

APPROVED MINUTES of the Budget Workshop of the City Council of the City of Rye held on November 12, 2003 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. 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.

2. Discussion of 2004 Budget

Mayor Otis congratulated the City Manager, Comptroller and Department Heads for their good presentation and said tonight was the first pass at the Tentative 2004 budget to look at goals, issues and questions. The Mayor said he had two goals: get the tax increase to the lowest possible level without lowering the quality of services; and keep the undesignated fund balance as high as possible. He suggested the following:

- **Continue the hiring freeze**
- **Continue** evaluation of all jobs under the **Job Reduction Review Policy** to see if additional reorganization is possible. He noted more detail is needed on the summary of authorized full-time employees found on page 12-2 of the 2004 Tentative Budget document.
- **Evaluate the retirement system pension costs**, recognizing that they have been very low in the past, but will be higher going forward. With a bill of \$1,551,628 for 2004 it is the biggest item in the budget.

- Reduce spending from the **Undesignated Fund Balance** so that it can be at least **10%** (current budget proposal would have it at 8.04%).
- Look a **Capital Projects to eliminate:**
 - **Traffic light @ Forest and Grace Church Street** – it is the most urgent? Perhaps it would be better to work on the ones in the Central Business District (CBD)
 - Need **more detail** on the \$140k for the **CBD**. He wanted details on the CBD improvements and we consider merchant's plans, streetscape concepts, etc.
 - **Morehead Footbridge** – can it be done less expensively. Does it need to be done? Councilman McKean suggested the path can be rerouted so the smaller bridge would not be necessary and the \$20k allocated to fix that one could be applied to the bigger one (\$50k) mentioned in this budget. Perhaps there are grants available. Councilwoman Larr suggested Landmarks would not like this, as it is an historic area.
 - **Annual Street Resurfacing** – last year it was \$240k with \$200 of State Aid. This year it is \$300k with \$215 of State Aid. What are the implications of staying @\$240k?
 - **Annual sidewalk program** - \$50k in '03; \$100k this year- stay at \$50k?
 - **Annual Drainage Program** – same as '03. He supports the Highland/Onondaga project as very necessary.
 - **Annual Sewer Program** - \$150k in '03; \$580k in 04. \$430k is part of a grant, but is it needed?
 - **B&V Fund** – needs more information about **Police Impound Facility** (103k). He wanted information on the size, condition and function. Councilman McKean asked if the vehicle impound and evidence storage could be in separate locations. Councilman Hutchings asked if there was an alternative.
 - **Police Headquarters** (\$560k) – need more details, plans and sketches and how it fits into the long-term plans for the Police/Court. Councilwoman Cunningham also wanted an update on current police projects; asked what had been done; and wants to see more information. Councilman Hutchings asked if they were giving up on finding a new police station. Councilman McKean questioned the need for a room for training saying he understands it is more than just an interview room and suggested there is a lot of space in our community where people can meet for training sessions.
 - **DPW Fuel Management Program** - Have a \$22k alternative to meet requirements vs. the \$80 for a new system (more than last year's cost to install a new system – why?). Can we save \$68k by just spending \$22k?
 - **Friends Meeting House** – there is \$50k coming from Ron Tocci's office which needs to be assigned to one of our new acquisitions. He is proposing we assign it to the Friends Meeting House; count on the new "friends" to raise more money; and take \$25k out of the budget.
 - **Fees** – it appears only the Recreation Dept. has raised fees? Are there other opportunities? Councilwoman Larr also asked if we could take a

look at any possible increases that can be made? Are we actually collecting things like the \$1k demolition fee?

- **Capital Projects in Progress?** Are any savings possible by not doing or completing some this year? Councilwoman Cunningham said she had lots of small questions she had already submitted to Mr. Genito, but she too wondered about the unfinished capital projects (page 7-8) asking if there could be some savings there. For example: what is the Blind Brook Estuary (*funds for wetlands reclamation at Rye Nursery field*)? Does Peck Avenue need to be widened this year? Councilman Hutchings agreed they should ask what could go back into the kitty.

