

APPROVED MINUTES of the
Special Meeting of the City Council of the City of Rye
held in City Hall on August 12, 2002 at 8:00 P.M.

PRESENT:

STEVEN OTIS, Mayor
FRANKLIN J. CHU
CAROLYN CUNNINGHAM
ROBERT S. CYPHER
ROBERT H. HUTCHINGS
ROSAMOND LARR
DOUGLAS McR. MCKEAN
Councilmen

ABSENT:

NONE

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. Presentation of the 2001 Financial Trends Report

Mayor Otis asked City Comptroller Michael Genito to summarize the 2001 Financial Trends Report for the Council. Mr. Genito said he was pleased to be able to provide a 10 year trend for the first time. He said that overall the City was in a healthy financial condition, but there are areas where action should be taken now to maintain that basically sound situation.

He reported that several trends (the City's liquidity ratio, the current ratio, the unreserved and undesignated fund balance as a percentage of net operation revenues) over the ten-year period are good, but turned down in 2001 because of the planned 2001 operating deficit. Net operating revenues were less than expenditures, but uncollected property taxes as a percentage of the tax levy are low, continuing our excellent 99%+ collections rate. Tax liens as a percentage of the tax levy, while rising, continue an excellent record at less than 7% and should be reduced even further as we enter the tax lien/foreclosure processing period. Elastic revenues were lower, but the trend is still a healthy one. It was also noted that while increased elastic revenues reduce the property tax burden, they are more susceptible to changes in the economy. Major

expenditures such as debt, insurance, and fringe benefits continue to rise, similar to increases last seen in the early 1980s.

In conclusion, Mr. Genito said that while last year's operations ran at a deficit, it was planned. The net direct bonded long-term debt is rising, but is overall very low, as is the overlapping long-term bonded debt. The number of municipal employees per thousand population has remained between 9 and 11 throughout the ten-year period and in 2001 was 10.5. City services have increased dramatically during that same trend period, an indication that productivity has also improved dramatically.

4. Presentation of the 2003-2007 Capital Improvements Program

City Manager Julia Novak officially presented the 2003-2007 Capital Improvements Program (CIP), submitted to the Council on August 2, 2001, by providing an overview of the plan and highlights of projects scheduled for 2003. She urged everyone to ask questions and identify additional projects and establish priorities for the future. She said the CIP includes building maintenance and infrastructure improvements projects over \$15,000, but excludes investments in technology and fleet needs which will be incorporated into the Operating Budget.

The 2003-2007 CIP Program identifies \$13,039,500 in needs over five years (\$7,021,500 of current funds, \$3,610,500 of new debt, \$1,507,500 in Grants and Aid and \$900,000 from the Enterprise Funds). Unfortunately the amount of available funds will not cover this plan. Therefore, the 2003 proposed CIP is austere and identifies only annual projects and those that qualify for the debt limit-exemption Environmental Facilities Corporation (EFC) loan pool, along with a few building-related essential projects and two "priority" recreation projects.

There are three sources of funds available for projects for 2003: \$403,337 of new debt (the maximum available without going to the voters for a mandatory referendum); \$883,714 from the General Fund Undesignated Fund Balance, if the available fund balance is maintained at the minimum balance of 5%, or \$377,342 if it remains at 7.5%; and \$350,000 from the Building and Vehicle Fund Retained Earnings. The overview for 2003 is a recommended expenditure of \$3,431,500 (\$771,000 from Current Funds [reserves and retained earnings]; \$1,860,500 of new debt [\$1,400,000 from the EFC]; \$200,000 in grants or aid and \$600,000 from the Boat Basin Enterprise Fund). \$2,215,500 is under the Capital Projects Fund and \$616,000 is under the Building and Vehicle Fund.

The Capital Projects Fund includes only \$150,000 of projects (the annual drainage project [\$50,000] and the annual sewer rehabilitation program [\$100,000]) plus an additional \$1,620,500 in debt is requested with funding sought from the EFC. A significant portion of that debt (\$1,380,000) is for the Kirby Lane North area to create a new sewer district. Most would be assessed back to the Kirby Lane residents, but \$400,000 would be a direct cost to the City. The remaining debt (\$240,500) is for City-owned Pump Station upgrades at Stuyvesant, Hewlett and Peck Avenues and at the Westchester Country Club. In the Streets and Traffic Safety area, \$200,000 is for annual street resurfacing (all of which is funded by the State CHIPS funds and represents a \$100,000 reduction from the usual amount funded for this project); \$50,000 for the annual sidewalk program; and \$15,000 for Traffic Safety projects. \$180,000 is for traffic signals at Theodore Fremd and Elm Street and at Central Avenue (\$40,000 is from current funds and

\$140,000 is from previously funded debt not used for de-authorized signals, such as at Barlow Lane.) Deferred projects include widening Peck Avenue, resurfacing the Boston Post Road, and the rehabilitation and repaving of Theall Road. Out-year projects include a parking deck in the Central Business District and the reconstruction of Purchase Street.

