

**APPROVED MINUTES** of the Regular Meeting/Budget Workshop of the City Council of the City of Rye held in City Hall on November 18, 2009 at 7:00 P.M.

PRESENT:

STEVEN OTIS, Mayor (Arrived at 7:10 p.m.)  
ANDREW C. BALL (Arrived at 7:40 p.m.)  
MACK CUNNINGHAM  
PAULA J. GAMACHE  
CATHERINE F. PARKER  
GEORGE S. PRATT  
JOSEPH A. SACK  
Councilmembers

ABSENT: None

1. Pledge of Allegiance

Deputy Mayor Pratt called the meeting to order and invited the Council to join in the Pledge of Allegiance.

2. Roll Call

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

**Budget Workshop**

Workshop presentations were made by the Boat Basin, Golf Club and Rye Free Reading Room.

**Boat Basin**

Boat Basin Supervisor Peter Fox said it was the mission of the Boat Basin to provide an affordable recreational boating facility aimed primarily at City of Rye residents. It is operated as a fully-sustained enterprise fund, covering 100% of its operating costs. Docking is provided for 425 boats. Approximately 80% of permit holders are City residents and 20% are non-residents. Additionally, the Boat Basin is charged with covering the costs associated with dredging the municipal basin as well as the mile-long federal channel. Dredging has an approximate 10-year life span. Prices for dredging have escalated tremendously over the years due primarily to environmental restrictions placed upon the project. Permits are required from eight different regulatory agencies and three additional state and federal agencies must concur prior to a permit being issued. New York State policy has closed New York open water disposal sites in Long Island Sound and of the remaining four sites located in Connecticut; the City of Rye is only

allowed to use one site. The Boat Basin also bears the cost of billing for over 300 moorings in the outer harbor and provides summer and winter docking space and storage space for the Police and Fire boats. There is a five-member resident permit-holder Boat Basin Commission, serving two-year terms, which meets regularly. Rate increases have historically been increased from 3-5% each year. The Boat Basin operates at a profit and typically delivers \$100,000 to \$150,000 a year to the fund balance intended for future dredging. Expenses have decreased each year and during 2009 no part-time seasonal staff was used. Revenue goals have been met.

Council questions and comment included:

- What is the status of the fund balance post dredging? (The fund balance is currently approximately \$266,000.)
- Has the Boat Basin Commission looked at developing a long-term master plan regarding dredging. (It is the number one topic at every meeting. There have been meetings with the Golf Club and New York State DEC trying to find a local upland disposal site.)
- What is being done regarding Phase II requirements? (Meetings have been held with the DEC. Currently as long as power washing is done over gravel or earthen surfaces and not blacktop, it is acceptable but may change in the future. Connecticut has recently implemented stricter requirements regarding power washing.)
- When are permits renewed? (Renewals are sent out in the beginning of January for renewal by February 15. There is little attrition of permit holders because prices for selling boats are down. There is a waiting list, but instead of going through two or three people before filling a slip, they are now going to about ten people.)
- The goal is to keep as many boats in the water or in storage as possible.

### **Golf Club**

Golf Club Manager Scott Yandrasevich said that as an Enterprise Fund the Golf Club is charged with being totally self-supporting and responsible for all costs associated with the operation and maintenance of the Club, which includes operating expenses, debt service and capital improvements as well as its contribution to the City's general fund. No tax dollars or City subsidies are used to fund the club. The economy has taken its toll in the area, but with proper planning and management the Golf Club was prepared to face the challenges. The full-time City staff was reduced from eleven to eight employees; the use of outside staffing agencies was utilized for per diem workers and an international visa program was utilized to fill seasonal needs. Planned projects were done primarily by in-house staff, which allows more work to be done at a lower cost. Greenskeeper Chip Lafferty not only maintains the golf course and club grounds but also many of the grounds maintenance duties of the Nature Center. He also headed up the paving project, which paved the cart path and pool parking areas. The reduction of dust from this project in the pool area reduced the number of hours needed to make the pool ready on a daily basis. A new deck constructed on the back of the Castle has increased event space and allowed for additional functions. Closing the golf course on Monday was a 2008 decision. It is standard practice for most membership golf clubs in the area to close on Monday to allow for increased maintenance turf management. The benefits from this have exceeded expectations. A golf cart rotation policy was eliminated, which provides better access to the course for the

members and snack bar and other staff were rescheduled saving \$85,000 this year. It also provides sufficient maintenance time and uninterrupted irrigation cycles to allow for better turf management practices. The club has been experimenting with different organic alternatives to pesticides. Fungicide use has been reduced by 75% resulting in an 85% reduction in synthetic nitrogen sources. A decision was made to keep the course open on Monday holidays and those holding weekday memberships are now allowed to play on those days. As directed by the Council the club voluntarily reduced the use of backpack blowers whenever possible and will continue to explore alternative options. Year to date revenues exceed expenses. In 2010 the club will continue its relationship with the Nature Center; continue working with the Recreation Department; embark on a membership drive; continue with master plan projects; implement new marketing and promotional ideas and start planning on pool facility projects and a new fitness facility. The proposed budget provides for a 0% dues increase.

Council questions and comments included:

- Congratulations for following wise business practices and taking measures to reduce expenses based on reduced revenues in a difficult economy.
- If Whitby was the “black hole” it was pictured as in newspaper articles last year, it would not be running so efficiently this year.
- It is time to revisit the Maximus study that determined how the Enterprise Funds are allocated costs.
- The wetlands area of the golf course is a showpiece of the community.
- The 0% increase in membership dues is great. It helps keep the club affordable.
- The “green” measures the Golf Club is taking are very impressive. (The City is in the forefront of many other golf courses.)
- What are the bookings like for Whitby Castle? (About the same as going into this year. An extra person has been added to the sales team in order to promote more business. People are not booking major events two year out at this time, but on a shorter timeframe.)
- The faith the Council put in Scott to run Whitby Castle was well justified.

### **Rye Free Reading Room**

Kurt Haedler, Director of the Library said the Rye Free Reading Room (RFRR) is a private, non-for-profit Association Library funded in large part by the City of Rye. It is governed by an 18 member Board of Trustees, elected by the RFRR membership. The RFRR provides access to 90,000 books, audio books, DVD’s, music CD’s and magazines and about 9,000 new items are added every year. The RFRR also provides access to the Westchester Library System, on-line subscription services and downloadable books. There are many community programs offered each year that are highly attended, particularly the children’s programs, which were the third most attended of any library in the County in 2008. The RFRR also has 18 computers available, wireless access, provides homework help and the assistance of a professional staff. In 2009 City funding was \$1.155 million. The RFRR anticipated that private funding would be down by 20% due to the economy and budgeted accordingly. Expenses were cut by reducing the materials, operations, facility maintenance and personnel budgets and by funding most programs by the Auxiliary Board and private donations. Hours were reduced by 20% in 2009, which

resulted in a drop in borrowing and computer usage. The number of new patrons increased in 2009 as well as the number of reference questions answered and program attendance. The RFRR request the same amount of funding for 2010 which will allow it to maintain equivalent hours, a comparable collection and services as provided in 2009. The City will be providing 75% of the RFRR budget, with the remainder coming from private donations, direct fund raising, overdue fines and fees, New York State aid, photocopies and room usage. The RFRR has increased its private fund raising goal by 5.6% for 2010; increased its revenue stream by increasing the amount charged for overdue fines; will most likely increase the transfer from the Endowment and is looking at other revenue streams. They will continue to look at ways to control costs, while maintaining services.

