

Donna Conkling

From: proscars@aol.com
Sent: Sunday, April 03, 2022 4:18 PM
To: Clerk's Department; Mayor; Robert Cole; Ann Scaglione; Trustee Arest; Trustee Ahuja; Trustee Brew; Trustee Crandall; Trustee Lewis; Trustee Whitestone; jeveron@gmail.com; Trustee Gans; kmazer@scarsale.com
Subject: Fwd: Letter To The Editor Regarding Lowering The Tax Rate Increase In The Proposed Budget

CAUTION: External sender.

To the Scarsdale Mayor and Board of Trustees , Village Manager and Village Treasurer

The Proposed Village Tentative Budget filed on 3/18/22 must be reviewed by the new Board because of the dramatic change in the Federal Reserve forecast for higher interest rates for the balance of 2022 and 2023 The Village Board must up date the interest income forecast by at least \$ 700,000 for the June 1 Fiscal year. US Liquid One Year Treasury Bills closed on Friday at 1.85 % substantially above banks short term rates.

Every Trustee should know the current yield on the Village's \$ 40,000,000 held in local banks . Is the bank's rate 0.01 % like individuals get at their banks ?

The Village Board must lower the village tax rate increase to LESS than 2 %

to be fair to Scarsdale Taxpayers

Bob Harrison , Chairman

The Scarsdale Taxpayer Alert

914 724-0962

914 646-4054 (cell)

-----Original Message-----

From: proscars@aol.com
To: editor@scarsdalenews.com <editor@scarsdalenews.com>
Sent: Wed, Mar 30, 2022 5:58 pm
Subject: Letter To The Editor

To The Editor:

We are concerned about the 3.70 % proposed Village

Tax increase for the fiscal year beginning on June first .

The School Board proposed tax increase for its fiscal year is

only 2.43 % We strongly feel any village tax increase should be in the 2.0 + % area

Our concern is that the proposed Village budget should be as accurate as possible . Since the tentative Village budget was filed on March 18th, the Federal Reserve Board has publicly made significant changes in the outlook for interest rate policy to fight inflation. They now see seven interest rate hikes this year and five rate hikes next year and these rate hikes can be 25 to 50 basis points each. That means the Village interest income based on a 1.75 federal funds rate on \$ 40 million that the Village has in local banks will be \$ 700,000 more of income and if the FED raises rates 50 basis points five times that would add \$ 500,000 more of interest income .

Each \$ 400,000 of interest income can reduce the tax rate increase by " One Percent " . So Our Taxpayers could have the proposed 3.70 % tax increase reduced to a 1.95 % Village tax increase and could be reduced further by 1.25 % if the FED raised rates by 50 basis points.

To be fair because of increased inflation for Village costs there would be increased expenses for the village However , about 70 + % of Village costs are already set by labor contracts and material contracts like paving can be timed when prices are lower.

We feel there is no reason for a 3.70 % Village Tax increase base on the added interest income that will be raised by investing Village funds in US Treasury bills at rates of 1% to 2 % versus the banks based on interest rates in line with the new Federal Funds rates.

Send your support for a lower Village tax rate to our Mayor and Village Trustees with an email to villageclerk@scarsdale.com

and to proscars@aol.com

Bob Harrison, Chairman

Scarsdale Taxpayer Alert

914 646-4054 cell

65 Fox Meadow Road