

APPROVED MINUTES of the Special Meeting of the City Council of the City of Rye held in City Hall on December 12, 2001 at 8:00 P.M.

PRESENT:

STEVEN OTIS, Mayor
CAROLYN CUNNINGHAM
ROBERTA DOWNING
ROBERT H. HUTCHINGS
ROSAMOND LARR
DOUGLAS MCKEAN
ARTHUR STAMPLEMAN
Councilmen

ABSENT:

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. Continuation of public hearing on proposed 2002 Budget

Mayor Otis began the continuation of the public hearing on the proposed 2002 Budget by reviewing the status of the discussion at the end of the last meeting on December 3, 2001 when the public hearing was begun. He said the Council had asked for additional figures so they could achieve a reasonable cut in deferred services with less of an operating deficit and a higher fund balance with a tax increase higher than the 9.85%, but less than some want. He said Councilman Stampleman had developed a plan which brought the operating deficit back down to the level originally proposed by the City Manager and increased the fund balance from 5.6% to 8.5% and added \$500,000 to the undesignated reserves.

Councilwoman Downing summarized her impression of last week's discussion:

- i. Start eliminating the operating deficit of \$1.8
- ii. Start the movement toward a balanced budget

- iii. Maintain our triple A rating
- iv. Cut back on expenses prudently

- v. Protect services to the community
- vi. Think “out-of-the-box” prudently
- vii. Be concerned about 2003

She said there was some blame assigned to the Council, and they should all bear some responsibility. She said there had been a motion at the end of the meeting, made by Councilman McKean to reduce the operating deficit back to \$1.3 million which was withdrawn so that the City Manager could present figures to see what this would mean.

Councilman Stampleman presented his newest proposal for the budget which would make the following changes:

Defer the fire boat to after 2002 (not included in operating)	(\$ 70,000)
Make additional salary and benefit decreases	
Adjust Administrative Pool	(\$ 25,000)
Reduce authorized FTE by 1	(\$ 50,000)
Cut equipment/supplies/contractual lines	(\$100,000)
Increase Police Overtime for pistol training	<u>-25,000</u>
NET reduction in deficiency	(\$220,000)
NET reduction in Operating Deficit	(\$150,000)

By making these adjustments the tax rate would be \$87.72, a 12.4% increase. The deficiency would be \$1,993,000; the operating deficit, \$1,369,000; the Dec '02 undesignated reserves \$1,551,000, 8.5% of revenues or 7.7% of appropriations.

Councilman McKean, who said many in the community are on fixed income and do not want to see a large increase, said he was prepared to make a motion to adopt Councilman Stampleman's plan. As Council members Downing, Hutchings and Larr and the City Staff had not had a chance to see the proposal prior to the meeting, further discussion was deemed necessary.

City Manager Novak said deferring positions further would lead to a reduction in services; that a further 3% cut in the non-fixed expenses would be difficult as they had already made cuts and that she would like a chance to discuss the additional police overtime with the Commissioner. Councilwoman Cunningham said it was time to look harder at the expenses and that the pain to the departments should be equal to the pain to the taxpayers. Councilwoman Larr said she thought the residents would rather pay more and retain services.

The following residents addressed the Council:

Norm MacMaster urged increasing the tax rate back to 18.2%. He said Moody's last opinion when reviewing our finances to establish a bond rating assumed the fund balance would remain at about 20%; that the percentage of undesignated fund balance would be about 10% and that low debt levels would remain. He said he couldn't imagine what they would think now. (The Mayor announced that Moody's had confirmed our triple A rating for bonds being released tomorrow, but the City Manager said they had called to question why the reserve had fallen by \$2 million.)

Mr. MacMaster also read a letter from Bernard M. Althoff who praised the City Manager and Comptroller for their good work and urged the Council to stop keeping the taxes artificially low and raise them sufficiently to balance the operating budget no later than 2003.

Joseph Murphy said the school board vote (in which a \$25 million bond issue was voted down over 2:1) was indicative that some people don't want/can't afford too large an increase and urged the Council to take the first bite, but to be moderate. Fred Wiegold recognized more should have been done in the past and said he and others hope and expect the Council will keep the increase as low as possible. Don O'Connell said it was important to scale the increase out over at least two years to make it palatable.

Duncan Hennes, member of the Citizens for Fiscal Responsibility group, commended the staff and said the Council owed it to future generations to keep finances sound. He said expenses are higher, but it is primarily salaries, benefits and debt and the issue is how to pay for it. He said it was time to pay the bill and urged the Council to balance the budget this year by raising the taxes to 27%. He said if it is only raised to 12%, next year will require 30%.

