

Larchmont Mamaroneck Joint Garbage Disposal Commission

740 West Boston Post Road, Mamaroneck, New York 10543

To: Supervisor Nancy Seligson-Sanitation Commissioner

Mayor Lorraine Walsh- Sanitation Commissioner

Re: 2022 Tentative Commission Budget

Date: October 19, 2021

Submitted for your review is the 2022 Tentative Budget for the joint commission. Last year, at this time, when the tentative budget for the Commission was submitted we were in the midst of the worst phase of the COVID-19 pandemic. There were concerns over possible staff shortages that could interrupt sanitation and recycling services. However, through changes in the deployment of personnel, the impact of the pandemic upon services was relatively minor. Although the pandemic is still with us, the impacts have decreased dramatically. For that reason, the Commission has been able to return to standard personnel deployment and scheduling. As the Commissioners are already aware, the employees did step up to the changes necessary to continue sanitation services and I was very pleased with their performance during the pandemic.

Over the last year, there has been discussion between the Town and Village over the future organizational structure and method of financing the joint sanitation service. Those discussions are ongoing. The Town and Village have agreed however, that for calendar year 2022, the Commission will continue to operate as it has in the past with the exception that for 2022 the apportionment of the Commission budget will be based upon a fixed percentage rather than tonnage. The Town and Village have tentatively agreed that for fiscal 2022, the apportionment will be 59% to the Town of Mamaroneck and 41% to the Village of Larchmont.

Overview

Based upon our projections for year-end spending and estimates for next year the proposed expense budget for 2022 increases by \$131,767 or 3.6%. As will be explained later in this memorandum expense increases are driven by an increase in the Consumer Price Index and increases in some employee benefits. Revenues to the Commission not including the subsidies of the Town and Village are expected to increase by \$68,000 or 51%. This includes a \$47,000 application of surplus to the proposed budget. The estimates for the contributions by the Town and Village are based upon the aforementioned apportionment of 59% to the Town and 41% to the Village. On the next page is a table that presents the summary of the tentative budget for the Commission.

2022 Tentative Budget Summary

	2021 Adopted Budget	2022 Tentative Budget	Variance from 2021
Operations and Maintenance	\$1,918,474	\$1,997,022	\$78,548
General Charges	1,712,409	1,765,628	\$53,219
Total Appropriations	3,630,883	\$3,762,650	\$131,767
Less Revenues	132,550	200,550	68,000
Net Budget/Levy	\$3,498,333	\$3,562,100	\$63,767

Operations and Maintenance

The operations and maintenance portion of the expense budget focuses primarily on those expenses relating to the collection and disposal of solid waste and recycling material. Salaries represent the largest of the expenses in this portion of the budget. For 2022 salary expenses are estimated to be \$1,421,247 for 2022, an increase of \$33,148 or 2.4%. The contractual change in employee's salaries for next year is 1.75%. However, also included in this line item is the expense for longevity payments, payments to employees in lieu of optical insurance (\$350/employee) and increments paid to employees with less than seven years of service that are still progressing through the salary scale in the contract.

Under the category of overtime, the projected expense for 2021 is estimated to be \$82,000. The over expenditure is driven entirely by the overtime expenses needed for the cleanup of the extraordinary quantity of debris caused by Hurricane Ida. For the period September 3 through September 17 the Commission incurred \$21,037 of overtime expense for the cleanup. For this period the Commission collected over 1,100 tons of debris which is roughly equal to two months of regular garbage collection. The Commission will be submitting storm related expenses for overtime and higher than normal tipping fees to FEMA for reimbursement. That said, it is safe to say that the reimbursement will take some time and would likely not be expected until at least mid-2022.

For 2022 a small increase in overtime is proposed and generally reflects the increase in salaries in accordance with the collective bargaining agreement. Also proposed, is a small increase in expenses for part time employees. Like other employers, the Commission has had difficulty recruiting good part time employees to fill in for those on vacation or for long term injury absences. At this time part time employees are paid \$20.00 per hour. In order to retain good part time employees, we have had to guarantee a minimum of 3 days of work per week during the spring and summer. The use of part time employees remains however a less expensive

alternative to overtime expenses or sanitation collection. The Commission saves on additional pension and employee benefit costs.

