

APPROVED MINUTES of the Regular Meeting of the City Council of the City of Rye held in City Hall on August 17, 2005 at 8:00 P.M.

PRESENT:

STEVEN OTIS, Mayor
FRANKLIN J. CHU
ROBERT S. CYPHER
ROSAMOND LARR
Councilmen

ABSENT:

MATTHEW FAHEY
DUNCAN HENNES
HOWARD G. SEITZ

The Council convened at 7:50 P.M. Councilmen Fahey, Hennes and Seitz were absent. Councilwoman Larr made a motion, seconded by Councilman Cypher and unanimously carried, to adjourn to executive session at 7:51 P.M. to discuss a matter related to the hiring of personnel. Councilman Chu made a motion, seconded by Councilwoman Larr and unanimously carried, to close the executive session at 8:07 P.M. No decisions were made. The regular meeting reconvened at 8:08 P.M.

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. Residents may be heard who have matters to discuss that do not appear on the agenda

Doug Carey, head of Leaders of Tomorrow, appeared from the back of the Council Chamber holding a wooden tennis racquet to invite all Council Members and citizens of Rye to attend the 12th annual Summerfest at Rye Recreation Park on Saturday, September 3 from 1:30-7:00 P.M. This year 1945 will be celebrated; there will be a tribute to Rye's elders in a "Salute to our Seniors" led by the Allied Victory Swing Band; there will be barehanded softball; face painting; games; living history exhibits and demonstrations; and, once again, the popular women's pillow fighting contest. The event is sponsored by Leaders of Tomorrow and the Rye Recreation Department.

4. Schedule a public hearing for consideration of landmark designation for 235 Boston Post Road

The Mayor reported that as a result of a compromise reached during a subdivision proposal, The Landmarks Advisory Committee had proposed landmark designation for the site and structure at 235 Boston Post Road. City Manager Shew said the request has been approved by the Board of Architectural Review and the Planning Commission and the next step would be to set a public hearing.

Councilwoman Larr made a motion, seconded by Councilman Chu and unanimously carried, to adopt the following resolution:

WHEREAS, the Council wishes to consider designating the site and structures at 235 Boston Post Road as a local landmark; and

WHEREAS, it is now desired to call a public hearing on such proposed amendment to the law, now, therefore, be it

RESOLVED, by the Council of the City of Rye as follows:

Section 1. Pursuant to Section 20 of the Municipal Home Rule Law and the Charter of the City of Rye, New York, a public hearing will be held by the Council of said City on September 7, 2005 at 8:00 P.M. at City Hall, Boston Post Road, in said City, for the purpose of affording interested persons an opportunity to be heard concerning such proposed local law.

Section 2. Such notice of public hearing shall be in substantially the following form:

PUBLIC NOTICE
CITY OF RYE
Notice of Public Hearing for consideration of landmark
designation for the site and structure at 235 Boston Post Road

Notice is hereby given that a Public Hearing will be held by the City Council of the City of Rye on the 7th day of September, 2005 at 8:00 P.M. at City Hall, Boston Post Road, in said City, at which interested persons will be afforded an opportunity to be heard concerning the consideration of landmark designation for the site and structure at 235 Boston Post Road.

Materials concerning said consideration of landmark designation may be obtained from the office of the City Clerk.

Susan A. Morison
City Clerk

Dated: August 29, 2005

5. Presentation and Discussion of 2004 Financial Trends Report

Mayor Otis asked City Comptroller Michael Genito to summarize the 2004 Financial Trends Report (a report reintroduced in the late 1990's) for the Council. Mr. Genito began by introducing Deputy Comptroller, Brenda Jeselnik, who joined the staff last October and was instrumental in preparing the report. He said the report covers key items from 1995-2004; that it identifies a series of indicators and trends, none of which should stand on their own as representative of a trend. The report separates the operations of general government from the operations of the Boat Basin and Golf Club Enterprise Funds.

Referring to the General Government operations, he reported the unreserved and undesignated fund balance as a percentage of net operating revenues, required by policy to be at least 5%, has been at least at 10% (some years as high at 20%) and is presently at 15%. The spread between net operating revenues and expenditures remains sound, except for 2001 when there was a planned reversal of the trend. Uncollected property taxes as a percentage of the tax levy continue at a phenomenal 99.5%+ collections rate which is indicative of the City's Aaa bond rating. Elastic revenues (such as mortgage and sales taxes as well as utility gross receipts) have both positive and negative aspects. While they allow the City to reduce the amount it must raise through property taxes, they are the most susceptible to changes in the economy. We should, therefore, carefully watch this area of revenue and be cautious about relying on these revenues too much. Fringe benefits as a percentage of salaries hit a low in 1999 but have since been trending upward due to rising health insurance and retirement costs. Non-capital equipment expenditures to net operating expenditures remain relatively low throughout the trend period except for 1997 when we made a major investment in information technology, including our website. The City has had an operating surplus for all but 2001 and 2002 when a deficit was planned, indicating a frugal approach to expenditures.

