

AGENDA

JOINT TOWN BOARD AND LARCHMONT VILLAGE BOARD SANITATION MEETING

April 21, 2022

6:00 P.M.

Larchmont Village Hall

1. Discussion of sanitation service alternatives

Memorandum

To: Supervisor and Town Board- Town of Mamaroneck
Mayor and Board of Trustees- Village of Larchmont
Re: Evaluation of Alternatives for Shared Sanitation Services
Date: April 18, 2022

Based upon the last meeting of the Town and Village Boards, we were given the task of identifying alternative organizational structures, analyzing the structures, and preparing estimated costs of each alternative. As we have reviewed the alternatives, it would appear that at their face the expenditure and revenue differences of the service itself are modest. The funding of such alternatives is what differentiates the impact on the taxpayer. We also considered which organizational structure offers the greatest possible economies of scale and the greatest flexibility for future planning of sanitation services, however, each alternative seems to offer the ability to make future changes to increase efficiency and improve service, such as utilizing the "one-arm" bandit trucks, picking up food scraps, and moving to a fee-based system, should those changes be desired.

It is our opinion that based upon the concerns and discussions to date, that short of the Town and Village deciding to each form their own sanitation departments, there are two alternatives to be considered:

1. Hybrid of the Commission – Alternative Allocation Methods
2. Expanded Town District to include the Village of Larchmont.

The following is a review of each alternative and the assumptions used in preparing the budgets for each.

1. Hybrid Commission

A. Multi Component Formula

1. Under this alternative, the Commission remains essentially unchanged organizationally.
2. The organizational structure would continue to be an agency separate and apart from the Town and Village to provide sanitation and recycling services.

3. In the past the tonnage formula considered only the weight of solid waste collected in the Town and Village. As an alternative a new formula could be evaluated that used a variety of factors in establishing the actual cost of collection and then to apportion those costs between the Town and Village. A formula for apportionment could consider tonnage as one of several factors including; number of collection stops, type of collection stops (commercial or residential) coupled with the estimated quantity of garbage generated from each stop. A formula that is based upon this level of data would also become a good platform to eventually establish a fee for sanitation services. Sanitation services are very much like a commodity such as water or electricity. One can measure consumption which in this case is the number, type and size of collection containers used at each collection stop. The system mitigates the inequity that exists between users of the service where one home or business requires more collection services than another Also, this type of formula could consider not only the weight of solid waste collected but also the weight of recycling materials and yard waste.
4. The Town and Village have the opportunity to consider alternative policies and procedures regarding apportionment, and operations of the organization.
5. If the apportionment of financing of the organization is conducted through a fee and/or assessment method, municipal boundaries would not be an issue when considering changes to services and collection routes.
6. The fee for services might be applied only to those costs specific to the physical collection of garbage where a potential inequity exists between users. The assessed valuation alternative would be applied to other costs such as the operation of the Maxwell Avenue Recycling Center. This last alternative is comparable to the financing of the Tri-Municipal Ambulance District where service charges and the ad valorem tax are both used to finance the expenses of the District.

B. Apportionment Formula- Assessed Valuation Alternative

1. Under this alternative, the Commission remains essentially unchanged organizationally.
2. The organizational structure would continue to be an agency separate and apart from the Town and Village to provide sanitation and recycling services. The apportionment would be based on the ratio of the assessed valuations of the municipalities. If this is acceptable to both communities, the Town and Village could seek

an amendment to the Commission legislation to allow for this alternative.

3. As in the multi component formula alternative, the opportunity still exists to establish a fee for all or a portion of the sanitation and recycling services provided by the Commission.

If the apportionment of financing of the organization is conducted through a fee and/or assessment method, municipal boundaries would not be an issue when considering changes to services and collection routes.

2. Expanded Town District

- a. The service would be provided to both municipalities through an expansion of the Town's garbage district to include the Village of Larchmont. The day-to-day operation and management of sanitation and recycling services would be the responsibility of the Town of Mamaroneck. In order to expand an existing special improvement district, the State prescribes a specific procedure to be followed. Under that procedure, the Village and then the Town must adopt resolutions agreeing to expand the district. The resolutions adopted by each Board are subject to a permissive referendum should a party present sufficient signatures to call for the referendum.
- b. One agency responsible for the operation of all aspects of sanitation and recycling services. With the Town as the larger of the two communities there can be opportunities for economies of scale for insurances and other operating costs.
- c. Financing of the agency would be by ad valorem tax. All property owners would be taxed at the same tax rate for sanitation services.
- d. Flexibility in route design as municipal boundaries would not have to be considered, for apportionment of costs or for changes in services.
- e. All vehicular equipment owned and maintained by a single agency. Permits the establishment of one consistent capital replacement program for refuse collection vehicles and other equipment.
- f. Potential positive impact to Village of Larchmont through reduction in budget through the elimination of all sanitation operational expenses from the Village of Larchmont budget.

