

***APPROVED MINUTES*** of the Budget Workshop of the City Council of the City of Rye held in City Hall on November 14, 2001 at 7:00 P.M.

PRESENT:

STEVEN OTIS, Mayor  
CAROLYN CUNNINGHAM  
ROBERTA DOWNING  
ROSAMOND LARR  
DOUGLAS MCKEAN  
ARTHUR STAMPLEMAN  
Councilmen

ABSENT:

ROBERT H. HUTCHINGS  
Councilman

ALSO PRESENT:

FRANKLIN CHU  
ROBERT CYPHER  
Councilmen-elect

1. Roll Call

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

2. Discussion of 2002 Budget

Mayor Otis began the meeting by asking everyone on the Council (present and future) how they all felt about the proposed 18.2% tax increase. Comments were as follows:

- Councilwoman Cunningham: said we need to look at how to reduce expenses even further; that some items are more deferrable than others; and that perhaps the Council will need to look at a hiring freeze.
- Councilman Stampleman said the proposed increase was too high and was not necessary as he disagrees with many of the revenue estimates. He said he had prepared a list of cuts to reduce the increase down to 8.4%. It suggests changes to reduce the 2001 forecast deficit, thereby increasing the funds available at the start of 2002, and also suggests a reduction in the deficit budgeted for 2002. He said he considers it an obligation to hold the line on taxes while continuing to provide

services and that lower tax rates increase our property values. He suggested the City Manager not fill three open positions covered by the General Fund budget proposal but that Commissioner Connors be allowed to fund two additional Police Officers at a cost of \$35,000.

- Councilwoman Downing said it is important to keep the increase in perspective recognizing that it is really 2.9% of the whole tax bill. She said it is more important to balance the budget and insure that proper revenue comes in and that we might have to bite the bullet and be realistic.
- Councilwoman Larr said it is important to match revenue with expenses and take a look at how to achieve more revenue from users of City's services. She said she would not want to see any more cuts.
- Councilman McKean said a tax increase is inevitable, but he would like to significantly reduce size. He said maybe it would be easier to take in two doses than one. He said there were still items to defer, such as the \$50,000 for the building assessment study which he had suggested.
- Councilman-elect Chu said the Council needs to look at the implications of deferring too much this year on future years. He recommends keeping conservative income assumptions.

Mayor Otis said we are challenged because of the economy and the events of September 11, but the tax rate increase is only one route. He said other areas, such as more deferrals, must be put into the mix and he would like to see a substantially lower rate. He said the Council cannot act in a vacuum and needs to keep other issues (like the School and Recreation bonds) in mind. He said it is clear we will have to have a tax increase, but are fortunate that property values are holding up.

City Manager Novak cautioned about increasing operating deficits, saying that rating agencies look at a municipal body's willingness to cover expenses. She pointed out that several of Councilman Stampleman's list of cuts (see below) are one time items and are simply deferrals of capital expenditures.

The Council discussed Councilman Stampleman's suggestions in greater detail.

- Numbers 1-6 increase income assumptions (property tax penalties and interest [\$32,000], Sales and Use Taxes [\$53,000], Utility Gross Receipts Taxes [\$46,000]; Fines and Forfeitures [\$105,000], Mortgage Tax [\$118,000], and Parking Permits [\$13,000]).
- Numbers 7-10 are decreases (postpone City Clerk's Automation [\$65,000], snow removal [0 increase], transfers out re capital expenditures [\$222,000, including delay pistol range], and a hiring freeze [\$100,000 by not filling three open positions]).
- The list calls for a net gain in the 2001 forecast of \$257,000, so, combined with the net gain proposed for 2002 of \$754,000 the total is \$1,011,000.

- He said the three positions not to be filled would be up to the City Manager. She said this was more of a policy decision because not filling any of the positions will affect services and Council needs to choose.

Further discussion took place about how two new police officers can be hired for only \$35,000 (*State reimbursement*) and about whether to lease or buy a ladder truck.

As there was no further time to discuss the budget prior the start of the regular meeting of the City Council, the workshop was adjourned at 7:59 P.M.

Respectfully submitted

Susan Morison  
City Clerk