Council questions and comments included:

- Compliments to the RFRR for managing in the current economy and finding creative solutions for dealing with the situation.
- The RFRR is a jewel in the community and it is important to keep it sustainable but the Council has a duty to balance things out. Have there been any discussions with the union to reduce labor costs? (The approach has been to utilize staff better. Renegotiation of the contract, which expires in 2011, has not been discussed. The contract will be a major focus at that time.)
- What were the observed affects of the budget and hours cuts on the operation of the RFRR in 2009? (Staff has done a good job of continuing to provide service. The most apparent impact on the community is the reduction of hours.)
- Is the 20% projected reduction in giving for 2009 being realized? (The RFRR is on track now to meet its fund raising goal of \$180,000 for the year and might exceed it.)

The Budget Workshop portion of the meeting ended at 8:15 p.m.

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

*Ed Shindo, 39 Helen Avenue* spoke about current policies at the Golf Club that he said were discriminatory to seniors and those with disabilities. He protested the closing of the club on Mondays and the policy of not allowing golf carts on drivable fairways and said there were no special provisions for individuals with disabilities. He provided the Council with a document that included information from a 2008 survey conducted by the Golf Club as well as a survey he had conducted himself of weekday members of the Rye Golf Club and other golf courses in the area regarding the issues he raised. He requested that the Council direct the Rye Golf Club Commission to change their current policies.

Council comment:

- What is the policy of County-owned golf courses? (They have the same policies as private clubs, which allow people to drive carts on the course.)

- Any allegations of discrimination are taken seriously.
- Closing on Mondays must be looked at in terms of how it affects every member of the Club not just seniors. The Golf Commission must have had a reason for their decisions but the Council will ask why they were made.
- When Mr. Shindo was on the Golf Commission does he ever remember an issue when the Council intervened with a Commission decision? (Not when he was on the Commission and he is not aware of any instance when he was not on the Commission.)

*Thomas O'Connor, 26 Johnson Place*, said he came to make the Council aware of a flaw in the Building Department process. He said he and four other neighbors were not notified of an application that recently came before the Board of Architectural Review, even though a document in the Building Department indicates that notification had been sent. He would have come and made comments at the meeting because it involves replacing a home with a much larger home, which he believes will affect his quality of live. He suggested requiring all notices to neighbors be sent by certified mail. Mayor Otis explained that notification requirements are from the applicant to the neighbors who then file an affidavit with the Building Department. He added that Deputy Corporation Counsel Kristen Wilson researched Mr. O'Connor's options and determined that under the City Code only an applicant can appeal to the Zoning Board of Appeals and his only option was to bring an action against the builder to stop the project. Councilman Ball suggested that changes should be considered for noticing requirements as well as who is allowed to bring an appeal to the Zoning Board.

Prior to the next speakers, Mayor Otis indicated that he believed a better forum for their discussion would be at a joint meeting between the City Council and the School Board, which would also include City staff. He said he had discussed it with School Board President Josh Nathan. He said it was important that issues that relate to traffic and pedestrian safety around the schools should be addressed jointly. In the interim the City is getting a survey done of the property line between Sonn Drive and Oakland Beach Avenue, and Brian Dempsey, the Chair of the Traffic and Transportation Committee, has been asked to provide feedback on erecting jersey barriers.

*Happy Mullooly, 20 Fordham Avenue, and Laura Christopher, 20 Franklin Avenue*, came to present a petition asking that the City provide for a crosswalk and police crossing guard at Sonn Drive and the Boston Post Road. They said they want the City to provide them with the resource for getting their children to school safely. They said they believe it is safer to cross four lanes of traffic on the Boston Post Road at Sonn Drive than to walk to the crosswalk at Oakland Beach Avenue. They said that since 1998 people have been told that the problems in this area are complex and not easily solved and this is unacceptable. The City Council has an obligation to solve the problem by providing a crosswalk and police crossing guard and they would like it addressed in the current budget process.

Council comment included:

- The issue has not been ignored, but the solution being proposed has not been considered safe based on traffic safety standards. This is the highest trafficked area along the Boston

Post Road. A solution would have to be implemented in conjunction with the School Board.

- Could Assistant City Manager Scott Pickup give an update? (Staff met recently with members of the PTO and Rye Gardens residents. The right-of-way survey came in and staff is working on options within the survey, including the potential of implementing a three lane road diet in the area. The diet would impact left turns into the school property. Issues related to other schools should also be included in a joint discussion with the School Board.)
- The City should do everything it can to make the area between Sonn Drive and the Oakland Beach Avenue crossing safer.
- Putting in a crosswalk and crossing guard is not a monetary issue; it is a liability issue because it would create a dangerous situation.

*Bob Zahm, 7 Ridgewood Drive*, came to again discuss the issue of pedestrian safety. He encouraged the City Manager and City Council to communicate with the community about plans and timelines in place for pedestrian projects because the greatest enemy is lack of clarity. He suggested the meeting with the School Board should be held prior to the budget deadline. He also offered that he had spoken with County Legislator Judy Myers regarding the North Street overpass and she indicated that there may be an infrastructure project for that area in the County budget for 2010 where the City would pay for the sidewalk. He said he hoped the project would not fall between the cracks of the two organizations. He also asked when the crosswalks at the Playland Access would be repainted. City Manager Culross said there was a question as to whether they were legal crosswalks and he has been advised not to repaint them. Mr. Zahm also said he had suggested collecting enforcement statistics for moving violations and jaywalking and making them generally available and has not seen this done yet. Assistant City Manager Pickup said the Traffic and Transportation Committee has statistics based on summonses issued. Mr. Zahm said he had prepared another list of sidewalks that he believes need to be repaired that he would give to the City Manager and suggested the next City Council should look at balancing the risk sharing and cost of maintaining sidewalks.

Council comment included:

- The County likes to make improvements to local infrastructure and hand them over to the local municipalities. The project may be in the budget for 2010, but could be deferred. The County's position is that the City should pay for a sidewalk on a bridge that the County owns.
- What is the liability to repainting the crosswalks at Playland Access? (It encourages people to cross at a location where it is not an appropriate place to have a painted crosswalk. It is not a City street and it is not a designed crosswalk.)
- The real issue is not what the Council wants to do with taxpayer's money; it is what we are being told to do by traffic experts. If a crosswalk is put in the wrong location it puts people at risk.
- Drop off time at the schools is the "crunch time". Is there any way the schools could be opened earlier to dissipate the crush of traffic? (There is a contractual start time for when the teachers are required to be at school. Most Administrators manage the building to allow all children entrance to the building at the same time.)

4. Public hearing regarding the New York State Capital Assistance Program for flood mitigation for the Sluice Gate project

Mayor Otis opened the public hearing. He said that holding the hearing is one of the requirements of the grant funding the City is receiving from the New York State Capital Assistance Program through Assemblyman George Latimer for the Sluice Gate project at Bowman Avenue Dam. Assistant City Manager Pickup said that at this point the \$400,000 grant is programmed for the Sluice Gate and along with the County money, additional monies from the Village of Rye Brook and the City's share. The Mayor noted that the City's share of the \$2.2 million project will be under \$400,000. He added that the County is processing the money that the City will be receiving. Mr. Pickup said the City has received additional commentary back from the NYS Department of Environmental Conservation indicating that all of their permitting requirements have been met. The City has now gone as far as it can without having a formal set of bid documents and an actual project to go out and get stream control permits and any permits required from the Town of Harrison and Village of Rye Brook. Rye Brook is not required to hold a public hearing because the City of Rye is the lead agency. The Mayor asked if there was any public comment. *Bernard Althoff, 34 Mendota Avenue*, said that the City Council and City staff, in particular Scott Pickup, have done a good job in pushing the project forward. He said he believed the amount that the City was required to fund was a great cost/benefit ratio. There being no one else wishing to comment, the public hearing was closed.

