

APPROVED MINUTES of the
Special Meeting of the City Council of the City
of Rye held in City Hall on August 24, 2001 at
4:00 P.M.

PRESENT:

STEVEN OTIS, Mayor
ROBERTA DOWNING
ROBERT H. HUTCHINGS
DOUGLAS MCKEAN
ARTHUR STAMPLEMAN
Councilmen

ABSENT:

CAROLYN CUNNINGHAM
ROSAMOND LARR
Councilwomen

1. Pledge of Allegiance

Mayor Otis called the meeting to order and invited the Council to join in the Pledge of Allegiance.

2. Roll Call

Mayor Otis asked the City Clerk to call the roll; a quorum was present to conduct official city business.

3. Consideration of proposed local law amending Article 21, Financial Procedures, of the Charter of the City of Rye by modifying Paragraph D of Section C21-9, Bond resolutions

Mayor Otis asked City Manager Novak to explain the technical procedure necessary for the City to take advantage of the Environmental Facilities Corporation (EFC) Financing, assuming our application is, in fact, approved and funded. She explained that Article 21, Financial Procedures, Section C21-9 of the City Charter will need to be amended in order to allow the City to preserve the option to participate in the EFC loan program. Sections C21-9 (a), (b), and (c) set limitations, but Section (d) sets exceptions. Manager Novak proposed that the Council consider amending Article 21, Section C21-9 (d) to allow the City to proceed with the EFC application. She said the proposed action and language is recommended by the City's Bond Counsel. Councilman Hutchings said he knows Manager Novak is working on several options concerning the purchase of the Rye Nursery

property and, while he feels there is no way the Council can make a decision today, he concurs that it is important for the Council to take this step to keep this option open.

Councilman Stampleman made a motion, seconded by Councilwoman Downing and unanimously carried, to adopt the following resolution:

WHEREAS, the City Council proposes to amend Article 21, Financial Procedures, of the Charter of the City of Rye by modifying Paragraph D of Section 21-9, Bond Resolutions to add the exception “or authorizing the issuance of obligations to be sold to the New York State Environmental Facilities Corporation or any successor thereto”, now, therefore, be it

RESOLVED, by the Council of the City of Rye as follows:

Section 1. Pursuant to Section 20 of the Municipal Home Rule Law and the Charter of the City of Rye, New York, a public hearing will be held by the Council of said City, on September 5, 2001 at 8:00 P.M. at City Hall, Boston Post Road, in said City, for the purpose of affording interested persons an opportunity to be heard concerning such proposed law.

Section 2. Such notice of public hearing shall be in substantially the following form:

**PUBLIC NOTICE
CITY OF RYE**

**Notice of Public Hearing on a proposed local law amending Article 21,
Financial Procedures, of the Charter of the City of Rye by modifying Paragraph
D of Section 21-9, Bond Resolutions**

Notice is hereby given that a public hearing will be held by the City Council of the City of Rye on the 5th day of September, 2001, at 8:00 PM, at City Hall, Boston Post Road, in said City, at which interested persons will be afforded an opportunity to be heard concerning a proposed local law amending Article 21, Financial Procedures, of the Charter of the City of Rye by modifying Paragraph D of Section C21-9, Bond resolutions.

Dated: August 29, 2001

Susan Morison, City Clerk

Councilman Stampleman said that he had read Peter Larr’s statement in the paper that, quote: “we have been assured all along by the Mayor and Councilman Stampleman that we have sufficient funds to purchase the [Rye Nursery] property and we accept those assurances.” Councilman

Stampleman said he would like to clarify the meaning of “sufficient funds.” He said he was referring to the City’s liquidity, in terms of cash and investments, should the City have to purchase the property in the short run before being reimbursed by outside funding sources, and he in no way intimated that \$1,775,000 could leave the City’s coffers permanently without feeling the loss. He said such an outlay would have the impact of reducing the year-end cash balances by 25% and the year-end unrestricted reserves by 50%. Both these factors could have a major adverse affect on the City’s financial ratios and its ability to borrow additional funds and said he was surprised these implications were not clear.

Mayor Otis made a motion, seconded by Councilman Hutchings and unanimously carried, to adjourn to executive session at 4:10 P.M. to discuss a personnel matter.

The council reconvened at 5:01 P.M.

4. Adjournment

There being no further business to discuss, Councilman Hutchings made a motion, seconded by Councilman McKean and unanimously carried, to adjourn the meeting at 5:02 P.M.

Respectfully submitted,

Susan A. Morison
City Clerk