Councilman Chu said his comments would be limited to what he sees as the largest amounts in question, saying he would like to know the percentage of the total budget taken up by wages, benefits, debt, and pension costs. His other items were:

- **The Rye Free Reading Room:** He thinks of it as a core service after police, fire and sanitation and just a notch below education; that it is chronically underfunded, especially compared to other area communities; that as a contract agency it is vitally important but is not treated as a member of our family. He suggests that the '04 donation be raised another \$95k (over and above the \$40k already in the budget) so that they get \$135k this year with a commitment to receive another \$135 next year. He also suggested if the City could lower the RFRR costs by providing services it could reduce the contribution to the RFRR from the City and he prefers this approach. Councilman Hutchings agreed with the philosophy, but not with the proposal, saying such a contribution would cause other cuts or taxes would have to go up.
- **Recreation Funds** – He questioned the recreation cost recovery policy saying he thought the Council had urged the department aim for 40% and it appears to be less. (*Because the total expense included the Rye Youth Council and parks, but if you considered just Recreation programs the actual recovery was 47%, well on the way to the desired goal of 50%.*) There was discussion about the parks and if there was a benefit of providing maintenance to the school fields which are “mown and blown” by an outside contractor, but are in much worse shape. If the City takes over maintaining the school fields would everyone benefit or would it just cost the schools more? Is providing snow removal to the schools also a possibility? Councilman Cypher thought it should be explored. It was also suggested we explore outsourcing our field and parks maintenance. City Manager Shew noted any outsourcing would mandate negotiating with the unions.
- **Total number of employees** (as listed on the chart on page 12-2) – It is vital to contain the head count and see no increase in the number of employees – can some things be outsourced to save benefits? How can we get the total down to 160 FT employees? He said he would rather pay a good employee more than hire another person.
- **Use of Undesignated Funds** for operating expenses. He is worried about using \$370k to absorb pension costs and suggested the need for a formal policy re: the use of these funds. Mr. Genito said the \$370k could be justified because it is an “emergency,” but Mr. Hennes suggested he would be happier allocating funds for

\$5731 debt principal paid to the B&V (which are capital expenses) than using the money for something that is clearly for operating expense.

- **Theall Road.** He does not see the need although he knows there is passion about this and wonders if we couldn't ask the Osborn and the corporations for contributions, especially for sidewalks. Councilwoman Cunningham is in favor of redoing the road, as she thinks there is heavy traffic on it. Councilman Cypher said he would like more empirical data, like a traffic count; Councilman McKean suggested a safety assessment so they can be sure nothing disastrous could happen; asked if we could create a B.I.D and said he would like to see a report on the City Engineer's repaving standards (noting when Theall Road was last paved and when it was scheduled to be repaved). Councilwoman Larr says she feels the Osborn residents are resigned to not having the road this year, and maybe it would increase speeding.

Councilwoman Cunningham asked about the success of the portable **skate park** and if really needs to be permanent (*150 spring and summer users, despite the rain, 51 in the fall; can't be as challenging if it is moveable and does take time to set up and break down*). Councilman Hutchings said he didn't think 150 kids was so overwhelming and wondered if we really needed it. Councilman Cypher said he continues to think this is important, especially to our 11-13 year-olds; is long overdue; and sends a good message to our youths. He likes the challenge concept.

Councilman Cypher addressed the issue of the **17th fireman**, saying that John Rodriguez, who was hired when Charlie Northshield was called to active duty, has already been trained and was very valuable when another fireman was injured. He said a senior firefighter is supposed to retire and when he does, they will have to hire and train someone else, so keep John, whom we have already trained, and save money in the long run. The Mayor said the Chiefs are trying to find a way to keep John and if they can work it out, they will do so. The Mayor said he hoped they could work it out to be revenue neutral. There was also a discussion concerning the increase in **equipment and contractual costs** and the Chiefs were urged to make sure lower staffing level is reflected in the figures. Councilman Hutchings wondered if we could extend the life of the **Pumper truck**.

Councilwoman Larr asked several specific questions:

- Why is the **Rye Youth Council** \$29,450 rather than \$25k if there is no increase? *It includes the \$4,450 from the State not yet entered in this year's budget.*
- Why is **Rye Town Park** up 14%? *\$86k in the budget as the 3-year average.* Councilman Chu asked if it could be reduced back to \$75k, but Councilman McKean and the Mayor said it was fine – only \$5/pp for a beautiful beach – and it was a poor weather season so who could know what the bill would be. The Council continues to be concerned about the Commission's accounting and there were suggestions as to what could be outsourced or shared. In response to Councilman Chu's question as to whether the City could have a 50% representation on the commission, the answer was “most unlikely,” even though we are gradually getting closer to paying 50% of the costs.

- Why are the **DPW salaries** so varied? *They have shifted this year to more closely reflect time spent in each area.*

Councilman McKean said most of his questions had been discussed earlier, but said in general, it was a credit to staff to get the tax rate below 10% and he expected the Council would nip and tuck both ways, but would continue to try and do more with less; that they should look at all ideas for cuts, especially in terms of employees.

Councilman-Elect Gerry Seitz who, along with Duncan Hennes and Matt Fahey was in the audience, asked for the total charges paid to the General Fund by the Boat Basin and Rye Golf Club.

The Mayor said he thought it had been a helpful workshop and would see everyone at the next one on Monday, November 17 at 7:30 P.M.

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

Respectfully submitted,

Susan Morison, City Clerk