

**APPROVED MINUTES** of the Budget Workshop of the City Council of the City of Rye held on November 15, 2004 at 8:00 P.M.

PRESENT:

STEVEN OTIS, Mayor  
FRANKLIN CHU  
ROBERT CYPHER  
MATTHEW FAHEY  
DUNCAN HENNES  
ROSAMOND LARR  
HOWARD G. SEITZ  
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. Discussion of 2005 Budget

The Mayor turned the floor over to City Manager Paul Shew who suggested the agenda for the evening include a report by City Engineer George Mottarella concerning projects in the budget; by William Rodriguez and Recreation Commission Chair Douglas French concerning the Recreation budget, Damiano Center, and the Skateboard status; and a review of LISWIC (Long Island Sound Watershed District proposal) requirements for next year. He said the LISWIC plans are in progress and will have no financial impact on the City in 2005.

City Comptroller Michael Genito said some projects (listed on P.7-2) may be able to be deferred; others are annual and ongoing, but said all those listed are considered high priority by the Engineering Department. *Mr. Mottarella* discussed the projects.

- The *intersection at Peck and Midland Avenues* calling for an extra right-hand lane was designed two years ago, would be nice to have, but can be deferred. (For the record, Avon has granted an easement to widen the curb as one turns right coming

from Port Chester.) The Mayor, who said the number of delayed projects is piling up, said the intersection at Theodore Fremd and Purchase draws more complaints. Mr. Mottarella said he had ideas for that site, but it makes sense to integrate any plan with the development of the streetscape for Purchase Street.

- He said *Smith Street* calls for a total reconstruction (the new condos at the top of the street did some drainage work and Commerce Bank will contribute a little).
- *Theall Road*: without total reconstruction they will look at it every year and patch it.
- *School Street parking area*: the wall needs to be rebuilt, but if there are plans for a parking deck it makes sense to defer this project.
- *New traffic light at Oakland Beach and Milton*: by State law we are required to have double lights (i.e. two indications at each intersection) for every site and this is one intersection that does not comply.
- *Paving*: the Pavement Management System (PMS) will establish a more scientific approach to help the City establish priorities going forward. Do we need this tool? Yes, more scientific; removed personal choices as an option. What to do about Cedar Place? It is a flat area so to make it drain properly we would have to lower the street and many of the private parking places would be lost.
- *Bridges*: they are inspected every year by the State. If they don't pass they get a red flag and can't be used. This would not really matter for the Morehead Foot Bridge, but it would be a serious matter for the Nature Center Bridge. Three bridges have been named historic bridges so there might be grant money available in the future.
- *Police Impound Facility*: it has an impact on DPW too, as time is wasted moving cars around when there are vehicles to be impounded. Also, the impounded vehicles have to be secured for accident and crime investigation processing. Perhaps we could do fencing only? Perhaps space can be rented? The Mayor mentioned the neighbors might have issues with seeing a large building constructed so near to them.
- *Recreation Department projects*: it would be good to pave the Tennis Parking Lot that has been gravel for years and good to re-turf Gagliardo Field.
- *Vehicles*: we budget 4 police cars each year. DPW is asking for some new vehicles, but remember they will continue to use the retrofitted 1946 snow Loader.

*Doug French, Chair of the Recreation Commission*, said they were not asking for more money this year; that revenues were up; that salaries were up but benefits less because of the seasonal nature of the workforce. There was extensive discussion about the percent of cost recovery. *Mr. Rodriguez* said they do better each year and should not be made a victim of their own success; that if prices are raised too much you will get less people. Councilman Cypher said recreation is not a profit center and if the system works don't break it. Councilman Hennes said everyone was looking for a balance.

*Mr. French* said they are working on securing true figures for the new Damiano Center and will report to the Council as soon as they are ready.

*Mr. Rodriguez* discussed the Skateboard project saying \$5000 has already been raised privately. He said the County's Legacy Program would consider contributing \$100,000 toward the cost, but accepting the donation would require Council resolution and would come with strings which would include letting non-Rye Residents skate (but at extra cost). He said it was different from the Rye Nursery situation in that Rye owns the land and if skateboarding goes out of style the County can pay back the bonds. Councilwoman Larr asked about insurance. The experience to date has been good: they wear helmets; they are supervised; and everyone signs a waiver. What will be the additional carrying costs? Not much, as they already run a smaller skateboard park.

*Betty Teoman, Director of the Rye Free Reading Room*, presented her case for receiving additional funds in the 2005 budget. She said last year's increase allowed them to restore hours and the RFRR committed to raising more funds (which they very successfully did the prior weekend with their benefit), but they are still under-funded (compared to other peer community libraries). The RFRR programs are up 10% over the 22 % from the prior year; group use has more than doubled, cardholders include 70% of Rye citizens and they are now open 62 hours per week. They consider the RFRR and the City a good team and themselves a good team player, using funds provided by the City to leverage community service. She said the RFRR does not consider itself a City department but does receive 79% of their operating costs from the City. They are back asking for more than the 3% included in the tentative 2005 Budget.

*John Fullerton, Chairman of the RFRR Board*, said he recognized the need to keep taxes down, but they need to keep asking because 1) City support is still light in terms of their peers as last year's "boost" still left a gap and 2) they are trying to separate core operations vs. material (such as computers, etc.) and programs. They would like this separation to be the consistent model for the future. He asked the Council to consider both the idea of the framework and the idea of filling the gap with a larger annual donation. This year they asked for 4.4% as a cost of living increase (including some maintenance projects) and 3%+ to fill the gap for a total request of 8.5%. Last year's amount was 22 ½%; this year's tentative budget calls for a 3% increase. He said each year they get an arbitrary figure (which is just "peanuts" in the total budget) so it is hard to know how to operate. *Ms. Teoman* reminded the City they had raised all the capital for their building; were planning to raise 19% more privately; and said they wanted to work with the City to help the City find a way to give the RFRR more funds.