5. Resolution authorizing the refunding of \$11.8 million of serial bonds of the City of Rye, Westchester County, New York as a cost saving measure  
Roll Call.

City Comptroller Jean Gribbins, said the City will be refunding \$11.8 million of debt resulting in \$11.2 million in debt, which will save the City about \$600,000 over the next 10 or 11 years. The refunding is subject to the rules of the Office of State Comptroller and requires that at least three percent must be saved in order to refund. Ms. Gribbins has been speaking with the City's Bond Counsel and financial advisers and one of the series is questionable as to whether or not it will be beneficial to refinance. The proposed Resolution allows the City to enter the market and adjust the refunding. If one of the series does not pass the three percent test, it will not be refinanced. The City's entire exposure is \$6,000 if the Resolution is approved and the market rates are not favorable enough to move forward. Once the refunding is done all savings are net of underwriter fees and attorney fees. It will not impact the 2010 budget. The savings will be realized as the City makes its debt service payments over the next ten years. It will impact budgets from 2011 going forward. All proceeds of the refunding go to an escrow Agent and it is the responsibility of the Escrow Agents to pay the old debt. The City is responsible for the new debt.

Councilman Pratt made a motion, seconded by Mayor Otis, adopt the following Resolution:

REFUNDING BOND RESOLUTION, DATED NOVEMBER 18, 2009, AUTHORIZING THE ISSUANCE OF REFUNDING SERIAL BONDS OF THE CITY OF RYE, IN THE COUNTY OF WESTCHESTER, STATE OF NEW YORK, PURSUANT TO SECTION 90.10 OF THE LOCAL FINANCE LAW OF THE STATE OF NEW YORK, PROVIDING FOR OTHER MATTERS AND MAKING CERTAIN DETERMINATIONS IN RELATION THERETO AND PROVIDING FOR THE PAYMENT OF THE BONDS TO BE REFUNDED THEREBY.

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WHEREAS, the City of Rye, located in the County of Westchester, State of New York (the “City”) previously issued \$3,657,000 principal amount of Public Improvement (Serial) Bonds, Series 1998A (the “Series 1998A Bonds”) pursuant to a certificate of determination of the City Comptroller (sometimes referred to herein as the “Chief Fiscal Officer”), which Series 1998A Bonds are dated September 15, 1998 and matured or mature in annual installments on September 15 in each of the years 2000 to 2018, inclusive, as follows:

\$127,000 in the year 2000,  
\$130,000 in the year 2001,  
\$135,000 in the year 2002,  
\$140,000 in the year 2003,  
\$150,000 in the year 2004,  
\$155,000 in the year 2005,  
\$165,000 in the year 2006,  
\$170,000 in the year 2007,  
\$180,000 in the year 2008,  
\$185,000 in the year 2009,  
\$195,000 in the year 2010,  
\$205,000 in the year 2011,  
\$215,000 in the year 2012,  
\$225,000 in the year 2013,  
\$235,000 in the year 2014,  
\$245,000 in the year 2015,  
\$255,000 in the year 2016,  
\$265,000 in the year 2017, and  
\$280,000 in the year 2018

WHEREAS, the Series 1998A Bonds were authorized pursuant to a serial bond resolution duly adopted by the City Council of the City for the objects or purposes described therein on March 19, 1997 and delegated to the Chief Fiscal Officer the power to prescribe the terms, form and contents of and to sell and deliver such serial bonds of the City; and

WHEREAS, \$2,120,000 aggregate principal amount of the Series 1998A Bonds currently remain outstanding and unredeemed as of the date hereof; and

WHEREAS, it is hereby determined to be in the public interest of the City to refund a portion of said outstanding Series 1998A Bonds in the aggregate principal amount of \$2,115,000, by the issuance of the refunding bonds authorized herein pursuant to Section 90.10 of the Local Finance Law; and

WHEREAS, the City of Rye, located in the County of Westchester, State of New York (the “City”) previously issued \$3,825,000 principal amount of Public Improvement (Serial) Bonds, Series 2000 (the “Series 2000 Bonds”) pursuant to a certificate of determination of the City Comptroller (sometimes referred to herein as the “Chief Fiscal Officer”), which Series 2000 Bonds are dated October 1, 2000 and matured or mature in annual installments on October 1 in each of the years 2001 to 2020, inclusive, as follows:

\$110,000 in the year 2001,  
\$115,000 in the year 2002,  
\$120,000 in the year 2003,  
\$130,000 in the year 2004,  
\$135,000 in the year 2005,  
\$140,000 in the year 2006,  
\$150,000 in the year 2007,  
\$160,000 in the year 2008,  
\$165,000 in the year 2009,  
\$175,000 in the year 2010,  
\$185,000 in the year 2011,  
\$195,000 in the year 2012,  
\$210,000 in the year 2013,  
\$220,000 in the year 2014,  
\$235,000 in the year 2015,  
\$250,000 in the year 2016,  
\$260,000 in the year 2017,  
\$275,000 in the year 2018  
\$290,000 in the year 2019, and  
\$305,000 in the year 2020

WHEREAS, the Series 2000 Bonds were authorized pursuant to serial bond resolutions duly adopted by the City Council of the City for the objects or purposes described therein on July 21, 1999 and January 19, 2000 and delegated to the Chief Fiscal Officer the power to prescribe the terms, form and contents of and to sell and deliver such serial bonds of the City; and

WHEREAS, \$2,425,000 aggregate principal amount of the Series 2000 Bonds currently remain outstanding and unredeemed as of the date hereof; and

WHEREAS, it is hereby determined to be in the public interest of the City to refund all of said outstanding bonds aggregate principal amount Series 2000 Bonds, by the issuance of the refunding bonds authorized herein pursuant to Section 90.10 of the Local Finance Law; and

WHEREAS, the City of Rye, located in the County of Westchester, State of New York (the “City”) previously issued \$1,965,000 principal amount of Public Improvement (Serial) Bonds,

Series 2001 (the “Series 2001 Bonds”) pursuant to a certificate of determination of the City Comptroller (sometimes referred to herein as the “Chief Fiscal Officer”), which Series 2001 Bonds are dated December 1, 2001 and matured or mature in annual installments on October 1 in each of the years 2002 to 2021, inclusive, as follows:

\$75,000 in the year 2002,  
\$65,000 in the year 2003,  
\$65,000 in the year 2004,  
\$70,000 in the year 2005,  
\$75,000 in the year 2006,  
\$75,000 in the year 2007,  
\$80,000 in the year 2008,  
\$85,000 in the year 2009,  
\$90,000 in the year 2010,  
\$95,000 in the year 2011,  
\$95,000 in the year 2012,  
\$100,000 in the year 2013,  
\$105,000 in the year 2014,  
\$110,000 in the year 2015,  
\$115,000 in the year 2016,  
\$120,000 in the year 2017,  
\$125,000 in the year 2018,  
\$135,000 in the year 2019,  
\$140,000 in the year 2020, and  
\$145,000 in the year 2021

WHEREAS, the Series 2001 Bonds were authorized pursuant to serial bond resolutions duly adopted by the City Council of the City for the objects or purposes described therein on July 21, 1999 and April 18, 2001 and delegated to the Chief Fiscal Officer the power to prescribe the terms, form and contents of and to sell and deliver such serial bonds of the City; and

WHEREAS, \$1,285,000 aggregate principal amount of the Series 2001 Bonds currently remain outstanding and unredeemed as of the date hereof; and

WHEREAS, it is hereby determined to be in the public interest of the City to refund all of said outstanding aggregate principal amount Series 2001 Bonds, by the issuance of the refunding bonds authorized herein pursuant to Section 90.10 of the Local Finance Law; and