George Pratt, Chairman of the Finance Committee, said the Council was moving in the right direction, but they needed to keep going in terms of protecting the fund balance. He pointed out that the combination of salaries and benefits going up \$1.5 million and the elastic revenues decreasing \$1.1 million had a \$2.6 million impact, just to start, so that the amount the City has to control is relatively small. He pointed out that the debt portion is partially due to voter initiative; that it was still going up; but still within the debt limit. He said the Council's job was to balance all needs. He said again if the Council wants the Finance Committee to do more than advise on the Capital Plan and budget, they should ask for it. He mentioned that Moody's doesn't like large swings but explained that he meant the 2-40-2% type of swing and reiterated that a two year planning process would be helpful.

David Gile, Former council member, said although he is a senior citizen on fixed income, it is time to pay up and the Council needs to communicate the true impact on the taxpayer. Bob Clyatt, recent homeowner, said he was speaking for those who were watching from afar and thinking everything as all right, but now see there is a price tag and maybe there are things the new residents, who are already paying a large tax bill, would be able to live without. He urged the Council to talk to this group which wants to keep a lid on spending; feels the Council purposely did not discuss finances during the campaign; and that this Council will spend the money as fast as they get it. Chris Elliot, also a resident, said there is less money for all residents in these times, so urged the Council to find ways to cut.

Jonathan Peters said he saw the plan moving in the right direction, but said the discussion needed to transcend politics. He pointed out that, to put things in perspective, each 1% increase in taxes would net the city \$100,000 and cost the median homeowner \$1.25 per month. Franklin Chu, Councilman-elect, said he was also pleased that the Council was moving in the right direction, but reiterated that it was even more important to keep an eye on 2003. He noted that this year's process seemed strange as the various proposals appear to have been made to make one "side" look better than the other and there is a perception of not working together for the good of the entire city. Robert Weeden said the Council should stop worrying about their political preferences and work on the perception that taxes may be out of control. He said it is clear that everyone should have been paying more in the past and it is time to pay the piper, but people are looking at the total tax picture and everyone is talking about taxes. Bob Cypher, Councilman-elect said he was also encouraged the Council was moving toward the middle, but urged them to be careful not to overestimate revenue and on the other hand to control expenses.

Ellen Milberg, former City Council member said after years of having taxes too low, it is time to raise them; that people understand more than the Council thinks. She also pointed out the Council needs to listen during the public hearing; to wait until every member of the audience has spoken and then respond and discuss, based on the audience input.

John Wickham returned to the podium, this time in his role of Assistant Fire Chief, to report that the replacement of equipment is mandated (i.e. the National Fire Rating Association (NFRA) requires replacement of ladders every 20 years, \$1100 for outfits every five years, etc.) so the costs are not as flexible as one might think.

During the public hearing the Council added the following comments:

Councilman McKean said he thought it would be a good idea for the Finance Committee to get more involved, especially if they can help with plans for building maintenance and equipment replacement. The Mayor said neglect of building maintenance had been a problem and fixing the buildings up necessitated bond issues (i.e. Whitby, the firehouses) which, when authorized, increased the debt. The Mayor said those who might think the candidates withheld financial information during the campaign should know that the Charter prevents the Council from knowing about the budget prior to the election. Councilwoman Cunningham said the budget needs came as a big unexpected surprise to her, but that they all have to work together to make the City the best it can be and that everyone will be looking hard at the expense side. The Mayor said that raising the budget to the proposed level (12.4%) would be the largest ever.

Councilwoman Downing said she was distressed to have been embarrassed in public by not having had a chance to see Councilman Stampleman's proposals at the same time as others. Those who had seen them assured everyone they had received their copy only at 6 PM. The Mayor said they had worked hard to come to the table with cuts that would not curtail existing services. Councilman

McKean said that public discussion among the Council, as they try to reach a compromise, is mandated by law

The Council discussed Councilman Stampleman's proposal in greater detail. Councilwoman Downing said she questions cutting employees; that there might be cuts in the wrong area; and that things might be neglected. Councilwoman Cunningham said hirings had to be deferred. Manager Novak said she was uncomfortable making the decision of whom to cut and would prefer clearer direction as to which services the Council would like to see diminished. She also reiterated that \$100,000 is going to be hard to cut as the services demanded of the City are the same regardless of the economy. Councilman McKean said that while he would like to move maintenance projects along faster, he would be all right with not hiring the second land use employee; the Mayor said perhaps we should keep the land use position and use existing personnel to fill the police computer job. Councilman Hutchings said he would like to concentrate more on the fees to see if we can increase income rather than make further cuts in expense. In the end, it was decided to let the City Manager figure out a way to cut \$50,000 from salaries and benefits and \$100,000 from the operating budget.

