

APPROVED MINUTES of the City Council Meeting/Budget Workshop of the City Council of the City of Rye held on November 15, 2006 at 7:00 P.M.

PRESENT:

STEVEN OTIS, Mayor
ANDREW C. BALL
MACK CUNNINGHAM
MATTHEW FAHEY
DUNCAN HENNES
HOWARD G. SEITZ
Councilmen

ABSENT:

GEORGE PRATT

1. Pledge of Allegiance

1. 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. Budget Workshop concerning Rye Golf Club

Mayor Otis welcomed Rye Golf Club Manager Scott Yandrsevich and members of the Rye Golf Club Commission to the budget workshop. Mr. Yandrsevich presented facts and figures outlining past, present and future operating experience at Whitby Castle as part of his recommendation that the golf club operate the Castle in the future. Frank Adimari, speaking on behalf of the Rye Golf Club Commission, thanked the Council for the invitation to meet. He said running Whitby, a great treasure for the City, is an exciting project and they have made a very good start. For example, the snack bar this year, even with a bad weather summer, made more than it ever did when Restaurants Associates was in charge. The Mayor asserted it was a good thing, but the Council needs to be comfortable with the financials and be sure the new business model can throw off the same, or more funds, toward the debt service. Mr. Yandrsevich said they were already doing well, having booked 37 outside functions for 2007 (well on the way to their goal of 65); that many of these were mid-week/likely-to-repeat events which will not cut into weekend use. He acknowledged there are deferred maintenance needs but

anticipates revenue of \$2.9 million (\$2 million to cover the operating expenses including debt service and the \$900,000 to be set aside for capital improvements). Councilman Cunningham expressed concern about the concept, noting that Whitby is crucial to the survival of the club and the downward membership trend is troubling.

The Council discussed membership at the Club, noting the apparent loss of the individual golfer and the escalating costs. For example, it costs \$1000 to be a pool member when you could be a member of the YMCA all year for less and use their pool. It was pointed out that the emphasis has been on comprehensive membership so some of the individual members have upgraded. The idea of giving a Senior Citizen (how to define exactly what is a Senior Citizen was questioned) a break was discussed.

Other issues included: *How are costs allocated back to the City?* Comptroller Genito responded that in 2001 the City engaged Maximus, a firm specializing in cost allocation studies, to perform a study of General fund administrative charges to the enterprise funds (Boat Basin and Golf Club). The results of that study generated recommended administrative charge levels that have since only been increased occasionally to reflect inflation rates. However, well before and since the Maximus study, General Fund administrative charges have been, and remain, an issue. *Is the debt service included in the budget?* Yes. *What if there was a loss?* Any loss would come from reserves, but they always scale back expenses if a shortfall seems likely so they break even. *Can they see a balance sheet?* Yes, the nine month figures will be available soon. *Can they get a better deal on Credit Cards?* They are working on this.

Mayor Otis announced that the City Council needed to have a brief Executive Session prior to beginning the regular City Council Meeting. Councilman Hennes made a motion, seconded by Councilman Seitz to adjourn to Executive Session at 8:01 P.M. to discuss an on-going litigation matter. Mayor Otis made a motion, seconded by Councilman Fahey, to close the Executive Session at 8:24 P.M. The regular City Council Meeting convened at 8: 25 P.M.

Mayor Otis announced, for the viewing public, that the pledge of allegiance and the roll call had taken place at the beginning of the workshop and asked Corporation Counsel Kevin Plunkett to report on agenda #5, as discussed in Executive Session.

5. Continuation of discussion on proposed resolution to Cingular lawsuit

Corporation Counsel Kevin Plunkett recapped that the City has been engaged with Cingular in a lawsuit over the location of a cell tower; that Judge Brieant had recommended that a compromise solution be reached prior to a November 17, 2006 hearing; and that he was ready to report on that compromise which, after much continuing discussion has now been reached. He asked the Council to adopt a resolution

accepting the following agreement: that a cell tower be installed on the Subaru Dealership site next to the MetroNorth station; that the tower be 80' high; that the lease amount be \$2400 per month with a 4% escalation over five years with four potential renewal options. The City will control the ground space so the Code of the City of Rye will apply to any requests for co-location. He thanked the Planning Commission and the Board of Architectural Review for their comments and the City Staff and Bill Cooney from his staff for all their hard work in reaching this agreement.

