

APPROVED MINUTES of the Budget
Workshop of the City Council of the City of Rye held
in City Hall on November 12, 2009 at 7:00 P.M.

PRESENT:

STEVEN OTIS, Mayor
ANDREW C. BALL
MACK CUNNINGHAM
PAULA J. GAMACHE
CATHERINE F. PARKER (Arrived at 7:10 p.m.)
Councilmembers

ABSENT: GEORGE S. PRATT
JOSEPH A. SACK
Councilmembers

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. Budget Workshop

Mayor Otis said this was the first of the budget workshops on the proposed 2010 budget. This workshop would focus on capital projects, buildings and vehicles and the Department of Public Works. The Mayor said that no decisions would be made, but the Council will go through questions they have on particular items. City Manager Culross noted the presence of City Engineer/Director of Public Works George Mottarella, City Planner Christian Miller and City Comptroller Jean Gribbins, who were in attendance to answer questions. He said many emails have been received from the Council and staff is in the process of preparing responses, which will be forwarded to the entire Council.

The first set of questions and comments related to the Department of Public Works (DPW).

- The DPW instituted a program of replacing street lamps with LED lights. It is a significant opportunity to save money. What are the cons vs. pros of the lighting since these fixtures are not in the proposed budget? (\$200,000 is spent a year on street lighting. There are 2,100 hundred lamps in the City. Unless the City receives a grant, it is not feasible to change over all lights at once. It is the way to go for the future, but the cost is

\$500 or \$600 a piece compared to \$150 for the currently used lights. The only way would be to set up a program to change over a certain number of lights a year because there is only one employee who does this job along with his other work activities. Possibly the State might set up a program where the lights can be purchased off state contract for a cheaper price. The City would also need to do a study before creating specifications of what bulbs would be appropriate. Once all the lights are replaced it should yield a 50% reduction in costs.)

- How was the amount for removal of the oil tank at the Rye Arts Center arrived at? (It is a guess based on a worst case scenario where there has been a leak that has traveled requiring material to be removed to a special landfill. The City would be charged by how many yards are taken out and taken to the landfill.)
- Who is responsible for the utilities at the Rye Arts Center? (The Rye Arts Center is responsible for utilities and the City is responsible for the grounds maintenance.) Staff should look for grants for solar panels for this location.
- A suggestion has been made that the sewer vacuum truck is a piece of equipment that should be shared with other communities in order to save money. (If replacement of this equipment, originally scheduled to be replaced in 2009, was authorized for 2010, it would take almost a year to get another one. The truck is in use every day to check out sanitary sewers, clean drains, and cut roots. It is too important a piece of equipment to be shared with other municipalities.) Staff should provide the Council with a three-year record of the down time of this vehicle.
- The revenue for recyclables is down from 2008 figures as well as pounds per household. Why is this trending down? (The final numbers for 2009 are not in yet. There is little revenue for bulk metal pickup but the City would lose money if it had to transport the bulk metal to another facility. The City has an IMA with the County for co-mingled recyclables and pulp. It is a set price that does not reflect what the County makes or loses. The City is the number one city in recycling in pounds per capita in the County of Westchester and second or third overall of all the cities, towns and villages.)
- There are seven areas in the budget where contractual costs go up, some in whole dollars and others by percentage, and five are DPW related, can this be explained? (City-wide across the board contractual expenses went up. In the 2010 budget there is over \$200,000 for OPEB [Other Post Employment Benefits] expenses in the Building and Vehicle Fund that are allocated back to all City departments through the contractual services line.) The distribution of the cost is not uniform. (The Building and Vehicle fund gets allocated based on square footage, with smaller departments being less impacted.) Could staff provide a memo on how the internal accounting formula functions as well as on why this trend in increasing contractual costs is happening? (The City has to state what its OPEB costs are but does not have to set aside money to pay for them right now.)
- Will there be any impacts on 2010 service levels? (The community should not see a marked difference in service levels.)
- Has the City gone away from using pesticides in public property maintenance? (The program, Compost T, costs the City money but is staying in the budget. The City is involved in a three-year program which hopefully will be funded through next year. The idea is to eventually train staff and purchase the equipment to do the work ourselves and eliminate pesticides in all City parks.)

