

APPROVED MINUTES of the Budget Workshop of the City Council of the City of Rye held on November 17, 2003 at 7:30 P.M.

PRESENT:

STEVEN OTIS, Mayor
FRANKLIN CHU
CAROLYN CUNNINGHAM
ROBERT HUTCHINGS
ROSAMOND LARR
DOUGLAS MCKEAN
Council Members

ABSENT:

ROBERT CYPHER, Councilman

1. Pledge of Allegiance

Mayor Otis called the meeting to order and invited the Council and public to join in the Pledge of Allegiance.

2. Roll Call

Mayor Otis asked the Deputy City Clerk to call the roll; a quorum was present to conduct official city business.

3. Discussion of 2004 Budget

Mayor Otis welcomed everyone to the meeting, noting that several detailed documents had been received in response to questions and comments raised by the Council at the budget workshop of November 12, 2003. He thanked City Manager Paul Shew, City Comptroller Michael Genito, City Engineer George Mottarella and all City departments for their efforts in responding quickly to the Council's requests for further information. He noted that City staff is still researching some of the answers, and opened the floor to further questions from the Council.

Councilman Chu asked that for the next budget meeting, the City staff prepare a list of items discussed to date by the City Council and the effect(s) that changes in those items would have on the proposed tax rate and/or estimated fund balance. *Mayor Otis* noted that he would like to see changes that would leave the estimated fund balance as a percentage of revenues at 10%, raising it from the current estimate of \$1.8 million to \$2.24 million.

City Manager Shew noted that one of the documents provided to the Council for this budget workshop addressed some structural issues raised (such as providing lawn and field services to the school district), which could not be answered within the time required to adopt the

2004 budget. He noted that these items would be researched in fiscal 2004 for consideration in future budgets and operations. He further noted that another document distributed addresses the budget process and suggests that the Council should preserve flexibility by not making incremental decisions. He suggested that the Council should focus on the three policy issues that need to be addressed in the 2004 budget: 1) the tax rate; 2) the level of fund balance to be maintained; and 3) the appropriate level of funding for the Rye Free Reading Room. He also noted that while the Council is properly concerned about capital projects and how we might fund them, the decisions concerning many of these projects can be deferred for now and made during the course of the year. Doing so would allow the Council adequate time to weigh the benefits of each project based on materials presented to them by City staff. City Manager Shew recommended that the Council focus on policy, which the City staff would implement. In closing, he noted that an article appearing in *The New York Times* on November 16, 2003 showed taxes paid by our residents as among the lowest in County.

Mayor Otis thanked the City Manager for his comments and opened discussion on the traffic signals capital projects. *Councilman Hutchings* noted that the requirements to upgrade our traffic signals to meet new state standards are unfunded mandates. He asked if we could find out when the mandates went into effect and the compliance deadline, if there was one. He also expressed his shock at the cost (approximately \$90,000) of replacing a traffic signal. *Comptroller Genito* responded that he would ask City Engineer George Mottarella to provide the information on compliance requirements, but that the issue of liability for noncompliance should also be considered. *Councilman McKean* noted that this would be just one of many liabilities, and we should find out if all signals must be in compliance by a certain date, or if it merely means that we come into compliance whenever we replace a traffic signal. He also asked if there were any liability claims filed against the City, County, or State related to non-compliant traffic signals. He noted that we should reconsider the funds proposed for the central business district and only perform those improvements that are necessary. *Councilman Chu* asked if we knew of any municipality fined by the State for non-compliant signals, and that we should drop any signal project we are not compelled to undertake. *Councilwoman Larr* asked if the proposed signal at Forest Avenue and Grace Church Street could be replaced with a less expensive blinking light, similar to the one at Apawamis Avenue and Forest Avenue. *Mayor Otis* noted that we should review all of our traffic signal projects and determine which ones are our greatest liabilities. He also noted that pedestrian blind spots are a greater concern; that he would like some further information about improvements to the central business district and some further input from the Traffic and Transportation Safety Committee. He noted that liability increases for those communities that fail to meet compliance with State traffic signal standards. *Councilwoman Cunningham* noted that a walking light is needed at Oakland Beach Avenue and Milton Road. She also noted that she is still not clear on how the \$140,000 proposed for the central business district would be spent, and that the entire issue of traffic signals needs further discussion.

Mayor Otis asked if there were any comments concerning the Morehead footbridges. *Councilman McKean* suggested that we do not repair or replace the smaller footbridge currently funded for \$20,000, as it is not needed and has no historical significance. He asked if we could do without the smaller footbridge. He further asked if we could do a less expensive stabilization of the larger footbridge, or could we defer its reconstruction.

Mayor Otis asked for comments concerning annual street resurfacing. *Councilwoman Larr* suggested we review our street opening permit charges and increase them to cover the costs associated with the life of the road. *Mayor Otis* responded that we did increase the fees last year and that even the increased fees would not be enough to offset the high cost of road reconstruction. *Councilman Chu* asked if we could reduce the \$300,000 funding for this year and would like some staff guidance on the matter. *Councilman McKean* responded that it is a “per year” cost that if lowered this year would only create higher costs in future years. *Mayor Otis* noted that it is a matter of balance and something prudent to consider. *Councilwoman Cunningham* noted that it would be unwise to lower the funding below \$300,000.

