

***APPROVED MINUTES*** of the Special Meeting of the City Council of the City of Rye held in City Hall on August 11, 2003 at 8:00 P.M.

PRESENT:

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

ABSENT:

ROSAMOND LARR

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 2002 Financial Trends Report

Mayor Otis asked City Comptroller Michael Genito to summarize the 2002 Financial Trends Report for the Council. Mr. Genito said that, overall, the City is in a healthy financial condition, but trend reports are a good way to identify areas where there might be a need for action to maintain that condition.

He reported that the City's liquidity ratio and the current ratio have remained above the target level for all years except 1993. The unreserved and undesignated fund balance as a percentage of net operating revenues has risen back to 17% after a 2001 dip to 10%. The spread between net operating revenues and expenditures remains sound, but is trending toward convergency, giving cause to insure future operating results stabilize or reverse the trend. Uncollected property taxes as a percentage of the tax levy are trending down (positively), continuing our phenomenal 99%+ collections rate. Tax liens (sometimes subject to uncontrollable external factors) as a percentage of the tax levy continue an excellent record at less than 6%. Elastic revenues rose this year, but they are the most susceptible to changes in the economy, so we should be cautious about relying on this revenue too much. Major expenditures such as debt, insurance (particularly medical), and other fringe benefits continue to rise.

The net direct bonded long-term debt is rising steadily but remains at an excellent low level. However, overlapping long-term bonded debt is rising at a greater pace and points to the need for coordination between the City, school districts and County whose debt collectively impacts City of Rye taxpayers. The number of municipal employees per thousand of population has remained steady throughout the trend period at approximately 10 employees per thousand, an excellent indicator of productivity since City services have increased dramatically during that same trend period. Mr. Genito concluded by noting that a complete copy of the trend report is available both at City Hall and on the web site.

The Mayor thanked Mr. Genito for the excellent presentation and commented on the positive news about the undesignated fund balance and the ratio level of the City's debt.

4. Presentation of the 2004-2008 Capital Improvements Program

Interim City Manager Frank Culross presented the 2004-2008 Capital Improvements Program (CIP) by providing an overview of the plan and highlights of projects scheduled for 2004. He urged everyone to ask questions, identify additional projects, and establish priorities for the future. He 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 2004-2008 CIP Program identifies \$34,743,053 in needs over five years (\$3,271,500 of current funds, \$27,772,553 of new debt; \$2,100,000 of previously approved debt, and \$1,599,500 in Grants-in-Aid). Unfortunately the amount of available funds will not cover this plan. Therefore, the 2004 proposed CIP 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 plus two big projects including the resurfacing of Theall Road and the renovation of the Locust Avenue Firehouse (both of which will require referendum votes).

There are three sources of funds available for projects for 2004: \$420,214 of new debt (the maximum available without going to the voters for a mandatory referendum; \$75,000 of additional debt subject to permissive referendum; and EFC funds for certain infrastructure projects, primarily sewers); \$540,000 from the General Fund Undesignated Fund Balance, if the available fund balance is maintained at the minimum balance of 5%; and \$200,000 from the Building and Vehicle Fund Retained Earnings. The overview for 2004 is a recommended expenditure of \$9,223,000 (\$925,000 from Current Funds [reserves and retained earnings]; \$5,553,300 of new debt [\$3,200,000 from the EFC]; \$645,000 in grants-in-aid; and \$150,000 from the Boat Basin Enterprise Fund). \$3,860,000 is under the Capital Projects Fund and \$5,363,000 is under the Building and Vehicle Fund.

The Capital Projects Fund includes \$2,330,000 for Drains, Sewers and Flood Control projects (the annual drainage project [\$50,000], the annual sewer rehabilitation program [\$580,000 which includes matching funds from an EPA grant], the Highland /Onondaga Drainage project [\$200,500] plus an additional \$1,500,000 in debt is requested with funding

sought from the EFC 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.