Net direct bonded long-term debt is once again trending up after declining last year. It remains at an excellent low level and has been used to fund necessary major capital assets such as firehouses, roads, and drainage systems. The trend in overlapping long-term bonded debt, which includes debt issued by the County and School Districts, is increasing. This should be of concern to all taxing jurisdictions, including the City, when planning future debt issues. 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. City employees are doing more with the same number of people.

Mr. Genito said the Boat Basin Enterprise Fund has no debt and its liquidity ratio (while appearing to fluctuate) remains positive. The trends in net working capital, net fixed assets, and revenues versus expenses are all positive. A drop in 2004 of net revenues (similar to 2003) is something to watch.

The liquidity ratio of The Golf Club Enterprise Fund is acceptable, but should be watched. So should a relatively flat trend in net working capital, but most trends are positive. A spike in net working capital between 1997 and 1999 was due to the issuance of the 1998 Series A and B serial bonds that funded the renovation of Whitby Castle, the golf administration building,

and improvements to the golf course. Long-term debt rose during that time, but has since trended downwards. The 2003 drop in net revenues has been reversed and appears to be on an upward trend.

Mr. Genito reported that in 2002 the City implemented Governmental Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* that has dramatically changed the format and content of our annual financial reports, making them in some ways similar to those of the private sector. In 2003 the City implemented GASB 44 *Economic Condition Reporting: The Statistical Section* that changed the content and format of the statistical sections of our comprehensive annual financial report. GASB 45 *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* will soon require municipalities to account for and report the true cost of retiree health benefits. The standard will not require funding but will need to appear on the City’s annual financial reports and will affect our net assets in the future. He concluded by saying the Financial Trends Report can and will change to reflect new governmental reporting standards and welcomed input from the Council about what kind of information they would like to see. He said it would be useful to know who is using the report and to examine the nexus between financial trends, forecasting, and budgeting. He concluded by saying the complete 2004 Financial Trends Report could be found on the City’s web site.

Councilman Cypher clarified that the revenues exceed expenses by approximately \$3-4 million and noted the retirement contribution had gone up significantly in the past several years (from \$14,000 in 1999 to \$1.2 million in 2004). This increase is a direct result of market performance and happened despite a three-year smoothing mechanism. Mr. Genito said retirement benefits are set by the State according to actuarial standards and the City actually has no control over the amounts required. He noted that retirement costs account for 25% of total fringe benefits and health insurance accounts for 47%. In 2005 \$1.5 million has been budgeted, but we really won’t know the exact costs until the bill arrives. Councilwoman Larr asked how the Retirement System is doing. Mr. Genito reiterated the City’s lack of control, but said it appeared to be mostly pretty flat and any relief would take several years. He pointed out that the City has always budgeted conservatively on retirement accruals so we have not been caught short when the bill comes in. In answer to a question from Arthur Stampleman, *Rye Record*, Mr. Genito said the City pays the bill in December rather than February so there is no interest due. He noted that the law also allows the City to bond for retirement benefits – a practice he does not recommend. Some municipalities have had to, but Rye has not. The City should be proud for budgeting prudently. The fund balance is a little higher than expected thanks to a \$300,000 deferral in retirement benefits from the State and positive elastic revenue (noted by Councilman Chu as offering a chance to accrue amounts over what was budgeted). Councilman Cypher asked how we might do in 2005. Mr. Genito said it is hard to know at this point, but it looks positive. Winter weather and rising oil prices can make a difference.

Mayor Otis commented on the growing problem of dredging at the Boat Basin as the possibilities for disposal move further away and more controls and permits are required. He wondered if the dredging fund should not be growing at a faster rate and if there is a better way to get it dredged. Arthur Stampleman asked if we maintained trend reports on our capital

expenditures and if we are maintaining our infrastructure. Mr. Genito said the new financial reporting model will allow the City to track this and he recommends that we do it.

Mayor Otis thanked Mr. Genito for all his good work and complimented him on a document that has also been positive and useful to outside credit rating agencies, saying most communities do not have the benefit of such a comprehensive financial report.