Councilman Chu said he liked the model, but suggested 5 years to fill the gap might be reasonable as this year they are determined to get the tax rate down. Councilman Hennes agrees with the model and loves the public/private partnership because it brings in volunteers, but asked the RFRR to trim back and/or hold off additional requests. Councilman Fahey likes the partnership but is concerned about supporting at such a high level that volunteerism drops off and the City has no say over a sizeable investment, (close to 6% in this year's budget). Councilman Seitz likes the RFRR but is concerned about writing a blank check and reminded the RFRR no elected body can bind future bodies to binding agreements. The Mayor said he was proud of

having been instrumental in working toward a solution last year, but they will need to talk more about future increases.

*Jonathan Peters*, representing the *Finance Committee* took a macro look at the budget pointing out that since 2003 actual figures, costs against inflation are going up and revenues are going down. He urged each Department to look at the possibility of reducing expenses by 5%.

Councilman Hennes made a 6-point proposal to lower the budget from 9.4% to 3.37% as follows:

- 1) Defer debt service on the Locust Avenue bonds to 2006 (approx. savings = \$328,000)
- 2) Finance Equipment purchases (see P 3-7) from Fund Balance (approx. savings = \$320,000)
- 3) Defease all but \$1,700,000 of the Recreation bonds for an increase in interest of approx \$30,000.
- 4) Personnel attrition (mandatory retirement of a firefighter to be replaced by a firefighter at a lower salary level) <approx. \$36,000> (Note: this is an amendment made by the Comptroller down from \$45,000.)
- 5) Reduce the Building and Vehicle (B&V) Fund surplus by <appropriating \$100,000> for 2005 costs. (Note: this is a reclassification of the amount by the comptroller, originally classified as a transfer from the General Fund.)
- 6) Assume additional revenue from parking meters of \$100,000. Councilman Chu estimated \$150,000 as a safe figure. A compromise of \$125,000 was reached.

The tentative budget would be reduced by \$923,000. Councilman Hennes also suggested the undesignated fund balance be raised from 8.77% to 9.7% by deferring three major projects (re-doing Smith Street, improving the Peck and Midland Avenue intersection; and rebuilding the School Street parking lot wall).

The Mayor suggested the Finance Committee review these suggestions and said a memo should have been circulated prior to hearing these proposals. He said he was worried about tapping into the B&V fund and seriously questioned the assumptions about the parking revenue while at the same time cautioning about making revenue assumptions based on a program not yet in place.

After further discussion, Councilman Hennes made a motion, seconded by Councilman Seitz, to adopt the following resolutions:

**RESOLVED**, that the issuance of the Locust Avenue Firehouse bonds be deferred reducing the revenues and appropriations in the Building and Vehicle Fund, each by approximately \$328,000.

ROLL CALL:

AYES: Councilmen Chu, Fahey, Hennes, Larr and Seitz  
NAYS: None  
ABSTAIN: Mayor Otis, Councilman Cypher  
ABSENT: None

**RESOLVED**, that Equipment purchases be financed from Fund Balance, reducing General Fund appropriations by \$320,000.

ROLL CALL:

AYES: Mayor Otis, Councilmen Chu, Cypher, Fahey, Hennes,  
Larr and Seitz  
NAYS: None  
ABSENT: None

**RESOLVED**, that a portion of the 2002 serial bonds authorized and issued for the Damiano Center project be economically defeased, resulting in increased interest income in the Building and Vehicle Fund of approximately \$30,000.

ROLL CALL:

AYES: Councilmen Chu, Hennes, Larr and Seitz  
NAYS: None  
ABSTAIN: Mayor Otis, Councilmen Cypher and Fahey  
ABSENT: None

**RESOLVED**, that General Fund appropriations be reduced by approximately \$37,000 reflecting a reduction in salaries and benefits achieved through attrition of personnel.

ROLL CALL:

AYES: Mayor Otis, Councilmen Chu, Cypher, Fahey, Hennes,  
Larr and Seitz  
NAYS: None  
ABSENT: None

**RESOLVED**, that \$100,000 of the Building and Vehicle Fund fund balance be appropriated to finance projects

ROLL CALL

AYES: Councilmen Chu, Cypher, Fahey, Hennes, Larr and Seitz  
NAYS: Mayor Otis  
ABSENT: None

**RESOLVED**, that General Fund parking meter revenue be increased by \$125,000 in anticipation of funds to be received as a result of the installation of a parking meter system in the Central Business District.

ROLL CALL

AYES: Councilmen Chu, Fahey, Hennes, Larr and Seitz  
NAYS: Mayor Otis  
ABSTAIN: Councilman Cypher  
ABSENT: None

Mayor Otis made a motion, seconded by Councilman Fahey, to adopt the following resolution:

**RESOLVED**, that the following projects be deferred: the reconstruction of Smith Street, the widening of the Peck/Midland intersection and the reconstruction of the School Street Parking Lot wall.

ROLL CALL:

AYES: Mayor Otis, Councilmen Chu, Cypher, Fahey, Hennes,  
Larr and Seitz  
NAYS: None  
ABSENT: None

4. Adjournment

As there was no further discussion on the budget, Councilman Seitz made a motion, seconded by Councilman Hennes and unanimously carried, to adjourn the budget workshop at 11:25 P.M.

Respectfully submitted,

Susan Morison  
City Clerk