- What is done with grass clippings? (They are recycled with leaves through the IMA with the County, which costs the City \$10 less than the cost for solid waste.)
- Is the City using leaf blowers and, if so, has the usage been reduced? (Not really, but no complaints have been received.)
- How is the City doing on salt supplies for the upcoming winter season? (The remainder of funding from the 2009 budget was used to fill the salt shed under the new contract which runs from September to April. The City will be in good shape if it is not hit with storms before the end of the year like last year.)
- How is the \$50,000 in the budget for repair of city-owned sidewalks determined? (During the year the City receives complaints about sidewalks. If a City tree caused the damage, it is the City's responsibility to fix it. The budgeted amount is spent every year on just the City's responsibility. Property owners receive notices that they are responsible for repairing other sidewalks that need to be repaired. If they are not repaired by the residents, the repairs are made when the City repairs its sidewalks and the residents are billed.)
- What is the timing for getting work done on residential sidewalks? (Letters are sent out to homeowners. They have the right to repair the sidewalk themselves but must notify the city if they intend to do so. The sidewalks will be looked at again in a couple of months to determine if the work has been done, or if it will be included under the City repair work. Repair work is usually done from mid-March through November.)
- What would be involved in instituting a Sidewalk Management System similar to the Pavement Management System? (Every sidewalk in the City would have to be inspected first in order to come up with criteria. Staff is working on something now that will come before the Council in order to codify what is considered a faulty sidewalk.)
- Would homeowners take better care of their sidewalks if they were fined for bad sidewalks? (The City does not issue fines for broken sidewalks. Homeowners are billed for sidewalk repairs if they do not do it themselves; if they do not pay, the amount is added to their taxes.)

The next category for questions and comments was Building and Vehicles.

- Has the City ever considered leasing equipment such as the mower and field conditioner used by the Recreation Department? An analysis should be done to see if there is an advantage of leasing these pieces of equipment rather than buying. (Usually the City can borrow money cheaper, but it can be looked into.)
- Is anything being done regarding the vehicle replacement policy? (A zero based review is being proposed to determine the need for replacement of vehicles. All equipment must be evaluated and will not be replaced if it is not necessary, with the goal being to ultimately reduce the amount of equipment owned. Every department will be asked to justify every piece of equipment assigned to it.)
- Is there a limit to the number of personal miles used on City vehicles? (Not many people have unlimited personal use – most vehicles are used for commuting. The City does not have many take home cars, but the policy could be reviewed.)
- How old were the police cars that caught on fire? (One had 50,000 miles on it and the other 60,000 on it. It is believed that defective installation of wiring was the cause of the problem. The City has stopped using the installer and gone back to doing it in house.)

Arthur Stampleman, representing the Rye Record, spoke about the Projects in Progress reports in the budget for Building and Vehicle and Capital Project plans. He said the balance column showing money that is to be spent, indicates the same amount as last year. He suggested looking to see if the money can be used for other purposes. He also asked if the money previously put aside for studies relating to projects that will be started such as bridge projects, had been included in the new estimate or is that money available to be assigned for other projects.

The final round of questions and comments dealt with Capital Improvement Projects (CIP).

