capital Plan calls for \$1.15 million in spending on infrastructure over 10 years. We have spent (including grants) \$625,000 of that so far and have \$525,000 to go. In August 2018, we received the great news that former Senator Phillips recommended us for a \$125,000 road grant. This was in addition to \$100,000 grant being processed dating back to 2016. This meant that we had 43% grant coverage for the remaining \$525,000 of work. As a result of our 10 years of annual surplus, we have the remaining funds set aside.

In early 2019, we learned from Senator Anna Kaplan that such grants are at risk. If both grants were to be lost, this would be a significant change in our resources to do the Plan.

The fact is that our 10-Year Capital Plan requires investments from the Village treasury of \$400,000 – 600,000 assuming grants cover the rest. That means we need to

generate \$40,000 – 60,000 per year in annual surplus to support the plan. The good news is that our average annual surplus over the last 9 years (and in 2018) has been nearly \$40,000. That average has come down recently with the significant reduction in building activity (discussed below). The risk of significantly reduced grants suggests that more tax revenues, or longer time frames, or a combination of both, may be needed to support our infrastructure spending. This is why we “Plan Beyond One Year.”

While we examine this issue more closely and follow up on the status of our grants, we proposed to take advantage of a rare increase in our tax cap next year to raise taxes 3.5%, slightly more than usual. After the increase, our annual increase over 9 years will still be only 1.5%. This is discussed below and in the Tentative Budget on our website.

## Best Practices Yield Best Results in Finance

**Overview, Year Ended May 31, 2018** - In finance, we use “Best Practices” for municipal governments including our budgeting, financial controls, ‘performance vs. budget,’ “Planning Beyond One Year” and ten-year Capital Plan. Results include: (1) moderate, stable taxes that are *1/3 lower than outside the Village* (about \$535 less per household, year-after-year), (2) systematically building our capital reserves to support our 10-year Capital Plan (3) nine years of operating surplus. In 2018, NY State awarded us a near best score on its Fiscal Stress Test; **3** on a scale of **0-100**.

**Fiscal Year Ends in Surplus** - In July, we reported financial results for the fiscal year ended May 31, 2018 on time as usual to NY State. We reported a \$40,000 surplus that is our 9<sup>th</sup> year of consecutive surplus. The Trustees set aside the surplus to fund our 10-year Capital Plan. Our financial statements were audited by the Village’s independent CPA firm and we received a “clean” audit report. A summary of the financial results is at right and further detail, with commentary from the Mayor, is on our website at [www.PlاندomeHeights-NY.gov](http://www.PlاندomeHeights-NY.gov).

**Financial Trends** - In terms of trends, building fees ‘crested the wave’ in 2015, came down 20% in both 2016 and 2017 and was down 41% more in 2018. To compensate for the loss of revenue, we adjusted or deferred spending so that we could maintain a surplus.

**Looking ahead, Fiscal year ending May 31, 2019 and Tentative Budget Fiscal year ending May 31, 2020** – We expect the fiscal year ending May 31, 2019 will end in a surplus in the \$15 – 20,000 range. Our Tentative Budget for

<b>Year ended May 31, 2018:</b>	<b>Budget</b>	<b>Actual</b>	<b>Better (Worse)</b>	
<b>Income:</b>				
Real Property Taxes	330,000	<b>331,000</b>	<b>1,000</b>	b
Building related fees	51,000	<b>44,000</b>	<b>(7,000)</b>	
Other earnings	40,000	<b>72,000</b>	<b>32,000</b>	a
Grants and aid	34,000	<b>29,000</b>	<b>(5,000)</b>	
Total Revenue	455,000	<b>476,000</b>	<b>21,000</b>	
<b>Expense:</b>				
General Gov. Support	198,000	<b>178,000</b>	<b>20,000</b>	
Public Safety	42,000	<b>43,000</b>	<b>(1,000)</b>	
Transportation	55,000	<b>38,000</b>	<b>17,000</b>	
Parks	16,000	<b>14,000</b>	<b>2,000</b>	
Community Service	144,000	<b>163,000</b>	<b>(19,000)</b>	a
Total Expense	455,000	<b>436,000</b>	<b>19,000</b>	
Surplus (Deficit)	-	<b>40,000</b>	<b>40,000</b>	
<b>Notes:</b>				
a. Largely due to subdivision fees and related expenses.				
b. Collection of delinquent 2017 tax				

the year ending May 31, 2020 suggests a 3.5% tax increase in order to address the risks to state aid and infrastructure grants.