WHEREAS, the City of Rye, located in the County of Westchester, State of New York (the “City”) previously issued \$5,389,500 principal amount of Public Improvement (Serial) Bonds, Series 2002 (the “Series 2002 Bonds”) pursuant to a certificate of determination of the City Comptroller (sometimes referred to herein as the “Chief Fiscal Officer”), which Series 2002 Bonds are dated December 15, 2002 and matured or mature in annual installments on December 15 in each of the years 2003 to 2020, inclusive, as follows:

\$214,500 in the year 2003,  
\$220,000 in the year 2004,

\$230,000 in the year 2005,  
\$235,000 in the year 2006,  
\$240,000 in the year 2007,  
\$250,000 in the year 2008,  
\$260,000 in the year 2009,  
\$275,000 in the year 2010,  
\$285,000 in the year 2011,  
\$300,000 in the year 2012,  
\$310,000 in the year 2013,  
\$325,000 in the year 2014,  
\$340,000 in the year 2015,  
\$350,000 in the year 2016,  
\$365,000 in the year 2017,  
\$380,000 in the year 2018  
\$395,000 in the year 2019, and  
\$415,000 in the year 2020

WHEREAS, the Series 2002 Bonds were authorized pursuant to serial bond resolutions duly adopted by the City Council of the City for the objects or purposes described therein on January 16, 2002 and April 10, 2002 and delegated to the Chief Fiscal Officer the power to prescribe the terms, form and contents of and to sell and deliver such serial bonds of the City; and

WHEREAS, \$3,180,000 aggregate principal amount of the Series 2002 Bonds currently remain outstanding and unredeemed as of the date hereof; and

WHEREAS, it is hereby determined to be in the public interest of the City to refund all of said outstanding Series 2002 Bonds, by the issuance of the refunding bonds authorized herein pursuant to Section 90.10 of the Local Finance Law; and

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RYE, IN THE COUNTY OF WESTCHESTER, STATE OF NEW YORK (BY THE AFFIRMATIVE VOTE OF NOT LESS THAN TWO-THIRDS OF THE VOTING STRENGTH OF THE CITY COUNCIL OF THE CITY), AS FOLLOWS:**

Section 1. For the purpose of refunding a portion of the \$2,120,000 outstanding principal amount of the Series 1998A Bonds in the principal amount of \$2,115,000; all of the \$2,425,000 outstanding principal amount of the Series 2000 Bonds; all of the \$1,285,000 outstanding principal amount of the Series 2001 Bonds; and all of the \$3,180,000 outstanding principal amount of the Series 2002 Bonds, providing moneys which, together with the interest earned from the investment of certain of the proceeds of the refunding bonds herein authorized shall be sufficient to pay: (i) the principal amount of the Refunded Bonds; (ii) the aggregate amount of the unmatured interest payable on the Refunded Bonds to and including the date on which any series of the Refunded Bonds which are callable are to be redeemed prior to their respective maturities in accordance with the Refunding Financial Plan (as hereinafter defined) and attached hereto as Exhibit B and made a part of this resolution; (iii) the costs and expenses incidental to the issuance of the Series 1998A Refunding Bonds, the Series 2000 Refunding Bonds, the Series 2001 Refunding Bonds, and the Series 2002 Refunding Bond sometimes hereinafter referred to

collectively as (the “Refunding Bonds”) as hereinafter authorized and as described in Exhibit A, including without limitation, the development of the Refunding Financial Plan, costs and expenses of executing and performing the terms and conditions of the Escrow Contract (as hereinafter defined), and any securities supply contract, the premium with respect to any bond insurance policy or policies acquired with respect to the Refunding Bonds (as defined below), discount or compensation of underwriters, fees of bond counsel and financial advisors, rating agency fees, printing and service agency fees and expenses, and fees and charges of the Escrow Holder (as hereafter described); and (iv) the redemption premium, if any, to be paid on any series of the Refunded Bonds which are to be called prior to their respective maturities; there are hereby authorized to be issued in one or more series not exceeding \$9,225,000 aggregate principal amount of refunding serial bonds of the City pursuant to the provisions of Section 90.10 of the Local Finance Law (the “Refunding Bonds”), it being anticipated that the amount of Refunding Bonds actually to be issued will be approximately \$9,225,000 as provided in Section 4 hereof. The proposed principal amounts and dates of maturity of such Refunding Bonds are set forth in the Refunding Financial Plan attached hereto.

Section 2. It is hereby determined pursuant to Section 90.10 that:

(a) the maximum amount of the Refunding Bonds authorized to be issued pursuant to this resolution does not exceed the limitation imposed by subdivision 1 of paragraph (b) of Section 90.10 of the Local Finance Law with respect to each series of the Refunded Bonds;

(b) the aggregate amount of estimated present value savings computed in accordance with subparagraph (a) of subdivision 2 of paragraph b of Section 90.10 of the Local Finance Law is not expected to be less than three percent (3.0%) of debt service on the Refunded Bonds paid to stated maturity.

(c) The City Comptroller is hereby authorized and directed to enter into an escrow contract (the “Escrow Contract”) with a bank or trust company located and authorized to do business in this State as the City Comptroller shall designate (the “Escrow Holder”) for the purpose of having the Escrow Holder act, in connection with the Refunding Bonds, as the escrow holder to perform the services described in Section 90.10 of the Local Finance Law. In addition, the Escrow Contract may include a forward supply or purchase contract or agreement as part thereof or as a separate agreement for the provision of acquiring obligations of the United States of America or unconditionally guaranteed by the United States of America or other obligations or instruments qualified under Section 90.10 of the Local Finance Law or may be necessary for the completion of the Refunding Financial Plan. The Escrow Contract shall contain such terms and conditions as shall be necessary or required, including terms and conditions required for the completion of the Refunding Financial Plan, including provisions for the Escrow Holder, without further authorization or direction from the City Council of the City, except as otherwise provided therein, including, without limitation, (i) to make all required payments of principal, interest and any redemption premiums to appropriate paying agents with respect to the Refunded Bonds, (ii) to pay costs and expenses incidental to the issuance of the Refunding Bonds, including the development of the Refunding Financial Plan, and of executing and performing the terms and conditions of the Escrow Contract by the Escrow Holder, (iii) at the appropriate time or times, to cause to be given on behalf of the City in the manner provided by law the notice of redemption authorized to be given pursuant to Section 8 hereof, and (iv) to invest the moneys held by the Escrow Holder pursuant to the terms of the Escrow Contract and consistent with the provisions of the Refunding Financial Plan. The

Escrow Contract shall be irrevocable and shall constitute a covenant with the owners of the Refunding Bonds.

(d) The proceeds, inclusive of any premium, from the sale of the Refunding Bonds, immediately upon receipt, shall be placed in escrow by the City with the Escrow Holder pursuant to the terms of the Escrow Contract. All moneys held by the Escrow Holder shall be invested only in direct obligations of the United States of America, in obligations the principal of and interest on which are unconditionally guaranteed by the United States of America or in obligations or instruments qualified under Section 90.10 of the Local Finance Law, which obligations or instruments shall mature or be subject to redemption at the option of the Escrow Holder not later than the respective dates when such moneys will be required to make payments in accordance with the Escrow Contract and the Refunding Financial Plan. Any such moneys remaining in the custody of the Escrow Holder after the performance in full of the Escrow Contract by the Escrow Holder shall be returned to the City and shall be applied by the City Comptroller to the payment of the principal of or interest on the Refunding Bonds then outstanding, to the payment of any amounts required to be paid to the United States of America in connection of with the refunding of the Refunding Bonds or to the payment of or reimbursement for the costs of issuance or other administrative costs incurred in connection with the issuance of the Refunding Bonds. In connection with the investment of moneys held by the Escrow Holder under the Escrow Contract, the City Comptroller is authorized to execute on behalf of the City any forward purchase or supply contract for the purchase or supply of the securities described in this subsection (d) at a date subsequent to the delivery of the Refunding Bonds, as is needed to accomplish the purposes of the Refunding Financial Plan.