The Building & Vehicle Fund will support \$616,000, of the 2003 projects in four separate areas:

- *General Government (\$50,000)* includes City Hall office refurbishing in the Finance Department.
- *Public Safety (\$201,000)* includes \$100,000 to build a police impound facility at Disbrow Park and \$200,000 for a small addition to the existing police headquarters.
- *Community Environment (\$160,000)* includes \$60,000 to replace the flat roof, \$50,000 to overhaul the hydraulic system and \$50,000 to replace the fueling system.
- *Recreation (\$205,000)* includes \$65,000 for reconstruction of the Disbrow tennis courts and \$75,000 for the creation of a skateboard park. Two other projects, not actually part of our recreation program, are also included: \$25,000 for repairs to the foundation of the Square House, and \$40,000 to stabilize the floor and foundation of the Friends Meeting House. Deferred projects include improvements at Gagliardo Park and resurfacing the Recreation parking lot.

Enterprise Funds: No projects are scheduled at the Rye Golf Club for 2003, but \$600,000 will be spent at the Boat Basin for dredging the harbor and constructing a sedimentation basin.

In conclusion, the City Manager re-emphasized the inability of the City to fund all the needed projects at this time, given current debt limitations and available fund balance, and stressed the importance of major items, such as the Police Headquarters, which are not included. She urged that the Council consider a major public safety bond in the near term to buy land and build a new facility and stressed the need to identify other priorities for out years.

The Mayor thanked the Comptroller and City Manager for their informative presentations and opened the floor for questions. Answers from the City Manager are in italics.)

Councilman McKean asked if it would be cheaper not to raise the pump stations above ground? (*OSHA requirements have increased maintenance time and costs and it will be cost effective not to have employees work below ground level.*) Councilwoman Larr asked about alternatives to the Kirby Lane project, such as raising the road to prevent flooding? (*Raising the road would cause ponding on either side of the road. The City is responsible for all storm drains and it makes sense to put in the storm drain while the other work is being done.*) Darcy Gibson, Kirby Lane resident, said the area had been flooding for 35 years. A resident of Chamberlain Street said that the flooding problem on that street was getting worse and he was not happy that the project to fix it was deferred. Councilman Chu asked how the City's infrastructure compared to other communities. (*It is hard to say, but it is clear that the Police Headquarters would be at the bottom of any list.*) How are the estimated costs determined? (*The City Engineer. The more design studies and information we have, the easier to accurately estimate.*) \$50,000 is the normal amount reserved for sidewalk repair and anyone noticing a particularly bad sidewalk should let the City know, so that it can be put on the list to be repaired. The sedimentation basin

in Milton Harbor is designed to entrap sedimentation from the brook before it gets to the harbor so the basin alone can be cleaned and dredging of the harbor can be done less frequently.

There was also discussion on how to achieve savings not only for next year, but for the remainder of this year. Councilman Hutchings questioned the need for a skate park and wondered if Theall Road shouldn't have higher priority than refurbishing the Central Business District. The Mayor said traditionally not everything on the list is automatically funded and that they would take a close look at everything during the budget process. Councilman McKean suggested not replacing the little bridge in the Milton Cemetery but putting in a path instead. Councilwoman Cunningham suggested looking at the balances left on this year's projects and seeing what could perhaps be postponed to save money this year.

Mayor Otis suggested having an "austerity" workshop to discuss how additional savings could be achieved this year. The workshop was set for 7:00 P.M. prior to the next regular City Council meeting, scheduled for Wednesday, August 14, 2002.

5. Other Business

There was no other business.

6. Adjournment

There being no further business to be conducted, Councilwoman Larr made a motion, seconded by Councilman McKean and unanimously carried, to adjourn the meeting at 9:15 P.M.

Respectfully Submitted,

Susan A. Morison
City Clerk