

MINUTES of the Special Meeting of
the City Council of the City of Rye held in City
Hall on August 16, 1999 at 8:00 P.M.

PRESENT: STEVEN OTIS, Mayor
CAROLYN C. CUNNINGHAM
ROBERTA DOWNING
ROBERT H. HUTCHINGS
ARTHUR STAMPLEMAN
Councilmen

ABSENT: ROSAMOND LARR
KATHLEEN E. WALSH

1. Roll Call

Mayor Otis called the meeting to order; a quorum was present to conduct official city business.

2. Presentation of the Strategic Issues Memorandum, the 2000-2004 Capital Improvements Program, and the Financial Trends Report

City Manager Culross explained that the purpose of this meeting is to review the Strategic Issues Memorandum, the 2000-2004 Capital Improvements Program, and Financial Trends Report which will be the foundation for the 2000 budget.

City Comptroller Michael Genito provided an analysis of the 1998 Financial Trends Report. He highlighted the following:

General Information

- The Financial Trends Report covers from 1992 through 1998.
- 1992 was selected as the starting year because it was the year that the City's two enterprise funds (Boat Basin Fund and Golf Club Fund) and two internal service funds (Risk Retention Fund and Building and Vehicle Maintenance Fund) were initiated.
- This report is a graphic form of the financial direction the city appears to be taking, based upon key financial indicators.

- All dollar figures are in U.S. dollars. Ratios are either presented as percentages (a percent of some number) or coverages (how many times to one).
- Financial data was derived from our comprehensive annual financial reports.
- Where 1992 constant dollars are shown, they were calculated using the CPI-U for the New York area as per the Bureau of Labor Statistics.
- Population estimates used in the report are those of the U.S. Census Bureau.
- The report may assist in developing budgets, forecasts, and other useful financial tools and should be viewed in its entirety.
- This report consolidates the General Fund, Special Revenue Funds (Cable TV Fund and Nature Center Fund), and Debt Service Fund, reporting on their activity as a consolidated group called “General Government Operations”. The report also includes individual trends on the Boat Basin Enterprise Fund and the Golf Club Enterprise Fund.
- Operating revenues include all revenues except for operating transfers and “one-shot” revenues which are material in nature and unexpected or unlikely to occur again.

Report Summary

- The city is in sound financial health.
- Results of operations have consistently been positive.
- Our debt is low and our debt program well-managed.
- We have actually fewer employees now than we had in 1992, indicating that our productivity has increased.
- We are at the limits of our ability to maintain expected service levels. Additional human resources will be required to continue providing current and new services to our residents and taxpayers.

Mr. Genito explained and answered questions about the following:

Undesignated Fund Balance

- These funds are above the accepted target level of 5% of operating revenues.
- In 1995, the fund escalated to 20% because the city took an aggressive stand on tax liens.

Revenues vs. Expenditures

- Since 1993, the city trend has been a positive one. Our revenues have consistently covered our expenditures.

Property Tax Revenues

- After an increasing trend from 1992 to 1995, actual property tax revenues stabilized due to a relatively stable tax base and the adoption of the same tax rate (\$73.72 per thousand taxable assessed valuation) each year since 1994.
- However, in terms of constant 1992 dollars, the purchasing power of property tax revenues has decreased rather dramatically due to the effects of inflation.

Elastic Revenues

- Elastic revenues are those revenues which may be affected by demographic or economic changes in our community. Our elastic revenues are mortgage taxes, sales taxes, and utility gross receipts taxes. The trend is positive, which is expected in an expanding economy. However, we must consider that we have become more dependent upon elastic revenues to support our programs, and in the event of an economic downturn, we must be prepared to replace them with other, more stable revenues.

Long-Term Debt to Full Value

- The city's long-term debt is below .01% of estimated full value. Moody's Investors Service considers a low range to be less than 2%, and normal to be between 2% and 4%. A range of 5% or more is not necessarily negative, but would require Moody's to investigate the causes more fully.
- We tend to issue debt for less than the maximum maturity allowed under law.
- Our debt is low and our debt policies are well-managed.

City Manager Culross summarized the Capital Improvement Plan for the years 2000-2004 and emphasized the following points:

- The 2000-2004 Capital Improvements Program is a plan, not a budget.
- The Capital Improvements Program strives to present for discussion an accurate assessment of Rye's known capital improvement needs. This analysis includes a review of building maintenance projects and capital infrastructure improvements estimated to cost over \$15,000 or more in current dollars.
- The presentation does not include projects associated with the Rye Free Reading Room or Rye Town Park for which the city has a partial indirect obligation.
- This presentation does not include the city's ongoing investment in Information Technology or Motorized Equipment, both of which represent significant needs.
- The proposed reconstruction of the two firehouses is included in the Building Maintenance Projects.
- A 2000 Capital Improvements Budget will be submitted for council consideration, along with the proposed operating budget, on November 5, 1999.

The 2000 Capital Improvements Plan includes the following categories:

- Streets, Sidewalks, Parking, and Traffic Signals
- Sanitary Sewers, Storm Drains, and Flood Control Projects
- Parks, Recreation, and Open Space Projects
- Disaster Mitigation

Major initiatives for discussion which are not in the five year plan include:

- New Police Headquarters/Court Facility
- New Nature Center Educational Building
- Parking solutions
- Recreation Park Improvements
- Re-valuation of Real Property
- Village Green Landscape Master Plan Implementation
- Land Acquisition for Recreation and Flood Control

A general discussion focused on the following topics:

Parking

There is a need to look at optimizing use of existing parking resources, seeking means to expand resources, and discussing solutions.

Village Green

Consultants have prepared a Village Green Landscape Master Plan which has been accepted by the Planning Commission. The Capital Improvement Plan includes no specific projects to implement this master plan except for undergrounding of electrical utilities.

Re-valuation

It was noted that a re-valuation should take place on a regional basis to include all municipalities in Westchester County. Otherwise, a re-valuation only in the City of Rye might create inequities with surrounding communities, causing a unfair burden on the City of Rye taxpayers.

City Manager Culross summarized the Strategic Issues Memorandum which outlines the challenges and the opportunities facing the City of Rye over the next few years. In his summary, he focused on the following:

- Demographics
- Resident Expectations
- Regulatory Demands
- Technology
- Land Use and Sustainable Environment
- Communication
- Human Resources
- Revenues

A general discussion focused on:

- Information package for newcomers
- NYCOM aggressively lobbying against new mandates being imposed on city governments
- The Master Plan Task Force (house size to lot size)
- Effective electronic communication
- Need for additional space for training sessions and meeting rooms
- Lighting and fencing needs at Damiano Recreation Center
- Overlapping debt
- Boston Post Road Rock Hazard Elimination

- Land acquisition
- *Project Impact*
- Proposed new Police/Court facility
- Parking solutions
- Traffic signals, i.e. complex issue at Ridge and High Streets
- Traffic circle on Milton Road
- Personnel resources

It was noted by Councilman Hutchings, and agreed to by other council members, that increasing staff for Cable Television and MIS was an asset. Supplemental staffing in a number of departments would probably produce similar positive results.

Mayor Otis expressed his appreciation to the City Manager and the City Comptroller for their informative reports. He complimented them on their excellent presentation.

4. Adjournment

There being no further business to discuss, the meeting was adjourned at 9:00 P.M.

Respectfully submitted,

Alice K. Conrad
City Clerk