- g. Requires an extended process for approval by the Village Board and Town Board for approval of the expanded district.
- h. Review by New York State Comptroller, however it is a review not an approval as there is no debt issued for expansion of the district.
- i. Employees of the Commission would need to be transferred to the Town of Mamaroneck

Governing/Service Issues To Be Discussed

For either version of Alternative 1-Hybrid Commission, the form of governance of the agency would have to be decided but could take on the same form as the current Commission with the Village Mayor and Town Supervisor serving as the Board of Governors or Commissioners with a Superintendent/Manager to manage the day-to-day affairs of the Commission, prepare the annual budget and make recommendations when applicable for new policies and procedures. Governance could also be decided through an IMA that would identify certain issues involving the operation of the services. These issues, as well as some of the advantages and disadvantages, might include:

- i. Menu of services to be provided for sanitation and recycling
- ii. Management structure of the organization
- iii. Ownership of refuse collection vehicles and obligations for maintenance of the vehicles
- iv. Establishing a mutually agreed guideline for the two communities to replace refuse collection vehicles if they remain under the ownership of the Town and Village
- v. Budget process and review
- vi. Development of a Fund Balance Policy
- vii. Authority of the Board of Commissioners
- viii. Determination as to what issues must go before the two municipal Boards if Commissioners don't agree or if the issue involves important changes in services.
- ix. The opportunity to establish service fees as component of the financing of the district.
- x. Process needed to negotiate an IMA could be lengthy as the two communities consider the issues to be addressed in the IMA.

- xi. Governance could be more complicated depending upon the decisions regarding the independence of the Board of Commissioners in making certain operational decisions.
- xii. An advisory board has been suggested similar to that used in the Town Ambulance District. Made up of Town and Village elected officials and staff, the advisory board would address specific issues such as the menu of services to be provided, reduction or expansion of services, and budget review.
- xiii. If an expanded district is the selected alternative, agreement will need to be reached on payment to the Village of Larchmont for the sanitation building and their trucks.

For alternative 2, Expanded Town District governance of sanitation services would be through the Town Board, however, this alternative has in the past considered the establishment of an Advisory Board made up of Town and Village Elected Officials and members of both staffs. The above noted issues could become the basis for further discussions between the Town and Village Boards as to the role of the Advisory Board.

The attached spreadsheet provides a comparison of the current apportionment costs based upon the 59%/41% allocation established for 2022. It also provides the estimated costs for an apportionment for allocation by assessed valuation and for the expanded district alternative. We have not provided a cost allocation based upon tonnage because the consideration now would be a more detailed formula for apportionment. Should this alternative be considered further, we will develop a cost apportionment estimate. The analysis also includes property tax impact in the Town and Village.

It should be noted that these figures are based on a comparison of alternatives and are not meant to be actual budgetary figures for whichever alternative is chosen. Certain costs, such as debt service and certiorari costs, that are not currently part of the Commission budget for either the Town or the Village but rather are sanitation costs borne by each municipality are not included for comparison purposes.

Meredith S. Robson
Mamaroneck Town Administrator

Justin Datino
Larchmont Village Administrator

Stephen V. Altieri
Superintendent- Joint Commission

Annual Tax Summary					
Garbage District Options					
Option #	Description	Allocation %	Town Resident @ \$1.3 m AV	VOL Resident @ \$1.65 m AV	Tax Savings
Current	2022 Garbage District Tax	59/41	\$ 672.18	\$ 874.41	Current
1	Hybrid-AV Allocation Option	60/40	683.15	853.75	*TOM tax increase to Town residents \$11/yr per household *VOL tax bill reduced by \$874; Net Savings \$21/yr per household
2	Expanded District	-	669.18	845.18	*TOM tax savings to Town residents \$3/yr per household *VOL tax bill reduced by \$874; Net Savings \$29/yr per household

ESTIMATED TOWN OF MAMARONECK			
SANITATION			
COMPARED WITH 2021/22 COMMISSION BUDGET			
	Town 59%/ VOL 41%	Town 60.0%/ VOL 40.0%	No Apportionment
	2022 ADOPTED	2022 ESTIMATED	2022 ESTIMATED
Description	COMMISSION BUDGET	Hybrid Commission @ Assessed Values Budget	Expanded District Budget
Insurance Recovery	10,000	10,000	10,000
Health Insurance-Employee Deductions	53,000	53,000	53,000
Rental Income (Cell Tower)	48,000	48,000	48,000
Miscellaneous	500	500	500
Sales of Product Income	17,000	17,000	17,000
Interest Income	450	450	450
Dumpster Fees	22,000	22,000	22,000
IMA - City of New Rochelle	13,000	13,000	13,000
TOTAL REVENUE	\$ 163,950	\$ 163,950	\$ 163,950
EXPENSES			
Salaries- Full Time	\$ 1,421,247	\$ 1,421,247	\$ 1,421,247
Salaries- Overtime	51,000	51,000	51,000
Salaries- Part Time	61,200	61,200	61,200
Materials/Supplies	13,000	13,000	13,000
Dumpsters Waste Containers	25,000	25,000	25,000
Equipment/Truck Maintenance	22,000	22,000	120,000
Building/Grounds Repairs	12,500	12,500	12,500
Electricity	9,000	9,000	9,000
Water/Sewer Rent	800	800	800
Fuel Oil	4,000	4,000	4,000
Diesel Fuel	62,000	62,000	62,000
Gasoline	1,200	1,200	1,200
County Landfill	253,000	253,000	253,000
Organic Landfill	20,400	20,400	20,400
Food Waste Disposal Fees	1,200	1,200	1,200
Uniforms	9,000	9,000	9,000
Highway Tolls	10,200	10,200	10,200
Service Contracts	35,000	35,000	35,000
Exterminator	675	675	675
Miscellaneous	5,000	5,000	5,000
TOTAL OPERATIONS AND MAINTENANCE	2,017,422	2,017,422	2,115,422
General Charges			

