

## **MAYOR MARVIN'S COLUMN**

Last week, along with other Westchester elected officials, I testified before a panel of State Senators as to the impact of State budget decisions on the Village.

I referenced last year's MTA payroll tax which is a classic example of an "unfunded State mandate". Not only did the obligation accrue at the time of passage of the bill, but the Legislature made it retroactive three months for municipalities only, further adding to the unexpected burden.

I also asked that the overall operation and investment strategies of the State Pension Fund be placed under increased scrutiny. The Fund lost 26% of its value last year. By State law, municipalities are required to pay a pro rata share to make the Fund whole again. As a result, the Village received a bill for \$230,000, which translates into over 3% points on the tax bill for one item in one fiscal year.

The Governor's Executive Budget has a proposed law that would permit municipalities to amortize a portion of their annual pension costs over a ten year period at a rate of interest determined by the State Comptroller. This provision would allow communities to at least smooth pension payments over time and avoid these one year surprise obligations that greatly affect operating budgets.

I also urged the Senators to reverse the local revenue sharing formula that is currently in the budget. As proposed, all communities would have their share of local aid decreased by 3% to 5%. Since mortgage tax, sales tax and interest income revenues are all down, we cannot afford to have our small State subsidies decrease as well. In that vein, I also asked that the CHIPS, or highway improvement monies, be maintained at current levels. In Bronxville, with the lone exception of Route 22, all streets and bridges are Village owned and maintained, and these State funds have proven essential in keeping our roadways safe and well maintained.

I, along with virtually every other elected official speaking, urged the Senators to support the proposal in the current Executive Budget to allow cities and villages to increase the local gross receipts tax (GRT) on utilities from 1% to 3%. Currently only Yonkers, Rochester and Buffalo have this

option. Essentially, it would be an increase in the use tax on any service delivered by pipe or wire, thus affecting the Con Edison and United Water delivery systems the most. The proposal does not cover cell phone usage, only land line local calls. Since the tax is a user tax and more broadly based than the property tax, I believe it is a more equitable means of funding our escalating municipal costs. For example, it would apply to the utility use of all non-profits who enjoy the use of municipal services and improvements tax free. In Bronxville alone, if passed, the provision would generate \$332,000 in revenue, equivalent to almost 5% points on a tax levy.

I also support the Governor's budget proposal that would permit municipalities to charge for accident reports at amounts up to those currently charged by the State Police. Police departments generate accident reports from which insurance carriers benefit, at little or no cost to the insurer. The expenses associated with conducting accident investigations and compiling reports is borne by municipal police departments and ultimately the local taxpayer. Municipalities should be authorized to charge the same for reports generated at the local level as for those issued from the State police. Since every revenue source available to the Village has decreased or been erased in the past two years, it is essential that the State government allow us these new areas of revenue generation. They would bring in necessary monies to local municipalities at no additional cost to the State.

I hope all residents received the Census Department letter last week explaining the Yonkers mailing address on Bronxville forms. With the help of Congresswoman Lowey and State Senator Klein, we were able to persuade Census officials to generate the clarifying letter. Please fill out your Census form and mail it back by April 15<sup>th</sup>. If you do not, a Census worker will make a personal visit to your home to collect the information. This is not only intrusive but quite costly to the government at \$60 per visit. The accurate counting of Village residents is critical as it will affect Federal, State and school funding for the next ten years.

The Trustees and I continue to hone the Village budget as we attempt to have another 0% tax increase. If we are successful, we will be the only Westchester community to do so. We will conduct our next Budget Workshop on April 6<sup>th</sup> at 6:30PM at Village Hall. All interested residents are invited to attend.