Section 3. It is hereby determined that the maximum period or periods of probable usefulness permitted by law at the time of the issuance of the Refunded Bonds for each of the objects or purposes for which the Refunded Bonds were issued is no less than as shown on Exhibit A attached hereto and made a part of this resolution taking into account the earlier of the original date of issuance of any such series of serial bonds or bond anticipation notes funded by such series of Refunded Bonds; and

Section 4. The financial plan for the refunding authorized by this resolution (the “Refunding Financial Plan”), showing the sources and amounts of all moneys required to accomplish such refunding, the estimated present value of the total debt service savings and the basis for the computation of the aforesaid estimated present value of total debt service savings, are set forth in Exhibit B attached hereto and made a part hereof. The Refunding Financial Plan has been prepared based upon the assumption that the Refunding Bonds will be issued in the aggregate principal amount of \$9,225,000 if fully issued and will mature, be of such terms, and bear such interest as set forth in the Refunding Financial Plan. The City Council of the City recognizes that the principal amount of the Refunding Bonds, the series, maturities, terms, interest rate or rates borne by the Refunding Bonds, the provisions for redemption thereof prior to maturity and whether or not all of the Refunding Bonds will be insured, and the resulting present value savings are likely to vary from such assumptions and that the Refunding Financial Plan will likely vary from that attached hereto as Exhibit B. The City Comptroller is hereby authorized and directed to determine the principal amount of the Refunding Bonds to be issued, the series and designation or designations thereof, the time or times of the sale thereof, the maturities and terms thereof, the provisions relating to the redemption of the Refunding Bonds prior to maturity, if any, the rate or rates of interest to be borne thereby, whether or not the Refunding Bonds will be insured in whole or in part or uninsured,

and to prepare, or cause to be provided, a final Refunding Financial Plan, all in accordance herewith, and all powers in connection therewith may be exercised by the City Comptroller; provided, that the terms of the Refunding Bonds to be issued, including the rate or rates of interest borne thereby, shall comply with the requirements of Section 90.10 of the Local Finance Law. The City Comptroller shall file a copy of a certificate determining the details of the Refunding Bonds and the final Refunding Financial Plan with the City Clerk within ten (10) days after the delivery of the Refunding Bonds, as herein provided.

Section 5. The faith and credit of the City are hereby irrevocably pledged to the payment of the principal of and interest on the Refunding Bonds as the same respectively become due and payable. An annual appropriation shall be made in each year sufficient to pay the principal of and interest on the Refunding Bonds becoming due and payable in such year. To the extent that the same are not paid from other sources, there shall be annually levied on all the taxable real property in the City a tax sufficient to pay the principal of and interest on the Refunding Bonds as the same become due and payable.

Section 6. Proceeds from the sale of the Refunding Bonds, including any accrued interest and, together with interest earned thereon, which shall be required for the payment of the principal of and interest on the Refunded Bonds, including any redemption or call premiums, in accordance with the Refunding Financial Plan, shall be irrevocably committed and pledged to such purpose and the owners of the Refunded Bonds shall have a lien upon such moneys and the investments thereof held by the Escrow Holder. The pledge and lien provided by this resolution shall become valid and binding upon the issuance of the Refunding Bonds and the moneys and investments held by the Escrow Holder shall immediately be subject thereto without any further act. Such pledge and lien shall be valid and binding against all parties having claims of any kind in tort, contract, equity, at law or otherwise against the City irrespective of whether such parties have notice thereof. Neither this resolution, the Escrow Contract, nor any other instrument relating to such pledge and lien, need be filed or recorded.

Section 7. In accordance with the terms of the Refunded Bonds and the provisions of Section 53.00 and of paragraph (h) of Section 90.10 of the Local Finance Law, and subject only to the issuance of the Series 1998A Bonds, the Series 2000 Bonds, the Series 2001 Bonds and the Series 2002 Bonds, as herein authorized, the City hereby elects to call in and redeem all Series 1998A Bonds maturing on and after September 15, 2010 on December 31, 2009, all Series 2000 Bonds maturing on or after October 1, 2011 on October 1, 2010, all Series 2001 Bonds maturing on or after October 1, 2011 on October 1, 2010, and all Series 2002 Bonds maturing on or after December 15, 2012 on December 15, 2011. The sum to be paid therefor on such redemption dates shall be the par value thereof plus the redemption premium, if any, as provided in the issuance proceedings for the Series 1998A Bonds, the Series 2000 Bonds, the Series 2001 Bonds and the Series 2002 Bonds and the accrued interest to such redemption date. The Escrow Holder is hereby authorized and directed to cause notice of such call for redemption to be given in the name of the City in the manner and within the times provided in the issuance proceedings for the Series 1998A Bonds, the Series 2000 Bonds, the Series 2001 Bonds and the Series 2002 Bonds respectively. Such notice of redemption shall be in substantially the form attached to the Escrow Contract. Upon the issuance of the Refunding Bonds, the election to call in and redeem the applicable portion of the callable Series 1998A Bonds, Series 2000 Bonds, Series 2001 Bonds and Series 2002 Bonds the direction to the Escrow Holder to cause notice thereof to be given as provided in this paragraph

shall become irrevocable, provided that this paragraph may be amended from time to time as may be necessary in order to comply with the notice, requirements of paragraph (a) of Section 53.00 of the Local Finance Law, or any successor law thereto. It is hereby determined that with respect to the series of Refunded Bonds to be called in and redeemed as provided in this Section 7, it is to the financial advantage of the City not to charge, impose and collect or receive from registered owners of the Refunded Bonds mailing, shipping, insurance or other similar charges in connection with such redemption or calls. Accordingly, pursuant to paragraph (c) of Section 70.00 of the Local Finance Law, no such charges shall be so charged, collected or received by the Chief Fiscal Officer, as fiscal agent.

Section 8. The Refunding Bonds shall be sold at a private sale, and the City Comptroller is hereby authorized to execute a purchase contract on behalf of the City for the sale of the Refunding Bonds, provided that the terms and conditions of such sale shall be approved by the State Comptroller and further provided that, prior to the issuance of the Refunding Bonds the City Comptroller shall have filed with the city Council of the City a certificate approved by the State Comptroller pursuant to subdivision 2 of paragraph (g) of Section 90.10 of the Local Finance Law setting forth the present value savings to the City resulting from the issuance of the Refunding Bonds. In connection with such sale, the City Council of the City hereby authorizes the preparation of an Official Statement and approves its use in connection with such sale, and further consents to the distribution of a Preliminary Official Statement prior to the date said Official Statement is executed and available for distribution, all in accordance with applicable State and Federal securities laws, rules and regulations.

Section 9. The City Council of the City hereby appoints the law firm of Squire, Sanders & Dempsey L.L.P., of New York, New York, as bond counsel in connection with the issuance and sale of the Refunding Bonds. The City Council of the City hereby appoints the firm of New York Municipal Advisory Corporation (“NYMAC”) of Syosset, New York, as financial advisor in connection with the issuance and sale of the Bonds. The power to appoint an Escrow Holder, as that term is referred to herein, and a senior managing underwriter for the sale of the Refunding Bonds, is hereby delegated to the Comptroller of the City, as chief fiscal officer of the City.