6. Consideration of a Negative Declaration under SEQRA and authorization for the City Manager to sign an Inter-Municipal Agreement with Westchester County to obtain a \$100,000 Legacy Grant for the Installation of a community skateboard park

City Manager Paul Shew said the City had received the Inter-Municipal Agreement from the County providing funding for the community skateboard park. The next steps are for the Council to consider a Negative Declaration under SEQRA and to authorize the signing of the agreement. Rye Recreation Superintendent Bill Rodriguez reviewed that he had been authorized by the Council to apply for the grant and the agreement is the culmination of a 4-5 year process to develop a quality skateboard facility in Rye. He said with the \$40,000 privately raised to match the City's Challenge grant and the County grant, the City would be able to have a truly high-end park with a City contribution of less than \$37,000. In answer to a query from Councilwoman Larr, he said there was no issue with hours; the Recreation Department has full control; and the City can charge double for non-residents (which will probably be a small number). He said the grant period has been lowered from 15 to 10 years just in case skateboarding goes out of style. Councilman Cypher said there is nothing about the plan not to like and he extended his congratulations and gratitude to Joann O'Malley and Susan Talgo for raising the private funds, \$3000 more than required for the City match. Mr. Rodriguez said after tonight the next step will be to have the grant approved by the County Legislature. The Mayor said he had been in touch with Legislator Judy Myers so she knows everyone is behind this project.

Councilwoman Larr made a motion, seconded by Councilman Cypher to adopt the following resolution:

RESOLVED, that the City Council of the City of Rye hereby authorizes the City Manager to sign an Inter-Municipal Agreement with Westchester County to obtain a \$100,000 Legacy Grant for the Installation of a community skateboard park; and be it also

RESOLVED, that the Rye City Council finds the proposed determination will have no significant adverse effect on the environment and issues a negative declaration under SEQRA regarding the proposed skateboard park.

ROLL CALL:

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

7. Authorization for the City Manager to fill two vacant positions in the Department of Public Works

The Mayor said the City is operating under a hiring freeze so each time there is an opening the Council is asked to consider the merits of replacing retiring personnel as no position is filled automatically and each is individually evaluated in terms of need. City Manager Shew said the City Engineer has recommended that both available positions be filled in order to maintain quality of services.

Councilwoman Larr made a motion, seconded by Councilman Cypher, to adopt the following resolution:

RESOLVED, that the City Council hereby authorizes the City Manager to fill two vacant positions in the Department of Public Works.

ROLL CALL:

AYES: Mayor Otis, Councilmen Chu, Cypher, and Larr

NAYS: None

ABSENT: Councilmen Fahey, Hennes and Seitz

8. Bid award for Bid # 4-05, Seven (7) 18-Cubic Yard Rear Loading Refuse Trucks

City Manager Shew said the City was pleased to recommend the purchase of seven (7) new refuse trucks which are both high quality and fuel efficient and he urged the Council to accept the recommendation of the City Engineer to accept the lowest bid. The bid tab is as follows:

BID #4-05

SEVEN (7) 18-CUBIC YARD REAR LOADING REFUSE TRUCKS

Vendor	Base Bid 7 Trucks	Bid with Trade-in
NY Metro Peterbilt	879,151.00	715,771.00
Brooklyn Freightliner (Bruno Truck Sales)	803,810.00	779,810.00
Gabrielli Truck Sales	971,138.00	853,638.00

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

RESOLVED, that Bid #4-05, Seven (7) 18-Cubic Yard Rear Loading Refuse Trucks is hereby awarded to NY Metro Peterbilt in the amount of \$715,771 (with trade-in), the lowest bid meeting specifications.

ROLL CALL:

AYES: Mayor Otis, Councilmen Chu, Cypher, and Larr

NAYS: None

ABSENT: Councilmen Fahey, Hennes and Seitz

9. Reject Bids for Bid # 5-05, One (1) Truck Cab and Chassis with Dump Body and Plow

City Manager Shew recommended that no bid for the Truck Cab and Chassis with Dump Body and Plow be accepted as all are over budget. He said the specifications would be re-worked and the job would be re-bid. The bid tab is as follows:

BID #5-05

ONE (1) TRUCK CAB & CHASIS W/ DUMP BODY

Vendor	Base Bid	Alternate Bid
NY Metro Peterbilt	119,593.00	113,017.00
Brooklyn Freightliner (Bruno Truck Sales)	102,712.00	101,712.00
Gabrielli Truck Sales	108,987.00	106,987.00

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

RESOLVED, that all bids for Bid #5-05, One Truck Cab and Chasis with Dump Body and Plow, be rejected.

