



INCORPORATED VILLAGE OF
Plandome Heights

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December 4, 2023

RE: Update on Occupancy Matters

Dear Friends and Neighbors:

A year and a half ago, our "Planning Beyond One Year" process identified "occupancy" as a critical issue. As I reported, our occupancy costs would go up significantly for two reasons: (1) our lease has a favorable rate that will not continue and (2) after 18 years and high growth in building activity, we need more space. We are about half-way through our final lease extension.

I described then a "call to action" to plan for the space we need and to work to mitigate the amount of the cost increase. The "Village Hall" page at www.PlandomeHeights-NY.gov contains important information about our progress including a preamble, important history, *financial feasibility analyses* and a *professional space analysis and assessment*.

Since then, we have searched for space to buy or lease. Last year, we had three "buy" opportunities. Two of them moved away from us and a third may, or may not, be available. We have our eye on others and continue to search. I write to provide some further updates.

1. Activity drives the need – A prime reason we need more space is that building activity continues at a rate that is dramatically more than 20 years ago. Many of our homes are over 80 years old and so the need continues for roofs, driveways, kitchens, baths, extensions, cesspools, HVAC. Residents are *rebuilding the Village one house at a time*.
2. Aligning costs with activity – If building drives the need, then the *costs* need to be aligned. So, earlier this year we raised building fees, modestly for most work, but more significantly for larger projects based on current "costs of construction." And this is resulting in more revenue from *fees, not taxes*, to absorb some of the increased costs.
3. Interest costs – While mortgage rates are way up, advisors tell us the municipal bond market rates are up only modestly. So, we think our financial feasibility analysis is still valid.
4. Available capital – Our successful pursuit of road restoration funding from NatGrid as well as state grants have preserved sufficient capital reserves for a down payment. Then, in fiscal 2023, we added significantly to our capital reserves largely from non-recurring items. We also expect to add to reserves in 2024, so our available capital should support our goals.
5. Historical and Landmarking activities – As we approach our 100-year anniversary, residents are focusing on how we preserve our history, pride and culture in a permanent Village Hall.

We have not yet found the right solution, but we will continue to pursue all options. One thing is clear to me, our taxes are the lowest Village taxes in Nassau County* and I expect they will continue to be so after we conclude our efforts on occupancy. We have work to do and the clock is running. As always, questions, comments and complaints are cheerfully accepted.

Sincerely,

INCORPORATED VILLAGE OF PLANDOME HEIGHTS

Kenneth C. Riscica, Mayor
Mayor@PlandomeHeights-NY.Gov

* Excludes two villages with half our population and one that operates on endowment, not taxes.