\$1,530,000 is for Streets and Traffic Safety. \$300,000 is for annual street resurfacing (\$215,000 of which is funded by the State CHIPS funds); \$100,000 for the annual sidewalk program; \$90,000 for a traffic signal at Grace Church Street and Forest Avenue; \$140,000 to develop a plan for the Central Business District, and \$850,000 (by referendum) for the reconstruction of Theall Road. Out-year projects include a parking deck in the Central Business District; reconstruction of Purchase Street; traffic signals at Ridge St, Purchase and Wappanocca as well as at Oakland Beach and Milton and at the entrance to City Hall; improving the intersection of Peck and Midland Avenues; resurfacing the Boston Post Road; and repairing the Central Avenue and Orchard Avenue bridges.

The Building & Vehicle Fund will support \$5,363,000 of the 2004 projects in four separate areas:

- *General Government (\$50,000)* includes annual city buildings preventive maintenance. Out-year projects include new handicapped accessible voting machines and City Hall office refurbishing in the Finance Department.
- *Public Safety (\$4,963,000)* includes \$103,000 to build a police impound facility at Disbrow Park; \$560,000 for an addition to the existing police headquarters; and approximately \$4,300,000 to remodel the Locust Avenue Fire House. \$2.1 million has been previously authorized so an additional \$2.2 million would have to be authorized by referendum. Out-year projects include a new police/court facility which will cost approximately \$15,700,000.
- *Community Environment (\$175,000)* includes \$80,000 to replace the fueling system; \$45,000 to rehabilitate the DPW rear storage shed; and \$50,000 for the Friends Meeting House. Out-year projects include work at the old DPW garage and demolition of the incinerator at Disbrow Park.
- *Recreation (\$175,000)* includes \$65,000 for reconstruction of the Disbrow tennis courts; \$75,000 for the creation of a skateboard park; and \$35,000 for multi-purpose area resurfacing. Out-year projects for 2005 include improvements at Gagliardo Park; resurfacing at the Recreation and Grainger parking lots; sprinklers for Grainger Field; turf for Sterling Field; and beautification of the new playing fields.

Enterprise Funds: No projects at the Rye Golf Club for 2004 are included in the CIP, but \$150,000 will be spent at the Boat Basin for dredging the sedimentation basin created during the 2003 dredging project.

In conclusion, Mr. Culross re-emphasized the fact that debt must be issued to fund the Capital Improvement Program as submitted and that given the current debt limitations and available fund balance, a bond referendum will be necessary. He said the very restrictive nature of the City's Charter requires this. He reiterated the need for the Council to identify priorities and closed by inviting questions and discussion.

The Mayor thanked Mr. Culross for the informative presentation, and also thanked Casey Liebst, Assistant to the City Manager, for all her work on the CIP document. He then opened the floor for questions. Answers from the City Manager are in italics.

Councilwoman Cunningham asked if the funds authorized last year for police headquarters improvements had been spent. *(They are allocated to remove mold; a plan is being created, and all the funds, and possibly more, will be spent.)* Councilman McKean asked if there might be other opportunities to rent space rather than building another addition at this time. *(The space is needed, and the chances of authorizing \$15 million for new space in the near future appears slight.)* Councilwoman Cunningham asked if the expenses needed to repay the loan for the Nursery Project were included. *(They are not part of the CIP.)* Councilman Hutchings said his top priority is Theall Road. Sol Himmelman and Arthur Jacobson, both Osborn Home residents, spoke in favor of redoing Theall Road, saying it is a mess, long overdue and should be a top priority as it is dangerous and an accident waiting to happen. Irv Hermann, also an Osborn resident, agreed Theall Road needs to be done, but suspected the plan could be altered to make the reconstruction less expensive.

5. Other Business

There was no other business to come before the meeting.

6. Adjournment

There is no further business to discuss, Councilman Hutchings made a motion, seconded by Councilwoman Cunningham and unanimously carried, to adjourn the meeting at 9:20 P.M.

Respectfully submitted,

Susan A. Morison  
City Clerk