Section 10. Each of the Refunding Bonds authorized by this resolution shall contain the recital of validity prescribed by Section 52.00 of the Local Finance Law and the Refunding Bonds shall be general obligations of the City, payable as to both principal and interest by a general tax upon all the taxable real property within the City, without limitation as to rate or amount.

Section 11. The City Comptroller, pursuant to Sections 50.00, 90.00, 90.10 and 168.00 of the Local Finance Law, and all other officers, employees and agents of the City are hereby authorized and directed for and on behalf of the City to execute and deliver all certificates and other documents, perform all acts and do all things required or contemplated to be executed, performed or done by this resolution or any document or agreement approved hereby, including to correct or amend the documents and certificates authorized to complete the transactions contemplated by this resolution.

Section 12. All other matters pertaining to the terms, issuance and sale of the Refunding Bonds consistent with the provisions of Section 90.10 of the Local Finance Law shall be determined

by the City Comptroller and the powers in connection therewith not otherwise heretofore delegated thereto are hereby delegated to the City Comptroller.

Section 13. The City intends to issue the obligations authorized by this resolution to finance the costs of the purposes described herein for the completion of the Refunding Financial Plan. The City covenants for the benefit of the holders of the Refunding Bonds that it will not make any use of (a) the proceeds of the Refunding Bonds, any funds reasonably expected to be used to pay the principal of or interest on the Refunding Bonds or any other funds of the City, and (b) the purposes financed with the proceeds of the Refunding Bonds, which would cause the interest on which to become subject to Federal income taxation under the Internal Revenue Code of 1986, as amended (the “Code”) (except for the federal alternative minimum tax imposed on corporations by Section 55 of the Code), or subject the City to any penalties under Section 148 of the Code, and that it will not take any action or omit to take any action with respect to the Refunding Bonds or the proceeds thereof, if such action or omission would cause the interest on the Refunding Bonds to become subject to Federal income taxation under the Code (except for the federal alternative minimum tax imposed on corporations by Section 55 of the Code), or subject the City to any penalties under Section 148 of the Code. The foregoing covenants shall remain in full force and effect notwithstanding the defeasance of the Refunding Bonds or any other provision hereof until the date which is sixty (60) days after the final maturity date or earlier prior redemption date thereof. The proceeds of the Refunding Bonds may be applied to reimburse expenditures or commitments made for the purposes on or after a date which is not more than sixty (60) days prior to the adoption date of this resolution by the City.

Section 14. For the benefit of the holders and beneficial owners from time to time of the Refunding Bonds, the City agrees, in accordance with and as an obligated person with respect to the Refunding Bonds under, Rule 15c2-12 promulgated by the Securities Exchange Commission pursuant to the Securities Exchange Act of 1934 (the “Rule”), to provide or cause to be provided such financial information and operating data, financial statements and notices, in such manner, as may be required for purposes of the Rule. In order to describe and specify certain terms of the City’s continuing disclosure agreement for that purpose, and thereby to implement that agreement, including provisions for enforcement, amendment and termination, the City Comptroller is authorized and directed to sign and deliver, in the name and on behalf of the City, the commitment authorized by subsection 6(c) of the Rule (the “Commitment”) to be placed on file with the City Clerk, which shall constitute the continuing disclosure agreement made by the City for the benefit of holders and beneficial owners of the Refunding Bonds in accordance with the Rule, with any changes or amendments that are not inconsistent with this resolution and not substantially adverse to the City and that are approved by the City Comptroller, on behalf of the City, all of which shall be conclusively evidenced by the signing of the Commitment or amendments thereto. The agreement formed, collectively by this paragraph and the Commitment, shall be the City’s continuing disclosure agreement for purposes of the Rule, and its performance shall be subject to the availability of funds and their annual appropriation to meet costs the City would be required to incur to perform thereunder. The City Comptroller is further authorized and directed to establish procedures in order to ensure compliance by the City with its continuing disclosure agreement, including the timely provision of information and notices. Prior to making any filing in accordance with the agreement or providing notice of the occurrence of any material event, the City Comptroller shall consult with, as appropriate, the City Attorney and bond counsel or other qualified independent special counsel to the City and

shall be entitled to rely upon any legal advice provided by the City Attorney or such bond counsel or other qualified independent special counsel in determining whether a filing should be made.

Section 15. The validity of the Refunding Bonds may be contested only if such obligations are authorized for objects or purposes for which the City is not authorized to expend money, or the provisions of law which should be complied with at the date of the publication of this resolution, are not substantially complied with, and an action, suit or proceeding contesting such validity, is commenced within twenty (20) days after the date of publication, or if said obligations are authorized in violation of the provisions of the Constitution of New York.

Section 16. When this bond resolution takes effect, it shall be published in full by the City Clerk, together with a notice in substantially the form prescribed by Section 81.00 of the Local Finance Law, and such publication shall be in The Journal News a newspaper having a general circulation in the City and which is hereby designated as the official newspaper of the City for such purpose.

Section 17. This bond resolution shall take effect immediately upon its adoption by the City Council of the City.

Exhibit A to the Refunding Bond Resolution,  
Dated November 18, 2009,  
of the City of Rye  
in the County of Westchester, State of New York  
Series 1998A Bonds - Refunding Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>
10/1/2010	\$215,000
10/1/2011	\$210,000
10/1/2012	\$220,000
10/1/2013	\$225,000
10/1/2014	\$235,000
10/1/2015	\$240,000
10/1/2016	\$250,000
10/1/2017	\$255,000
10/1/2018	\$265,000

Series 2000 Bonds–Refunding Bonds

10/1/2010	\$35,000
10/1/2011	\$210,000
10/1/2012	\$215,000
10/1/2013	\$225,000
10/1/2014	\$230,000
10/1/2015	\$245,000
10/1/2016	\$255,000
10/1/2017	\$255,000
10/1/2018	\$270,000

10/1/2019	\$275,000
10/1/2020	\$290,000

Series 2001 Bonds–Refunding Bonds

10/1/2010	\$15,000
10/1/2011	\$105,000
10/1/2012	\$105,000
10/1/2013	\$105,000
10/1/2014	\$110,000
10/1/2015	\$115,000
10/1/2016	\$115,000
10/1/2017	\$120,000
10/1/2018	\$125,000
10/1/2019	\$130,000
10/1/2020	\$135,000
10/1/2021	\$140,000

Series 2002 Bonds–Refunding Bonds

10/1/2010	\$35,000
10/1/2011	\$15,000
10/1/2012	\$315,000
10/1/2013	\$325,000
10/1/2014	\$335,000
10/1/2015	\$350,000
10/1/2016	\$355,000
10/1/2017	\$370,000
10/1/2018	\$380,000
10/1/2019	\$395,000
10/1/2020	\$410,000

Exhibit B to the Refunding Bond Resolution,  
dated November 18, 2009,  
of the City of Rye,  
in the County of Westchester, State of New York  
Refunding Financial Plan

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**SOURCES AND USES OF FUNDS**

City of Rye  
Sample Composite 2009 Refunding Bonds  
Level Savings Structure @ MMD + .25%

