

APPROVED MINUTES of the Budget Workshop of the City Council of the City of Rye held at the Milton Firehouse on November 12, 2002 at 7:30 P.M.

PRESENT:

STEVEN OTIS, Mayor
FRANKLIN CHU
CAROLYN CUNNINGHAM
ROBERT CYPHER
ROBERT HUTCHINGS
ROSAMOND LARR
DOUGLAS MCKEAN
Councilmen

ABSENT:

None

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 2003 Budget

Mayor Otis said there were many difficult challenges as the Council reviews the Tentative Budget proposed by the City Manager and that between now and November 21, the Council will make changes and present a Proposed Budget at a Public Hearing on December 2, 2002. He said the Council will be looking to the public and to the boards and commissions for input, but tonight was to identify issues to consider as they look at ways to lower the tax burden for next year. The Mayor indicated that it should be the primary goal of the Council to lower the tax increase. His list of items to consider is:

-Hiring Freeze – should it continue? Councilman Hutchings said to extend it for 6 months and then reconsider; Councilwoman Cunningham wants it all year.

-Adopt a Job Reduction Review Policy to see if tasks can be redistributed.
(Councilman Hutchings agreed)

-Adjust revenues for Recreation Fees/per Maximus Fee Study (+ \$24K\$107K?)

-Adjust revenues for Rye Nature Center/per Maximus Fee Study (+\$41K?)

-Consider Mooring fees (+ \$100K?) – exempt Durland and Not for Profits

-Consider non-resident surcharges at Boat Basin and Rye Golf Club (+\$45K)

Councilman Hutchings agreed the Council should look into both mooring fees and the non resident charges.

-Consider no pay raises for administrative group

- Decrease expense for Rye Town Park by \$30K (RTP making money).
- Decrease Dental Insurance by \$20K
- Keep sales tax at 2002 level (+\$20K)
- SUB TOTAL** (if adopt all suggestions): Decrease of \$652K (5.53%)
- Reduce garbage collection to once/week – save additional \$330K
- GRAND TOTAL** (if adopt all: \$982K or reduction of 8.33% to 16.97%

Mayor Otis questioned Interfund Revenue Decline (*it has been reallocated to other areas and nets out to the same amount*); the added contractual expenses in various departments (*how the additional debt service is allocated – this year there is a lot, so it shows up more than in other years*); and the fluctuation in Police State Aid (*it depends on the number and size of grants awarded*).

Mayor Otis suggested NOT funding the new fuel management system and using the \$50K to begin design work on Theall Road (*unfortunately, the funds are in different areas so the savings can't be used for road design*).

The Mayor would like to see the Undesignated Fund Balance match the percentage in the 2002 Budget and, if possible, go up.

Councilman Chu said all these ideas had been discussed at the Finance Committee Meeting and that other than not granting pay raises for administrative staff and eliminating the fuel management system, it was a good list. He added:

- Deferring the Kirby Lane North project to save \$400K
- Deferring the \$40K for the Friends Meeting House foundation (There was discussion about how the \$150,000 grant could be used. Once received it needs to be sent back to the Environmental Facilities Corporation (EFC) to reduce our outstanding loan. There was also discussion about developing a more comprehensive plan for the site before restoration begins. City Engineer Mottarella confirmed that it would not fall down. Raising private funds was discussed.)
- Funding the request for the Library. He understands it is a difficult year, but the Library's budget will increase by 5.1% because of enhanced programming and if their amount is not raised the percentage of the city's participation will actually decrease, sending a negative message to all those who volunteer and work for the Library. Maybe some of the non-resident surcharge (from the Enterprise Funds, if they are added) can be used for the Library. Councilman Hutchings agreed the Library is great, but it is unfair to raise the Library and not the other non-profits; that the Council needs to deal with financial responsibility and be hard and fast and Scrooge-like. The Mayor said everyone loves the Library and the Council has stepped up in the past, but the Council can't treat the Library better than it treats City departments. Maybe they will find the money, but his priority is to lower the property tax amount.

Councilman Cypher had the following list:

-What is the \$27K for the Westchester Humane Society? Are we getting our money's worth? *The City Manager said we have quite a good contract and the important contribution is that they take care of a lot of road kill, but staff would look into it.*

-Garbage Collection – what would be the impact of requiring curb pick-up? *The City Engineer said maybe collection could go from 6 routes to 5, but then 5 trucks would have to do double trips to White Plains so there might be a need for overtime for the first time in 12 years. Also we would need bigger trucks. Special pickups could be charged for (we do it now at about \$25/cu.yd.) He agreed that the second pickup is smaller than the first. What if we had twice/week only in the summer? It is difficult to hire seasonally and the crews now are all seasoned licensed sanitation men.*

-Recycling – is it profitable? *There is a district cost, but the City can't eliminate it on its own because we have an Inter Municipal Agreement with the County. We are already #2 in recycling in the County but maybe could do more. We have never had an actual campaign to get people to recycle.*

-Not buying the "hybrid" cars would save \$44K, but then we would not be auctioning off the police cars @\$5K/car. Can we not hold off for a year and use the old cars longer?

-Defer Friends Meeting House foundation (see above).

-Fee Schedule – charge more than \$75 for demolition. Don't really charge much now because it is more profitable to charge more for the new building permits. Councilman Chu tended to agree we could charge more, but it was a small item. Councilwoman Larr questioned the parking permit income and was informed that revenue had been adjusted up.

-Recreation Fees. Councilman Cypher would like Steve Meyers' input; wants to make sure we don't price our campers out of the market; and urged careful review of the recommendations. Mr. Meyers said they will review the report but cannot guarantee they can do so in full right away as there is so much to consider. If they institute the 36% increase, our camp would be the highest in the County. Now we are equal to Rye Brook and Scarsdale. He agrees there is room for increase, but not at the 36% level.

-Put back the skate park because we need to address the needs of our teenagers. Is there a less expensive way to bring in the program? (One town just spend 600K). Councilwoman Larr suggested the teenagers help raise some of the cost themselves. Councilman Hutchings said it is a good idea, but other things are more pressing.

Councilwoman Cunningham agrees with the hiring freeze and with eliminating the fuel management system. She also suggested looking more carefully at the fleet and using smaller cars. She asked if the City collects a Utility Tax (yes, 1% maximum). She asked how people felt about the Westchester County Sales Tax. It is regressive, but it would help the City. The City won't know if this is going to pass until after the budget is approved, so if it is it could create an unanticipated revenue source. Duncan Hennes, Chairman of the Finance Committee, said it favored the rich and soaked the poor and questioned why anyone would want it.

Councilman McKean suggested zero base budgeting for all discretionary funds and asked to see amounts and justification by department. He focused on the Nature Center and suggested it was time to rethink some of the programming. Discussion was

centered on what the center would lose without one employee (pre-school program, summer teen program, birthday parties). Councilwoman Larr suggested more efficiency and took exception to the fact that the Friends of Rye Nature Center would suggest withdrawing their support if one less curator was hired. The Maximus Fee Study indicated the Nature Center earns only 27% of their costs but Chantal Detlefs, Nature Center Director, said the average nature center covers only 13% of their costs.

Both Councilman Hutchings and Councilwoman Larr suggested the Kirby Lane North project be deferred.

The Mayor reset the third budget workshop from Monday Night, November 18 to 6:30, Wednesday, November 20.

As there was no further discussion on the budget, Councilwoman Larr made a motion, seconded by Councilwoman Cunningham and unanimously carried, to adjourn the budget workshop at 10:45 P.M.

Respectfully submitted

Susan Morison
City Clerk