- What are the plans for repairing the footbridge in the Milton Cemetery that was damaged during the 2007 floods? (There are plans to replace the bridge. Some funding was left over from repairing the Morehead Bridge but another \$15,000 to \$20,000 is needed to go out to contract. The community has to decide if it wants to keep the bridge or remove it.)
- What is the status of the Purchase Street/Ridge Street project that is in the CIP? (A portion of the money originally budgeted for the traffic signal has been reprogrammed for design of a roundabout. Staff is looking at alternatives that the design engineer has put together and trying to schedule a meeting with the State Roundabout Division for approval of the preliminary design. The County must also be consulted to determine what contribution they would want to make towards the project because it is a County road. The concept is that the County would implement the project and the City would take over the maintenance responsibility and ownership of Wappanocca Avenue and Ridge Street, which are County roads.) Do we expect to spend more of the \$118,400 balance in the budget for the project? (It depends on what is required by the approving agencies such as environmental review or additional traffic studies.)
- \$120,000 from the Peck Avenue Intersection project was supposed to be reallocated to the Orchard Avenue Bridge but is still in the CIP for Peck Avenue. Staff should provide clarity on what will be done relative to funding the two projects.
- \$40,000 is proposed for covers for the pay stations. The money to pay for the covers should come from the parking fund. The covers should improve the operability of the pay stations, which do not operate efficiently in wet weather. This should provide a true cost of the operations of the meters. (When the City was reimbursed by FEMA for one of the pay stations, they viewed a shelter over the pay station as mitigation and it has enhanced performance during wet weather. The shelters also add convenience to the users.)
- Does the \$40,000 cover eight pay stations? (It also covers the cost of a new pay station near the Rye Bar & Grill, where the single head meters will be replaced, as well as the cost of spare parts.)
- Did the City purchase the wrong type of pay stations? (They were expected to perform in all weather conditions, but there has been a problem in wet weather. The City has done a variety of things to improve performance but it is believed the shelters will provide the best enhancement.)
- Is the balance of the cost of the Locust Avenue/Purchase Street signal project included in the Central Business District (CBD) signals line? Money from the meters should be used to fund projects in the CBD. (It is proposed to be funded from the Designated Fund Balance, which includes parking revenues.)

- If the Council decides that approved projects are not valid does the money get shifted back to Fund Balance to be reprogrammed? (Yes)
- Is the reprogramming of money from the City Hall steps project into the Square House roof project reflected in the budget? (Yes)
- Why has work at Milton Harbor House been scheduled for 2010 and the LaSalle Avenue drainage project not on until 2011 when it has been in the CIP longer? (More research has been done on the LaSalle Avenue project and, in order to get more relief than for a two-year storm event, it would take a more complex and expensive project. The \$150,000 in the budget is for the most expensive option. A phased approach could be taken and continued if needed, but the challenge with drainage projects is they are expensive and do not always yield as much benefit as hoped for. The Harbor House project is an issue of liability during flooding situations. When the complex was constructed the City had a drainage system going through the property that they tied into. The proposed project would segregate the City drainage from Harbor House entirely.)
- How much of the Theodore Fremd/Purdy/Purchase Street intersection project has been designed? (50%) Does the \$165,000 in the CIP include the rest of the design and the construction? (It also includes widening of the street to accommodate left turns. Replacing the signal might also improve the delays at the intersection.)
- If the pay station revenue for 2010 was put back into the Designated Fund would it affect the tax rate? (Yes)
- Why can't the widening of Forest Avenue for walkers be done until after the Stoneycrest drainage project is done? (The preliminary concept for the Stoneycrest project might involve going down Forest Avenue rather than replacing the existing drain. While the road is ripped up for the drainage project it would provide a logical opportunity to look for pedestrian enhancements.)

Arthur Stampleman asked if unused money that goes back into the General Fund could be used to reduce the tax rate. City Manager Culross said that would not happen, because it is City Council policy that Fund Balance is used for capital projects, not to change the tax rate.

After the discussion of the workshop topics, City Comptroller Jean Gribbins said that the City has an opportunity to refund some of its outstanding debt, similar to a mortgage refinancing. A Resolution will be on the November 18th Agenda. The City has \$14.8 million in original debt that was borrowed at interest rates from 3 ¼% to 5 ¼%. Currently \$11.8 million is outstanding and can be refinanced and brought down to \$11.2 million which will save the City approximately \$600,000 over the next 10 or 11 years depending on how the rates are on the day of closing. The proposed resolution will allow the City do to the refunding and caps it so that at least \$400,000 must be saved in order for the deal to go through.

8. Adjournment

There being no further business to discuss, Mayor Otis made a motion, seconded by Councilman Cunningham and unanimously carried, to adjourn the meeting at 8:55 p.m.

Respectfully submitted,

Dawn F. Nodarse
City Clerk