Sources:	Series 2009 (Refunding of 1998A Bonds)	Series 2009 (Refunding of 2000 Bonds)	Series 2009 (Refunding of 2001 Bonds)	Series 2009 (Refunding of 2002 Bonds)	Total
<b>Bond Proceeds:</b>					
Par Amount	2,115,000.00	2,505,000.00	1,320,000.00	3,285,000.00	9,225,000.00
Net Premium/OID	65,647.50	93,385.95	37,322.45	123,143.70	319,499.60
	<u>2,180,647.50</u>	<u>2,598,385.95</u>	<u>1,357,322.45</u>	<u>3,408,143.70</u>	<u>9,544,499.60</u>
	2,180,647.50	2,598,385.95	1,357,322.45	3,408,143.70	9,544,499.60
<b>Uses:</b>					
<b>Refunding Escrow Deposits:</b>					
Cash Deposit	0.29	0.52	0.27	0.71	1.79
SLG Purchases	2,157,957.00	2,570,385.00	1,343,859.00	3,372,920.00	9,445,121.00
	<u>2,157,957.29</u>	<u>2,570,385.52</u>	<u>1,343,859.27</u>	<u>3,372,920.71</u>	<u>9,445,122.79</u>
<b>Delivery Date Expenses:</b>					
Underwriter's Discount	10,575.00	12,525.00	6,600.00	16,425.00	46,125.00
Cost of Issuance	11,463.41	13,577.24	7,154.47	17,804.88	50,000.00
	<u>22,038.41</u>	<u>26,102.24</u>	<u>13,754.47</u>	<u>34,229.88</u>	<u>96,125.00</u>
<b>Other Uses of Funds:</b>					
Additional Proceeds	651.80	1,898.19	-291.29	993.11	3,251.81
	<u>2,180,647.50</u>	<u>2,598,385.95</u>	<u>1,357,322.45</u>	<u>3,408,143.70</u>	<u>9,544,499.60</u>

SUMMARY OF FINANCING RESULTS

City of Rye  
Sample Composite 2009 Refunding Bonds  
Level Savings Structure @ MMD + .25%

Series	Bond Par	Bond Yield	Contingency	Escrow Yield	Negative Arbitrage	Net Savings
Series 2009 (Refunding of 1998A Bonds)	2,115,000.00	2.528%	651.80	0.039%	4,949.64	147,296.00
Series 2009 (Refunding of 2000 Bonds)	2,505,000.00	2.839%	1,898.19	0.268%	52,781.15	201,109.79
Series 2009 (Refunding of 2001 Bonds)	1,320,000.00	2.941%	-291.29	0.268%	27,621.64	98,656.24
Series 2009 (Refunding of 2002 Bonds)	3,285,000.00	2.882%	993.11	0.958%	120,690.47	21,220.51
	9,225,000.00		3,251.81		206,042.89	468,282.54

Aggregate:

Arbitrage Yield	2.814639%
Escrow Yield	0.722166%

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**SAVINGS**

City of Rye  
Sample Composite 2009 Refunding Bonds  
Level Savings Structure @ MMD + .25%

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 12/01/2009 @ 2.8146389%
Dec 31, 2010	605,493.76	552,750.00	52,743.76	52,586.55
Dec 31, 2011	887,206.26	834,300.00	52,906.26	50,622.33
Dec 31, 2012	1,184,598.76	1,133,100.00	51,498.76	46,298.64
Dec 31, 2013	1,190,063.76	1,132,450.00	57,613.76	50,465.70
Dec 31, 2014	1,193,231.26	1,136,050.00	57,181.26	48,616.40
Dec 31, 2015	1,198,621.26	1,148,750.00	49,871.26	40,982.82
Dec 31, 2016	1,196,851.26	1,145,250.00	51,601.26	41,221.89
Dec 31, 2017	1,192,731.26	1,141,000.00	51,731.26	40,100.36
Dec 31, 2018	1,196,100.00	1,146,000.00	50,100.00	37,660.38
Dec 31, 2019	906,662.50	869,600.00	37,062.50	26,377.29
Dec 31, 2020	907,900.00	872,600.00	35,300.00	24,299.94
Dec 31, 2021	152,250.00	144,200.00	8,050.00	5,798.45
	11,811,710.08	11,256,050.00	555,660.08	465,030.74

Savings Summary

PV of savings from cash flow	465,030.74
Plus: Refunding funds on hand	3,251.81
Net PV Savings	468,282.55

ROLL CALL

AYES: Mayor Otis, Councilmembers Ball, Cunningham, Gamache, Parker,  
Pratt and Sack

NAYS: None

ABSENT None

6. Proposal to create a Parking Benefit Fund for the Central Business District

Councilwoman Parker said she is asking for the creation of a Parking Benefit District. When voting on the 2008 budget, the Council voted to put 100% of the pay station revenue funds into the Central Business District (CBD). Projects for the CBD have been identified during the Capital Improvements Workshop and in the Streetscape Plan. The proposed Parking Benefit District could be created in one of two ways: (1) take the 2010 pay station money and create a “savings account” which will allow for improvements to go forward by “taking small change and turning it into big changes”, or (2) allow the pay station money to go into the General Fund and keep a scorecard of the revenues coming in and take money for capital improvements out of the Capital Fund. She feels that scenario (1) is the most secure method because future Councils will learn to live without the revenue and the community will benefit greatly because everyone uses the downtown. She said signage should be put up in the lots indicating that the money was being utilized for the downtown. This option will increase the proposed tax increase by approximately \$27 per household over last year’s tax. She said she would like feedback from the Council and the community.

Council comment included:

- If a Parking Benefit Fund is created and later budgets become more difficult, it will take a legislative action to free the money up.
- It is a good idea in principal but not for this year because it would add to the tax rate if cuts are not made.
- There are CBD related projects in the Capital Improvement Plan that will utilize some of this revenue. If the money is designated for CBD use, it might preclude other projects from being done that are higher in priority.
- There are two issues: (1) should money be allocated to be spent downtown, and (2) should pay station money automatically be put in a fund for that purpose. Automatically taking money and putting it into a fund would limit the City in how the money can be spent.
- To date the money has provided the City with the money to do projects that fit the funding.
- Because of the pay stations and increased enforcement the General Fund is getting revenue that wasn’t there before. A portion of the money should be going into downtown improvements. There should be some discipline in how the money is used so the public will see a net result in the downtown from the money they put in the pay stations.
- Can staff investigate the concept of a Parking Benefit Fund that has a trigger that will not restrict future Councils on how the money can be used? (Anything done by Resolution can be rescinded and changed by a future Council Resolution.)

- Any allocation of pay station revenues should begin with net revenues not gross revenues.
- The Finance Department could keep a running tabulation of the money that comes in from the pay stations, and each year part of that revenue stream could be dedicated to CBD projects. A draft Resolution should be prepared for possible adoption with the Budget.
- Has any other revenue stream been limited to a particular purpose? (The Hotel Tax revenue is restricted to capital projects.)

*Nick Everett, 19 Palisade Road*, said he had served on the Central Business District Task Force and was in support of Councilwoman Parker's proposal. He said the City must be disciplined in the use of pay station money.

6A. Consideration to approve the Rye Town Park Capital Improvement project  
Roll Call.

Mayor Otis said the Rye Town Park Commission meeting was held on November 17, 2009 and had been attended by himself, Councilman Cunningham and City Manager Culross. Rye Town officials agreed not to vote on awarding the bids at that meeting, but to wait until each municipal Board had approved the project by passing a Resolution certifying the need for repairing the roof. In addition, another \$30,000 in costs has been deleted from the City's portion. City Manager Culross says that the project has been certified to the City Council for a maximum project cost of \$1.482 million based on a firm bid. The Town of Rye has approved the project. If the Council approves the project, the City will have an obligation to fund its 37.89%, if the Council does not approve it, the project will not go forward. Councilman Cunningham said that the Town of Rye drives the project as the majority owner of the facility. He added that the new Supervisor of the Town of Rye Joe Carvin has a business background and has provided more discipline to the operation of the Park and controlling expenses.