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

RESOLVED, that the City Council of the City of Rye hereby authorizes Corporation Counsel to present in Court an agreement reached between the City of Rye and Cingular to construct an 80' cell tower on a City-owned piece of property located behind the Subaru Dealership Building, 1151 Boston Post Road, next to the Metro North railroad station for \$2400 per month with a 4% escalation over five years with four potential renewal options.

ROLL CALL:

AYES: Mayor Otis, Councilmen Ball, Cunningham, Fahey, Hennes,
and Seitz

NAYS: None

ABSENT: Councilman Pratt

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

There were no residents wishing to be heard.

4. Citizen and Organization Comment and Council Discussion of 2007 Tentative Budget

The Mayor reported that the Council had held workshops on Monday, November 13 to discuss the new model proposed for the Rye Free Reading Room (RFRR), and earlier this evening to discuss the operations of the Rye Golf Club (RGC). He asked if there were any citizens or organizations wishing to address the Council at this time.

Kristina Bicher, Director of the Rye Historical Society thanked the Council and the City Manager for their on-going support, most of which goes toward the capital needs of maintaining the City-owned Square House. She said she was requesting a modest increase so that the rear side of the museum could be painted. She said the Society had had a terrific year including the encampment on the Village Green and the walking tour of Greenhaven and that membership was strong, indicating that Rye residents love their City history. She reported that the archives space is in good shape (more climate

controlled, a new fire door) and the partnership with the City is a good one. Councilman Ball thanked the Society for doing a tremendous job for relatively little funding and spoke enthusiastically about the quality of the archives. Councilman Seitz said the City is blessed with the quality of people involved with the Society. Councilman Hennes asked about fire suppressant systems for these valuable archives. Ms. Bicher said it would cost about \$30,000 just for the archives room but that it would be more economical to outfit the entire building with a chemical fire suppressant system than it would to install a system in the archives room and sprinkler the rest of the building. The Council suggested the Historical Society think about applying for a challenge grant for the fire suppressant system.

Councilman Seitz spoke at length about a proposal to reconstruct Theall Road without asking for funds through a referendum. He listed many numbers and proceeded to relate his proposal to the numbers, as follows: \$791,157 is the City's cash position versus budget over the last three years because the City has done better than anticipated in each of the last three years; \$2,522,913 is the difference between the original projects for this year and what we achieved (more revenue, less expenses) so the undesignated fund balance has grown. \$1,400,000 is the amount needed to totally reconstruct Theall Road. The City could take this amount from the fund balance or find another way to fund it. He proposed the other way:

- Use \$180,000 from the parking meters (rather than allocating \$90,000 back to the "In Lieu of Parking Fund" or allocating the equal amount to the Central Business District [CBD] for improvements).
- Raise the Merchant Parking Permits from \$336 per year to \$1000 per year, creating new revenue of \$220,000.
- Use \$300,000 of anticipated savings from being self-insured for workers compensation (See 11/13 budget workshop notes).
- Take the remaining amount necessary (\$700,000) from the Undesignated Fund Balance.

His final sets of figures were: 13.9% (undesignated fund balance without using any funds); 11.2% (balance after using \$700,000) and 8.8% (balance using \$1.4 million). Finally he pointed out that there are 4000 Rye households; 500 people living on Theall Road and only 60 merchants who live in Rye so why not let the non-Rye Resident merchants help the City of Rye.

Mayor Otis thanked Councilman Seitz for his "out-of-the box" thinking and agreed that it would be wise to find funds to reconstruct Theall Road without going to referendum while still keeping the Undesignated Fund balance at 10%. He said it is possible that there will be more in the fund at the end of the year than we know now, and said he also thought the Boston Post Road repaving was important as were some of the Activate America initiatives. He also said if the meters are to be continued he wants to see the revenue go back to the parking fund (which has a remaining balance of about \$75,000). Councilman Hennes wants more options on Theall Road (maybe there is a cheaper way to do it); Councilman Ball does not want to use parking meter money for Theall Road but pointed out the escalation of costs since it was first proposed in 1999 when it would have cost \$550,000, so urged fixing it now; Councilman Cunningham

wants to see the meter funds go back into the CBD, but fix Theall Road now. *Robin Jovanovich, 647 Milton Road*, said there was momentum now to fix the CBD so don't cut back funding for that, but fix Theall Road now – it has been talked about far too long. Councilman Seitz is delighted the CBD is being discussed but he wants to see a 20 year plan and wants the merchants and owners to buy into that plan and help pay for it so it is not all Rye residents who have to pay for the improvements.

