

Donna Conkling

From: proscars@aol.com
Sent: Tuesday, April 05, 2022 4:35 PM
To: Ann Scaglione; Robert Cole; Mayor; Clerk's Department
Subject: Fwd: Village Budget And Interest Income

CAUTION: External sender.

To All : We see no response to our email below . The School Board has responded with info on the current return on their \$ 64,000,000 in banks.

You have a public hearing at 8 PM today on the Fiscal Year 2022/2023 Tentative Budget.

What interest rate is the Village using for the \$ 40,000,000 it has in local banks to determine the proper interest income for the June 1 fiscal year ??? Interest rates are rising sharply for 2022 and 2023 . Our Village Budget should accurately reflect the economy for the coming year. We look forward to the Village response to our emails !!!

Bob Harrison , Chairman

The Scarsdale Taxpayer Alert

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

From: proscars@aol.com

To: ascaglione@scarsdale.com <ascaglione@scarsdale.com>; rcole@scarsdale.com <rcole@scarsdale.com>; mayor@scarsdalr.com <mayor@scarsdalr.com>

Sent: Mon, Apr 4, 2022 5:30 pm

Subject: Village Budget And Interest Income

Dear Ann,

Nice to see you at the swearing in ceremony and hope you are feeling better. We have been working on the filed tentative village budget.

We have major questions on the interest income estimate for the fiscal year starting June 1. The FED has made a major change in its interest rate policy and forecast for interest rates over the next year.

The FED and the markets are now looking for SEVEN FEDERAL FUND

INCREASES this year and FIVE INCREASES next year to fight inflation.

Therefore short term interest rates should rise to 2 % this year and higher next year.

WHAT IS THE INTERST RATE PER CENT RETURN ON THE \$ 40,000,000 OF VILLAGE FUNDS IN BANKS INCLUDED IN THE TENTATIVE FILED BUDGET ???

We think based on the NEW INFORMATION FROM THE FEDERAL RESERVE BOARD THAT THE VILLAGE SHOULD INVEST IN 6 MONTH and 12 MONTH TREASURY BILLS THAT ARE FULLY LIQUID WITH A RETURN OF 1.5 % TO 2.0 % THAT COULD INCREASE INTEREST INCOME BY \$ 700,,000 AND REDUCE THE TAX RATE INCREASE TO LESS THAN 2 % .

The tentative filed Budget MUST BE REVISED TO BE ACCURATE UNDER THE NEW FED FORECAST.

BEST,

BOB HARRISON, CHAIRMAN

SCARSDALE TAXPAYER ALERT

MEMBER OF THE SCARSDALE FORUM VILLAGE FISCAL AFFAIRS COMMITTEE

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