Council comments and questions included:

- The percentage that the City would be responsible for was not resolved until recently, but there is a push for the Council to approve the project. The difference in the amount of the City's share is not a savings; it is an avoided overpayment. Adding the amount saved by the reduced percentage and additional cost reductions comes close to wiping out the City's percentage of the \$400,000 grant funding. The City is committing to spend \$400,000 to save \$170,000.
- The Council should have a fuller discussion of the issue before taking a vote. The project may not be necessary. The Town Park Commission does not have a capital project plan. If it were a City project it would have been vetted better.
- The timeline should have been better, but the City cannot control the way the Town of Rye manages projects. The project has been discussed by the Town of Rye for about two years and they have vetted it. The prior City Manager notified the Council of the project.

- The park is a good value for the amount of tax dollar and it will be a tragedy if an historical area of Rye is allowed to deteriorate because of an issue of differences between two municipalities.
- This is not the first time the Council has not liked the timing of a decision it had to make. A fast process in order to chase grant money is meaningful in this economy. The City is moving faster to avoid spending \$575,000 rather than \$400,000. There is also a seasonal issue for moving forward.
- Should money be invested to save historical buildings in these economic times? Do we want to spend \$1.4 million to put a new roof on a building that will take \$10 million to put into working shape?
- The business model for operation of Rye Town Park has been a concern for years.
- The Town of Rye has acted in good will in terms of this project, and the money for the project will be kept separate from other Town of Rye capital or operating projects.
- From a debt standpoint the City is in good shape.
- The Council has to decide if they want to save the building or not.
- What is the absolute deadline for the Council to approve the project? (If the project is not approved prior to April, the work will not be done. The urgency now is to get the bid awarded so the work can begin.)

Mayor Otis made a motion, seconded by Councilman Cunningham, to adopt the following Resolution:

**WHEREAS**, the Rye Town Park Commission has certified the need to replace the 100 year old roof of the park’s Main Administration Building; now, therefore, be it

**RESOLVED**, the City Council hereby directs the City Manager to work with outside bond counsel to prepare the necessary documents to authorize bonding for the City of Rye share of the Rye Town Park Main Administration Building Roofing Project, not to exceed \$415,000.00; and, be it further

**RESOLVED**, that the City Council hereby authorizes the Town of Rye to proceed with the project as per the approved bid, related documents and the controlling state statute.

**ROLL CALL**

**AYES:** Mayor Otis, Councilmembers Ball, Cunningham, Gamache, Parker,  
and Pratt

**NAYS:** Councilman Sack

**ABSENT** None

7. Authorization for City Manager to enter into an Agreement with the County of Westchester for the disposal of Recyclable Material as well as a disposal of Solid Waste for Members of Refuse Disposal District #1

City Manager Culross said the length of the agreement was for 10 years with up to three additional five year terms. It is the first major renewal of the agreement for Refuse District #1. It is where the City takes its solid waste and recyclables. It freezes the current prices for one year and then adjusts by the Consumer Price Index. The old agreement expired in October.

Councilman Cunningham made a motion, seconded by Councilman Pratt, to adopt the following Resolution:

**RESOLVED**, that the City Manager is hereby authorized to enter into an Agreement with the County of Westchester for the disposal of Recyclable Material as well as disposal of Solid Waste for Members of Refuse Disposal District #1.

ROLL CALL

AYES: Mayor Otis, Councilmembers Ball, Cunningham, Gamache, Parker,  
Pratt and Sack  
NAYS: None  
ABSENT None

7A. Resolution to accept the \$200,000 grant from Westchester County for the Bird Homestead Property

Deputy Corporation Counsel Kristen Wilson said that she learned yesterday that this item for one of the grants that will reimburse the City for the purchase of the Bird Homestead, may be put on a Committee Agenda for Monday if the City passes a Resolution tonight agreeing to the terms with respect to use of the property going forward. The County needs this Resolution in order to process the grant.

Council comment included:

- There are two strings attached to the grant. The City must grant a Conservation Easement to the County and all County residents will have access to the property.
- County residents also have access to the Skateboard Park, which received a County grant.
- Nothing has been recovered yet of the money the City fronted for the purchase of the property. The money for the grants could disappear.
- The County generally asks for an ownership interest but in this case is getting a Conservation Easement, not an ownership interest.
- All the grant agencies are still on board and the money should continue to come in. If any grants disappear it is the obligation of the Save the Bird Homestead Committee to make the City whole.
- Kristen Wilson should be congratulated for her hard work on moving the grant process along as well as Anne Stillman.

Councilman Pratt made a motion, seconded by Councilman Cunningham, to adopt the following Resolution:

WHEREAS, Westchester County has awarded the City of Rye (the “City”) a grant of \$200,000 (the “Grant Award”) through its Legacy Program to cover part of the acquisition cost of the Bird Homestead property (the “Property”); and

WHEREAS, as part of the Grant Award, the City, in part through the Memorandum of Agreement (“MOA”) with the Committee to Save the Bird Homestead, Inc. (the “Committee”) has agreed to the following:

1. The City will grant a conservation easement to the County for bonding purposes for the life of the bonds;
2. County residents will have access to the Property in perpetuity;
3. Operation and maintenance of the Property will be the responsibility of the Committee;
4. The Committee has added the City and the County as additional insureds on its General Liability insurance policy;
5. The Committee, will develop a plan to provide access to the Long Island Sound as part of the Blue Trail program;
6. The Committee will develop a resource management plan for the Property with the assistance of the County Parks Department; and
7. Public parking will be available for users of the Property.

NOW, THEREFORE, BE IT RESOLVED, that the City agrees to the aforementioned items and, although the Committee has responsibility to perform many of the items through the MOA, the County will look to the City as the responsible party.

**ROLL CALL**

AYES: Mayor Otis, Councilmembers Ball, Cunningham, Gamache, Parker,  
and Pratt

NAYS: Councilman Sack

ABSENT None

8. Acceptance of Grant Award from Governor’s Traffic Safety Committee in the amount of \$2,400 for participation in the “Child Passenger Safety” program

Roll Call.

Councilman Pratt made a motion, seconded by Councilwoman Gamache, to adopt the following Resolution:

**WHEREAS**, the City of Rye has been awarded a New York State grant in the amount of \$2,400 for participation in the statewide 2009 “Child Passenger Safety” program; now, therefore, be it

**RESOLVED**, that the City of Rye accepts the aforementioned grant.

**ROLL CALL:**

**AYES:** Mayor Otis, Councilmembers Ball, Cunningham, Gamache, Parker,  
Pratt and Sack  
**NAYES:** None  
**ABSENT:** None

9. Miscellaneous communications and reports

Councilman Cunningham said that at the next budget workshop he wanted the Council to have an opportunity to receive answers to verbal questions they have asked. Mayor Otis advised Council Members to look over the responses they have received to date and continue forwarding questions to the City Manager in writing. Councilman Cunningham referred to a letter in the weekly Council packet that complimented Deputy Corporation Counsel Kristen Wilson for her work in Rye City Court and said it was recognition of her fine work. He also suggested that a Proclamation be prepared in recognition of a public safety Eagle Scout project that had been performed in coordination with Lt. Dianni.

10. Old Business

There was no old business to be discussed.

11. New Business

There was no new business to be discussed.

12. Draft unapproved minutes of the regular meeting of the City Council held November 4, 2009 and the special meeting of the City Council held November 9, 2009

Mayor Otis made a motion, seconded by Councilman Cunningham and unanimously carried, to approve the minutes of the regular meeting of the City Council held on November 4, 2009 and the special meeting held on November 9, 2009, with Councilman Sack recusing himself from voting on the November 9<sup>th</sup> meeting.

13. 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 11:35 p.m.

Respectfully submitted,

Dawn F. Nodarse  
City Clerk