Mayor Otis asked for comments concerning annual sidewalk replacement. *Councilwoman Cunningham* noted that there are many new regulations on stormwater control going into effect between now and 2008. She noted that more recent thinking on curbs is that they should not be constructed unless absolutely necessary, as surface water that filters through lawn grasses is more environmentally friendly. She suggested that the Council have a policy discussion on curbs. *Mayor Otis* asked if City Engineer George Mottarella could provide a list of curbs that must be constructed to help prevent local flooding. *Councilman McKean* recommended that we reduce the \$100,000 proposed funding in 2004 for sidewalks and curbs to \$50,000, the same as the level in 2003.

Mayor Otis asked for comments concerning drainage projects. *Councilwoman Cunningham* reminded the Council that drainage improvements are required under Phase II and MS4 regulations. She noted that the proposed funding for 2004 is the same as in 2003.

Mayor Otis asked for comments concerning the police impound facility and proposed police addition. *Councilwoman Larr* noted that evidence is currently stored unsecured and distributed throughout the police station. *Councilwoman Cunningham* asked that Police Commissioner William Connors confirm that the impound facility is required to maintain our police department’s accreditation. *Councilman McKean* asked that Commissioner Connors confirm that the impound facility will not be a manned facility and asked if it would require any additional staffing costs. *Councilman Chu* noted it is difficult to consider funding the police addition when we need to consider a new police building. *Councilwoman Cunningham* noted that some needs for additional space could be addressed without the need for a \$560,000 addition. *Councilman McKean* concurred, noting that other training areas are available in the City, such as the Milton Firehouse and the Rye Free Reading Room. *Councilman Hutchings* agreed that the Milton Firehouse might have some room.

Mayor Otis asked for comments concerning the DPW fuel management system. *Councilman McKean* suggested that we reduce the \$80,000 requested for the system to \$22,000, which is the amount noted by City Engineer George Mottarella as sufficient to meet New York State standards. *Councilwoman Larr* noted that we would probably recoup the \$80,000 investment with savings related to better fuel management. *Mayor Otis* concurred with *Councilman McKean* that we should fund only the \$22,000 needed.

Mayor Otis asked for comments concerning the possibility of providing snow removal services to the school district. *Councilman Hutchings* noted that this should be reserved for a future policy discussion. *Councilman McKean* agreed.

Mayor Otis asked for comments concerning the proposed reconstruction of Theall Road. *Councilman Chu* offered that we should seek contributions from private sector firms situated on Theall Road. *Councilwoman Larr* asked why the road had a crown to it, and *Councilwoman Cunningham* responded that a lot of drainage crossed over the road. *City Manager Shew* added that the road had no curbing, and that curbing would help stabilize the road structure.

Mayor Otis asked if there were any other questions or comments of the Council.

Councilwoman Cunningham asked if the Council could receive an updated report of year-to-date revenues. *Comptroller Genito* responded that such a report must be prepared carefully and the data adjusted for 2004 revenues received in the last quarter of 2003, such as 2004 parking permit fees, not be counted as 2003 revenues.

Councilman Hutchings noted his concern that costs associated with the proposed skateboard park might not include additional annual operating and maintenance costs.

Councilman McKean noted adjustments in the summary schedule of full time employees. *Comptroller Genito* explained that the difference of two positions between the 2003 filled and 2004 budget was as follows: there are three vacant positions, one in finance; one shared between building, engineering, and planning; and one in the golf club, offset by one overstaffed position in the fire department. *Councilman Chu* asked if the finance position could be eliminated, as it was not filled at the end of 2002 and not filled as of now. *Comptroller Genito* responded that shortly after the position was filled in 2003 another long-time finance employee left service with the City. This now creates a similar situation the finance department faced in 2003, except that there is an additional challenge of working with one employee who must gain training and experience.

Councilman Chu asked that *Comptroller Genito* prepare an analysis of the recreation cost recovery figures identifying the major changes that contribute to the \$200,000 increase in expenditures from 2003 to 2004.

Councilwoman Larr asked audience member George Ilse if the \$86,000 proposed for Rye Town Park could be reduced. *Mr. Ilse* responded that while the official year-end figures are not yet available, the \$86,000 would seem appropriate. *Mayor Otis* noted that there would be a Rye Town Park Commission meeting tomorrow evening (Tuesday, November 18, 2003), after which they will probably have better information concerning the amount that should be budgeted.

Councilman Hutchings asked if the fire pumper purchase could be deferred another year. *City Manager Shew* responded that it was his understanding that while the pumper could be deferred, he was recently advised that the ladder on our circa 1950's fire ladder truck had failed. *Councilman McKean* noted that deferring vehicle replacements might create heavy years of vehicle purchases and expensive major repairs. In addition, in many cases vehicle replacements are mandated by new safety standards. *Councilwoman Larr* noted that we should consider leasing as an alternative to purchasing.

Councilwoman Cunningham asked *Councilman-elect and Chair of the Finance Committee Duncan Hennes* if the Finance Committee had any input on the 2004 budget. *Mr. Hennes* advised that the Finance Committee had reviewed the budget and would be submitting their comments at a future budget meeting.

Mayor Otis thanked everyone for attending the budget workshop, noting that the next budget workshop would be held during the regular City Council meeting on Wednesday, November 19, 2003 at 8:00pm. The Mayor also noted that the City Council would be meeting with the fire department at 7:00pm on that date. Both meetings are open to the public.

As there was no further discussion on the budget, Councilman Hutchings made a motion, seconded by Councilwoman Cunningham and unanimously carried, to adjourn to Executive Session to discuss personnel matters at 10:30 P.M.

The Council reconvened at 10:40 P.M.

4. Adjournment

There being no further business to discuss, Councilman Hutchings made a motion, seconded by Councilman Chu to adjourn the meeting at 10:41 P.M.

Respectfully submitted,

Susan Morison, City Clerk