ROLL CALL:

AYES: Mayor Otis, Councilmen Chu, Cypher, and Larr

NAYS: None

ABSENT: Councilmen Fahey, Hennes and Seitz

10. Adoption of the 2005/2006 tax levy and tax rate for the Rye Neck Union Free School District

City Manager Shew asked the Council to adopt the 2005/06 tax levy and tax rate for the Rye Neck Union Free School District. Mayor Otis said through the efforts of Assessor Noreen Whitty, these rates have been lowered over the past year and while this rate is not all the City wanted a little was still gained.

Councilwoman Larr made a motion, seconded by Councilman Chu to adopt the following resolution:

WHEREAS, the lawful authorities of the Rye Neck Union Free School District have fixed the amount of taxes to be raised for said district for the fiscal year beginning July 1, 2005 and ending June 30, 2006, in the amount of \$24,800,249 a 7.92% increase over the 2004/2005 levy, and have duly apportioned to the parts of said district lying within the City of Rye, the amount of \$7,573,704 and they have established a tax rate in the amount of \$528.54819 per \$1,000 taxable assessed value on Homestead property, an increase of \$0.496 over the 2004/2005 tax rate, and a tax rate in the amount of \$685.34524 per \$1,000 taxable assessed value on Non-Homestead property, a \$157.294 (29.79%) increase over the 2004/2005 tax rate, for the levy of the aforesaid School District taxes for the parts of said district lying within the City of Rye;

NOW, THEREFORE, in pursuance with the relevant provisions of the City Charter, you are hereby commanded to collect the taxes in the amount of \$7,573,704 from the part of the Rye Neck Union Free School District lying within said City, at the Homestead rate of \$528.54819 per \$1,000 assessed value and the Non-Homestead rate of \$685.34524 per \$1,000 taxable assessed value, as fixed by the City Council.

IN WITNESS WHEREOF, the Council of the City of Rye has caused this warrant to be signed by its Mayor and the corporate seal of the City to be affixed hereto this 17th day of August, 2005.

MAYOR, CITY OF RYE

ROLL CALL:

AYES: Mayor Otis, Councilmen Chu, Cypher, and Larr

NAYS: None

ABSENT: Councilmen Fahey, Hennes and Seitz

11. Miscellaneous communications and reports

Councilwoman Larr wished a happy 90th birthday to Irv Hermann, a man who had served the community long and well over many years.

Councilman Chu congratulated and thanked all the staff for working so hard to see that the new pay stations were installed in the Central Business District parking lots. He said it was good to get the initial report indicating more turnover and providing information on parking habits. City Manager Shew reported that lots of the staff had been actually on site a lot in the lots and that it was unusual to have a City Planner (as well as other staff) so involved in helping to make such a change happen as smoothly as possible. Mayor Otis said while he is, and continues to be, against the pay stations, congratulations are certainly in order for the staff.

Mayor Otis reported on a meeting with the County Planning Commission which came to see what Rye is doing with the Beaver Swamp Project, so they might use our project as a model for other areas in the County. He also said a positive meeting with the contractor and residents had been held on Tuesday, August 16th.

12. Old Business

Mayor Otis said the next Rye Town Park Commission meeting would be held next week at 5:30 P.M. and, assuming Councilman Fahey's absence, he appointed Councilwoman Larr to attend this meeting in Councilman Fahey's place.

Councilman Chu urged the City Manager to continue to work with the Durland Scout Center about a possible subdivision. He understands the scouts want \$8 million for the property, but said he would like to explore the possibility of keeping a small portion of the land for public access, either through an easement or as part of a subdivision. He suggested seeing if there could be a consortium of potential users (including the City, the Schools, the scouts, the boat basin) that might work collectively to put a plan together and suggesting this to the scouts. Mayor Otis reiterated his belief that obtaining and preserving this expensive property would require private partnership and that an easement would be the way to go. He said the scouts might be changing their plans now as they have not had success in obtaining their asking price.

13. New Business

Mayor Otis said he would be presenting a resolution for the Council next month to oppose the efforts of the telecommunications industry to remove the ability of municipalities to obtain franchise fees. He said meetings have already been scheduled with all our legislators.

Mayor Otis said he had received a letter with an idea about uses in a B-1 District and suggested referring the matter to the Planning Commission.

14. Draft unapproved minutes of the regular meeting of the City Council held July 20, 2005

As there was not a quorum of Council members to approve the minutes of the July 20, 2005 minutes, approval was deferred to the next meeting.

15. Adjournment

There being no further business to discuss, Mayor Otis made a motion, seconded by Councilman Cypher and unanimously carried, to adjourn the meeting at 9:36 P.M.

Respectfully submitted,

Susan A. Morison
City Clerk