Other Operation and Maintenance Expenses of Note:

- I. Dumpster and Waste Containers: For 2021 the projected expense for dumpsters and waste containers is expected to be \$32,000, about \$10,000 higher than expected. During the pandemic the Commission did sell more waste containers to residents and commercial customers. The additional sales are reflected in our projections for revenues in this category. It is unclear whether this trend will be as strong in 2022. For that reason, the expense line has only been increased to \$25,000 for next year.
- II. Equipment Repairs: Projections for this year are that our expenses will be \$25,000. The main driver of the increased expense is for repairs to the Commission's trailers. The unanticipated use of these trailers for large quantities of storm related debris from Hurricane Ida did overtax the equipment requiring repairs to their hydraulic systems. The Commission has never had cause to haul this heavy type of debris in trailers before. We have generally designed our trailers to carry recycling material which is much lighter and easier to pack. This design also makes the trailers less expensive to purchase and operate. In 2022, there is no proposed increase in this line item.
- III. Building and Ground Repairs: In 2021, the evaporator and condenser units on the air conditioning system for the Commission office/locker building required replacement. Additionally, the overhead wires and a telephone pole at Maxwell Avenue had to be re-set for safety reasons. Together the two repairs totaled about \$17,000. Therefore, projected expenses for this year will come in about \$9,100 higher than the original budget of \$12,000 for this line item. These unexpected repairs appear to be an anomaly. So, we do not at this time anticipate any other large repairs. The budget for this line item in 2022 has been increased slightly to \$12,500.
- IV. Electricity: Although, the Commission's electricity expense is expected to come in below budget a rate increase is anticipated. Therefore the budget for electricity has been increased by \$1,000 to \$7,500
- V. Diesel Fuel: The projection for this year is that the Commission will come in over budget for diesel fuel as prices continue to rise. Just in the last week diesel fuel prices have risen about 4.7%. It is safe to say that prices may continue to rise into next year. Therefore, the 2022 budget proposed to increase this line item from \$45,000 to \$52,000.
- VI. County Dumping Fees: Westchester County has yet to publish its per ton tipping fee for 2022. Currently the fee is \$29.83/ton. For 2021 the expectation is that the Commission

will spend \$260,000 in tipping fees primarily due to the collection and disposal of storm related debris. Aside from the blip caused by the storm, we have seen an increase of about 300 tons in total garbage collected by the Commission in 2021. This is attributed to the two factors; first, many residents of the Town and Village remain working from home and thus generate more garbage. Second, there appears to be an increase in local business activity including the restaurants. The County's formula for changes in the tipping fee relies heavily on the consumer price index. For the one-year period September 2020 through September 2021 the CPI for all items in the New York, New Jersey region increased just under 4% and increased by one half of a percent in the last month. Individual CPI increases for items such as fuel and transportation have risen by far greater percentages. With an increase in tipping fee highly likely and a higher volume of waste predicted, the 2022 Commission budget at this time proposes a \$20,000 increase in this line to \$240,000. A better estimate can be prepared when the County publishes its 2022 tipping fee.

- VII. Service Contracts: Expenses in this line item are expected to total \$42,910. The additional expenses have been primarily due to the additional cost for the maintenance of the contaminated liquid interceptor tank that is required for the hopper at Maxwell Avenue. When we experience more rain in a season, the tank must be maintained and emptied more frequently. In addition, the sludge in the tank must also be periodically removed. For this year we have expended about \$27,000 maintaining the system. In 2022, the plan is to pursue with the County a proposal to allow the contaminated liquid tank to overflow into the sanitary sewer. Other expenses in this line include drug testing expenses, the lease of our two way radio system, and maintenance of the copier at Maxwell Avenue. For 2022, the proposal is to increase this line item by \$10,000 to \$40,000.