Councilman McKean made a motion, seconded by Councilman Stampleman, to adopt the following resolution:

RESOLVED that the following amendments to the proposed 2002 budget be made so that the property tax rate is established at \$87.72 or 12.4%.

<i>Defer purchase of the fireboat</i>	\$ 70,000
<i>Decrease salaries</i>	\$ 50,000
<i>Decrease equipment/supplies line</i>	\$100,000

ROLL CALL

AYES: Mayor Otis, Councilmen Cunningham, McKean and Stampleman
NAYS: Councilwoman Larr
ABSTAIN: Councilwoman Downing and Councilman Hutchings
ABSENT: None

Councilwoman Downing left the meeting at this point.

Councilman Stampleman discussed the pros and cons of adding \$225,000 back into the budget for the Police pistol range. The Council commended Commissioner Connors for reducing the request from \$400,000. Option A is to add the amount back into the capital budget; Option B is to include this amount and the amount for one or more pieces of fire equipment in a Safety Bond Issue.

Councilman Stampleman made a motion, seconded by Councilman Hutchings, to adopt the following resolution:

RESOLVED, that \$255,000 be reinstated in the capital budget for the renovation and reconstruction of the Police pistol range.

ROLL CALL

AYES: Mayor Otis, Councilmen Cunningham, Hutchings, Larr,
McKean, and Stampleman

NAYS:None

ABSENT: Councilwoman Downing

The mayor thanked everyone for their input and closed the public hearing on the 2002 budget.

4. Consideration of proposed local law amending the Rye City Code by creating a new Chapter 85, Endangered Species

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

WHEREAS, the Council wishes to create a new Chapter 85, Endangered Species, in the Code of the City of Rye; and

WHEREAS, it is now desired to call a public hearing on such proposed amendment to the law, 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 January 16, 2002 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 local 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 adding Chapter 85,
Endangered Species to the Code of the City of Rye**

Notice is hereby given that a public hearing will be held by the City Council of the City of Rye on Wednesday, the 16th day of January, 2002 at 8:00 P.M. in the Council Room of City Hall, Boston Post Road, in said City, at which time interested persons will be afforded an opportunity to be heard concerning the proposed local law adding Chapter 85 Endangered Species.

Dated: January 7, 2002

Rye City Clerk

5. Draft unapproved minutes of the regular meeting of the City Council held on November 7, 2001, the special meetings held November 8 and 12, 2001, the Budget Workshop meeting held November 14, 2001, the regular meeting held on November 14, 2001, and the Budget Workshop meeting held on November 26, 2001

Councilman Stampleman made a motion, seconded by Councilwoman Larr and unanimously carried, to approve the minutes of the regular meeting of the City Council held on November 7, 2001 as amended.

Councilwoman Cunningham made a motion, seconded by Councilwoman Larr and unanimously carried, to approve the minutes of the special meeting of the City Council held on November 8, 2001 as amended.

Councilman Stampleman made a motion, seconded by Councilman Hutchings and unanimously carried, to approve the minutes of the special meeting of the City Council held on November 12, 2001 as amended.

Councilwoman Cunningham made a motion, seconded by Councilman Stampleman and unanimously carried, to approve the minutes of the budget workshop of the City Council held on November 14, 2001 as submitted.

Councilman Stampleman made a motion, seconded by Councilwoman Larr and unanimously carried, to approve the minutes of regular meeting of the City Council held on November 14, 2001 as amended.

Councilwoman Cunningham made a motion, seconded by Councilman Hutchings and unanimously carried, to approve the minutes of the budget workshop of the City Council held on November 26, 2001 as submitted.

6. Other business

There was no other business to be considered

Councilwoman Cunningham made a motion, seconded by Councilman McKean and unanimously carried, to adjourn to executive session at 11:20 P.M. to discuss a personnel matter.

The Council reconvened at 11:40 P.M.

7. Adjournment

There being no further business to consider, Councilman Stampleman made a motion, seconded by Councilman Hutchings and unanimously carried, to adjourn the meeting at 11:41 P.M.

Respectfully submitted,

Susan A. Morison
City Clerk