Miscellaneous comments and questions:

- The referendum idea: The Council was united in not wanting a referendum in February and united in not asking tax payers to complete the purchase of 1037 Boston Post Road at this time. If there should need to be a referendum (which most would not want) it should be in November at the same time as the General Election.
- It is wise to budget conservatively as has been done historically. We have been fortunate in the last few years and it is dangerous to budget too fine a line. Councilman Hennes wants to know what the major differences were between what was forecast for 2005 when preparing the 2006 budget and the actual 2005 results.
- Repaving the Boston Post Road. The Mayor wants to take a hard look at putting in a bike lane, especially as Rye is on the cutting edge of the Activate American initiative. Councilmen Ball and Hennes want to see it repaved but want more information on the bike path concept.
- The Osborn Home tax certiorari case. The best case scenario would be that there would be no cost to the City; worst case would be about \$3 million. As with all tax challenges, the City reserves a percentage of the total amount of challenges based on historical experience, and the City does not reserve specifically for any given case. The City reserves differently than the School district for tax certiorari. Closing arguments are scheduled for January 2007.
- The Rye Free Reading Room. Councilman Ball asked for a clarification of the new funding plan for the RFRR. City Manager Paul Shew said the library consultant, Richard Panz would be at the November 29 Council Meeting and would explain the 4-14 plan (named after chapter 414 of the Laws of 1995) which would allow the Library to submit a petition to the City Council for a public referendum to approve a minimum level of funding for the Library. The petition would have to contain the signatures of 10% of the voters who voted in the most recent general election. If the referendum were successful, the minimum level of funding would be mandatory until changed by a subsequent referendum. In the City's 2007 budget, the RFRR has been given a 4% increase over 2006 with the promise of an additional one-year lump sum of \$293,000 if they adopt the new funding model and their referendum is successful. There will be no additional burden to the tax payer.

There being no further comments on the 2007 budget, the Mayor reminded everyone there would be another workshop on Monday, November 20th and the public hearing on the budget would take place at the regular meeting of the City Council on Wednesday, November 29.

6. Request of the Rye Merchants Association to close a portion of Purchase Street on November 26, 2006 from 12:00 to 3:00 P.M.

The Rye Merchants Association has submitted their annual request to close Purchase Street on the Sunday after Thanksgiving from 12:00 – 3:00 P.M. In a recent communication they have expanded their request to also close Purchase Street on Saturday night, November 25 from 7-10:00 P.M. As no one on staff has had a chance to review this additional request, the decision to approve it was postponed to the Monday, November 20 workshop.

7. Bid rejection for a small dump truck with plow

City Manager Shew reported the City had received only one bid for this truck at a price too high and a delivery date too late so it is recommended that the Council reject the bid.

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

RESOLVED, that Bid #8-06, Small Dump Truck with Snow Plow, having received only one bid, be rejected.

ROLL CALL:

AYES: Mayor Otis, Councilmen Ball, Cunningham, Fahey, Hennes,
and Seitz
NAYS: None
ABSENT: Councilman Pratt

8. Miscellaneous communications and reports

Mayor Otis commented on the excellence of our sports teams. He noted the boys football team is still in the state championship tournament. He said all girls field hockey teams had great seasons. The High School team reached the State quarterfinals while Holy Child's team won their division contest, defeating the Rye Country Day School team in the finals.

City Manager Paul Shew reported on an interesting and enjoyable visit from 25 city officials from Japan who spent the day in Rye under the auspices of the Japan Local Government Center. The day was put together by Pace University and concentrated on

volunteerism in government. He thanked all Council Members and staff for their participation and noted that the group especially enjoyed their visit to the fire department.

Councilman Fahey noted that there have been some complaints about the aprons to driveways and the Belgian block curbs being created on streets like Stuyvesant Avenue. He said these might present a safety hazard. City Manager Shew said if the blocks are in the City's right of way and are hit by the snow plow it is not up to the City to fix them.

Councilman Cunningham noted that leaves are being illegally dumped into the Blind Brook causing additional, unwanted silting. He suggested a mailing targeted to those who live on the brook.

Councilman Seitz reported that NYCOM will support his suggestion to establish a real estate transfer tax.

9. Old business

There was no old business to be discussed.

10. New Business

There was no new business to be discussed.

11. Adjournment

There being no further business to come before the Council, Councilman Hennes made a motion, seconded by Councilman Fahey and unanimously carried, to adjourn the meeting at 10:01 P.M.

Respectfully submitted,

Susan Morison
City Clerk