General Charges

General Charge expenses in the Commission budget reflect salaries for part time administrative personnel and employee benefits. Also included in this section of the budget are expenses for liability insurance, financial audit expenses, legal expenses, the purchase of recycling containers and the Commission's contingency budget.

General Charges Highlights:

- I. Contingency: For 2022 the proposal is to reduce the contingency from \$160,000 to \$100,000 in an effort to offset notable increases in a number of other line items of the budget.

- II. **Employee Retirement:** The New York State Retirement System has notified the Commission that its contribution for 2022 will be \$262,724, an increase of \$34,000 over 2021. For most of the Commission's employees the contribution rate has increased to 18.2% which covers Tier 4 employees. Contribution rates for newer employees in Tiers 5 & 6 are as low as 10.6%. A small consolation is that the retirement system is estimating that for 2023 the total contribution will decrease to \$185,718 although this estimate is somewhat suspect based upon their salary projections.
- III. **Medical Insurance:** The New York State Health Insurance Plan has yet to announce its rates for 2022. It appears that the Town of Mamaroneck and other municipalities now preparing budgets for January 1, 2022 are using a 6% increase factor. Until there is a formal announcement from the State, using the 6% factor seems to be the most prudent estimate. The Commission's total expense will increase from \$637,000 to \$675,000. However, the net expense for the Commission after deducting employee contributions will rise from \$607,000 to \$629,000.
- IV. **Worker's Compensation Insurance:** An error was made last year in that the budget included the premium for insurance at \$335,000 but did not include the State imposed assessment. Therefore, our actual expense for 2021 will be \$349,000. The total expense for the Commission in 2022 is now estimated at \$340,000. This amount does include the State assessment and reflects an estimated 4% decrease in the actual premium.

Revenues

Overall revenues for the Commission, not including the contributions of the Town and Village are expected to increase by \$68,000 in fiscal 2022. The single largest source of the increase is in employee contributions to health insurance. Health Insurance contributions will increase from \$30,000 to \$46,000. Also, an application of \$47,000 in surplus is proposed to offset expenses. Most other increases in revenues for sale of product, sale of dumpsters and our contract with New Rochelle are relatively small. The pricing of the New Rochelle contract is based upon a formula that utilizes the increase in the Town Refuse District Tax.

Proposed Capital Projects

For 2022 three capital projects are proposed:

Replacement of One Pickup Truck - \$44,000

The proposal is to replace one of the Commission's pickup trucks which is now 15 years old. The Commission operates three pickup trucks one of which is retrofitted with a tipper body for the collection of garbage and storage of composted food waste. The other vehicles are used for general errands, collection of skipped pickups and transporting of employees on the routes. On occasion the pickup trucks are used as an additional vehicle for route collections. Pickup trucks

used by the Commission are equipped with dump bodies so that they can be used on collection routes and for hauling materials.

Purchase of a Generator \$12,000

The Commission has now experienced an increase in the frequency of electric power failures at the office/locker room building. A generator will provide consistent electric service which is critical to operating our two-way radio system as well as the buildings mechanical systems.

Replacement of Building Fire Alarm System \$5,000

The Fire Alarm System in the building requires replacement. We have attempted to repair the system but components for the original system have become difficult to find. A new technology system will provide greater safety to the building and fewer false alarms.

This concludes the presentation of the 2022 Tentative Budget for the Commission. I would recommend that we arrange a meeting of the Commission in the next two weeks to review the budget in greater detail. In the meantime, if you have questions, let me know

Stephen V. Altieri
Superintendent

Larchmont Mamaroneck Joint Garbage Disposal Commission

740 West Boston Post Road, Mamaroneck, New York 10543

To: Supervisor Nancy Seligson-Sanitation Commissioner

Mayor Lorraine Walsh- Sanitation Commissioner

Re: 2022 Tentative Commission Budget Version 2

Date: October 30, 2021

Following up on our Commission meeting on October 28, I have made revisions to the proposed Tentative Commission Budget based upon our review and a review of certain line items as a result of updated information. Below is the revised budget summary.