The Tentative Budget is discussed in detail, with Mayor commentary, on our website. With that budget:

- Our average annual tax increase goes from 1.3% in 8 years To 1.5% in 9 years,
- Our taxes are 2.5% lower than 2010,
- Our taxes are 33% lower (\$535/home) than outside Village,
- Our *surplus* supports our ten-year Capital Plan,
- We continue to comply with the NY Tax Cap.

## SALT and the Tax Cut and Jobs Act



A provision of the Tax Cut and Jobs Act of 2017 was to limit the deduction for State and Local Tax ("SALT"). Opponents went into action (a) calling this an assault on certain states,

tax credit, most residents should see a tax reduction. So, for many, if not most of us, the elimination of the AMT offsets the loss of SALT and we are left with a 3% tax cut, higher standard deduction and a child credit.

According to the non-profit Tax Foundation, the facts are that 80% of taxpayers are receiving a tax cut under the new law, 15% have no material change and only 5% will see their taxes increase. Further, IRS reports that average taxpayers in every congressional district in the nation are experiencing a tax cut.

When the Tax act was passed, many villages considered accepting prepaid taxes (not legal) or setting up charities that the IRS has largely now ruled out. Our Trustees had a thoughtful discussion of the issues and concluded that these radical measures were unlikely to benefit our residents and so we took no action.

The Mayor and First Lady consider themselves typical taxpayers in the Village and they are reported to be spending their tax savings investing in their home.

(b) attempting to pre-pay years of SALT (not legal) and (c) devising ways to call SALT "charitable" deductions. What the frenzy ignored is a few things. For one, in our demographic, many of us are subject to the Alternative Minimum Tax ("AMT"). For us, the AMT already eliminated our SALT. The tax act eliminates this AMT penalty. Further, with a \$25,000 standard deduction, 3% lower tax rates, and a child

## Village Hall Makeover

Our lease on Village Hall was due to expire in 2018. As indicated in the past, we need more space but were concerned about the cost so we needed to move thoughtfully. We did.

To move from our current 700 sf (off Plandome Road) to say, 1,100 sf (on Plandome Road, where the availability is) would involve an increase in rate on the 700 sf we have as well as an increase for the volume of additional space. We were looking at space with significant annual increases to our rent.

While our needs for more space are clear, the financial impact is large. So, in July 2018, I went to the Trustees with the recommendation that we (a) stay at our current location, (b) agree to a one-time, 10% rent increase (plus inflation increases over time) and (c) execute a new seven-year lease (3 + 4) on Village Hall. My recommendation was accompanied by the following conditions: (1) the 10% increase would get us significant storage space and (2) I would personally commit to make Village Hall more productive, more attractive and "virtually larger" through the use of technology and storage.

Over the past several months we have taken the following actions on those goals:

- Packed up materials into 45 large plastic boxes of archival records for storage and moved them out of the main Hall,
- Painted the walls and trim and refurbished the floors,
- Installed a new quiet air conditioner that will facilitate more productive meetings,
- Installed a hi-tech, LED projection system so that our meetings can use digital technology to replace clunky easels and other materials that don't fit in our space,
- Replaced our frugal, hard plastic seating with more attractive, more comfortable frugal seating.

To make these changes we allocated a portion of our Capital funds and used about \$12,000 of grant money. By staying in the same space, we avoid significant increases in annual rent over 7 years, plus relocation costs. The payback is 1 year.

And think about it, by archiving and storing our paper records, instead of expanding our Village Hall footprint, we are poised to benefit from future moves to digital records and archives as that technology matures over the coming years.

Our investment of time, money and technology in Village Hall will be useful, and result in savings, for years to come.

## Plowing Plandome Road

In 2007, the County transferred all its roads in Manhasset to the Town except (for technical, legal reasons) the 1,900 linear feet of Plandome Road in Plandome Heights. To address the public safety needs of that "orphaned road," then Supervisor Jon Kaiman included a requirement that the Town would service that section of road, essentially in perpetuity, since it would be impractical for the County to do so.

Starting two years ago, the Town approached us about not plowing Plandome Road in order to save money. In August 2018, the Village Attorney was advised that the Town would no longer plow the road. Since we don't own the road, we can't plow it. So, we approached the County. In the early fall, the County DPW advised, "...tell the Mayor, he's not going to be happy with the County plowing that road.,," Ok, we got it.