ESTIMATED TOWN OF MAMARONECK			
SANITATION			
COMPARED WITH 2021/22 COMMISSION BUDGET			
	Town 59%/ VOL 41%	Town 60.0%/ VOL 40.0%	No Apportionment
	2022 ADOPTED	2022 ESTIMATED	2022 ESTIMATED
Description	COMMISSION BUDGET	Hybrid Commission @ Assessed Values Budget	Expanded District Budget
Salaries-Administration	66,300	66,300	66,300
HR Stipend-Part Time	5,000	5,000	5,000
Contingency	150,000	150,000	150,000
Printing & Stationary	2,500	2,500	2,500
Office Supplies	2,500	2,500	2,500
Telephone	2,200	2,200	2,200
Sewer Tax	4,800	4,800	4,800
Payroll Processing	10,000	10,000	-
Public Notices	500	500	500
Employee Retirement	262,000	262,000	262,000
Insurance-Liability	97,000	97,000	116,000
Insurance-Life	1,000	1,000	1,000
Insurance-Health	705,000	705,000	705,000
Medicare Payments	34,400	34,400	34,400
Insurance-Disability	1,000	1,000	1,000
Insurance -Worker's Comp	340,000	340,000	311,000
Social Security	120,000	120,000	120,000
Commuter Tax	7,400	7,400	7,400
Attorney	6,700	6,700	-
Recycling Equipment	15,000	15,000	15,000
Dental Insurance	26,000	26,000	26,000
Auditor	8,000	8,000	8,000
Tax Certioraris			
Debt Service			
			*Town and Village tax certs/ debt service/ins not included in expanded option to be comparative
Total General Charges	\$ 1,867,300	\$ 1,867,300	\$ 1,840,600
Total Expenses	\$ 3,884,722	\$ 3,884,722	\$ 3,956,022
NET COST	\$ 3,720,772	\$ 3,720,772	\$ 3,792,072
Town District Direct Expenses	\$ 85,126	\$ 85,126	\$ -
			*Town and Village tax certs/ debt service/ins not included to be comparative. Only vehicle repairs
Village Direct Expenses	\$ 49,000	\$ 49,000	\$ -
COMBINED NET COST	\$ 3,854,898	\$ 3,854,898	\$ 3,792,072

ESTIMATED TOWN OF MAMARONECK SANITATION COMPARED WITH 2021/22 COMMISSION BUDGET			
Description	Town 59%/ VOL 41%	Town 60.0%/ VOL 40.0%	No Apportionment
	2022 ADOPTED	2022 ESTIMATED	2022 ESTIMATED
	COMMISSION BUDGET	Hybrid Commission @ Assessed Values Budget	Expanded District Budget
Town of Mamaroneck	\$ 2,280,381	\$ 2,317,589	\$ 3,792,072
Village of Larchmont	\$ 1,574,517	\$ 1,537,309	-
Garbage Tax Per Average Household			
TOM Resident Garbage Tax@ Avge HH AV \$1.3m;	\$ 672.18	\$ 683.15	\$ 669.18
VOL Resident Garbage Tax@ Avge HH AV \$1.65m;	\$ 874.41	\$ 853.75	\$ 845.18
			\$ (874.30) VOL tax bill savings
			\$ (29.13) Net Difference-VOL resident

VOL
22/23 Budget

	22/23 Proposed Tax Levy/Rate	Less Garbage	22/23 Proposed Tax Levy/Rate Wout Garbage
Assessment Roll	\$ 2,974,686,204		\$ 2,974,686,204
Proposed Expenditures	20,441,282	(1,574,317)	18,866,965
Revenues	(4,669,426)		(4,669,426)
Net Tax	<u>15,771,856</u>	<u>(1,574,317)</u>	<u>14,197,539</u>
Tax Rate	\$ 5.30		\$ 4.77
\$1,652,000 Average AV in Village	<u>1,652,000</u>		<u>1,652,000</u>
	<u>\$ 8,758.94</u>		<u>\$ 7,884.64</u>
Savings on \$1.65 AV			<u><u>\$ (874.30)</u></u>