2022 Tentative Budget Summary-Version 2

	2021 Adopted Budget	2022 Tentative Budget	Variance from 2021
Operations and Maintenance	\$1,918,474	\$2,026,722	\$108,248
General Charges	1,712,409	1,820,628	\$108,219
Total Appropriations	3,630,883	\$3,847,350	\$216,467
Less Revenues	132,550	\$163,450	\$30,900
Net Budget/Levy	\$3,498,333	\$3,683,900	\$185,567

On the attached budget worksheet, I have highlighted those line items that have been revised for this version of the budget.

Revenues

- ✿ The contributions of the Town (59%) and Village (41%) have been revised to reflect the changes in the appropriations and net budget
- ✿ Health Insurance Deductions- The revenue estimate has been increased to \$53,000 to reflect the estimated contributions to be received this year.
- ✿ Rental Income - This line item has been amended to reflect the anticipated rental income from the cell phone antennas at the Maxwell Avenue site.
- ✿ Interest Income- The negative (2,550) listed on the first version of the budget was an input error. The current interest income of \$28.00 has been input in the second version of the budget to correct the error.
- ✿ Surplus- As per the discussion of the Commissioners, the surplus application has been removed. In the expense budget the contingency has been increased.

Expenses

- ✿ Line 201- Full Time Salaries- The projected salary expense has been revised as a result of an error in the original budget due to an overstatement of the longevity payments due in December. The estimated salaries for 2022 have been confirmed as correct.
- ✿ Line 208- Fuel Oil- The projections for petroleum prices in 2022 are very uncertain. The Commission is currently paying \$2.20/gallon up from \$2.11/gallon in January of 2021. An additional 10% increase in prices would place the cost per gallon at \$2.42. The Commission in 2020 used about 1,350 gallons of fuel. At the projected price of \$2.42 the total estimated expenditure would be \$3,267.00. I am suggesting a budget of \$4,000 for 2022 leaving a cushion for even greater inflation in the price of fuel oil which is certainly possible.
- ✿ Line 210-Diesel Fuel- Based upon the Commission's use of fuel to date, we are projecting that in 2021 the Commission will use 25,400 gallons of diesel fuel. Assuming the same fuel consumption in 2022 and a projected price of \$2.75per gallon, the budget for diesel fuel has been increased to \$69,000. The Town is applying the same per gallon price in its diesel fuel projections which appears reasonable considering that prices are increasing virtually every week.
- ✿ Line 212-County Landfill- The County notified the Commission after the submission of the first version of the tentative budget, that the tipping fee for municipalities in the County Refuse District would increase from \$29.83/ton to \$30.98/ton. For all of 2020 the Commission disposed of 8,103 tons solid waste. Excluding the excess tonnage of solid waste collected in September from Hurricane Ida, the Commission is on target to deliver practically the same amount of municipal waste in 2021. Applying the new tipping fee of \$30.98/ton, the estimated expenditure for 2022 is about \$251,000. I have revised the 2022 budget for this line to \$253,000. Again, leaving a small cushion for additional expenditures.
- ✿ Line 301- Salaries-Administration- This line item reflects the salaries of the Superintendent, Treasurer and Payroll Clerk. The total of these salaries is \$64,500. I have budgeted \$66,300 in 2022 for consideration of increases for those salaries. The stipend paid to for the personnel administrator is not included in this line item.
- ✿ Line 301A-Clerical Help Part Time- The \$5,000 budgeted in this line is for the stipend of the personnel administrator.

- ✿ Line 302- Contingency- With elimination of the surplus application, the contingency budget line has been increased to \$150,000 to address unscheduled expenditures.

We are still awaiting final quotations on General/Auto Liability Insurance. Also, I will be obtaining a quote from the Town's new auditor to determine if the cost of the annual audit can be reduced. For now, I have left the current amount in the budget.

While the revised budget calls for increases to both the Town and Village contributions, the Commissioners discussed a distribution of surplus at the end of this year. This component of the budget process is still under review and will be discussed further. The tentative plan is to distribute surplus based upon the surplus identified in the 2020 audit of the Commission.

Stephen V. Altieri
Superintendent