

APPROVED MINUTES of the Regular Meeting of the City Council of the City of Rye held in City Hall on February 27, 2013 at 8:00 P.M.

PRESENT:

DOUGLAS FRENCH Mayor
LAURA BRETT
RICHARD FILIPPI
PETER JOVANOVIK
JULIE KILLIAN
JOSEPH A. SACK
Councilmembers

ABSENT: CATHERINE F. PARKER, Councilmember

1. Pledge of Allegiance

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

2. Roll Call

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

3. General Announcements

Announcements were made regarding various events and activities.

4. Draft unapproved minutes of the regular meeting of the City Council held February 13, 2013

Councilman Jovanovich made a motion, seconded by Councilman Filippi and unanimously carried, to approve the minutes of the regular meeting of the City Council held on February 13, 2012.

Corporation Counsel Wilson said that at the last meeting she had noted that the police officer who had an interest in a company that bid on the Police Uniforms Contract no longer had that interest. She said it has come to her knowledge since then that an Auxiliary Police Officer currently has an interest in one of the companies that has bid in the past.

5. Mayor's Management Report

- Capital Projects Update
- Legal Update

This agenda item was deferred.

5A. Rye Golf Club Investigation Update and Report

Mayor French said that in October the Council decided to conduct an investigation of the Rye Golf Club based on information given to a Golf Commission member. A final report has been issued which has been posted on the City website. Over a period of six years one individual manipulated the system to his own financial gain. The Council will move forward and look at its civil options and will speak with its insurance carrier. The matter has been referred to the District Attorney. There was no evidence found that any other City employee was involved to their own personal gain. Councilwoman Brett said that when the Council undertook the investigation it did not understand the size and scope of the conduct that had occurred. It has been a lengthy and costly investigation and more complicated than initially anticipated due to the number of entities involved. There are still some documents outstanding from banks but the investigation is nearing completion. It was a thorough, independent investigation that will put the Golf Club in a position to move forward. The Council cannot comment on the District Attorney's investigation going forward. Councilman Jovanovich said the City still has a golf club to run and needs to move forward. The Council must look at several aspects of how this came about including the conduct of controls in the management of the City and the role of present and past Councils. There should be discussions about how the enterprise funds and the Golf Commission should be structured. Councilwoman Killian said she was deeply disturbed by the report because the openness of City government was called into question. The City must focus on identifying where the oversight shortcomings were and what can be done to fix them and needs to adopt an effective Conflict of Interest policy. Rye Golf Club should be restored to the jewel that it is. Councilman Sack said the City must move forward with a reenergized Golf Club Commission, who should continue to stay involved. The subject matter of the report is not a surprise but it is startling not just for the former Club Manager's actions but because City management failed to exercise meaningful oversight over invoices over the years and failed to follow up on items brought to their attention by the City's auditors. It is important that the Council and public can trust City management to be open and transparent. The Council must review the report and take action.

A lengthy discussion ensued between the Council and members of the public including: *Jim Amico, John Duffy, Angela Sposato, Al Vitiello, Chris O'Brien, Mack Cunningham, Anthony Piscionere, Leon Sculti and Bob Zahm.* Topics covered included, the investigation report; the cost of the investigation; the scope of the temporary Rye Golf Club Strategic Committee (RFP Committee) and how it is operating; preventing what happened at the Golf Club from happening again; affordability of the Club; giving the Golf Commission more input into operation of the Club; the 2010 audit report; the operation of the Enterprise Funds; the tipping issue; use of professional services contracts and the leasing process; the actions of City Manager Pickup; modifying the City Charter; and levels of staffing and oversight.

6. Resolution to transfer additional funds from the Contingency account to fund legal services for a Council investigation pursuant to Article 6, Section C6-3 of the City Charter entitled "Investigations"
Roll Call.

Corporation Counsel Wilson said that the bills before the Council were current through February 25th. There was a discussion about receiving estimates for legal services that must still be done in connection with the investigation prior to the work being done so the Council can appropriate the money beforehand.

Councilman Jovanovich made a motion, seconded by Councilwoman Brett, to adopt the following Resolution:

WHEREAS, City staff has determined that the amounts required for the cost of legal services performed in January and February 2013 in connection with the investigation into the Rye Golf Club were not anticipated and were not provided for in the adopted 2013 budget by 102,000; and

WHEREAS, the General Fund Contingent Account has a balance of \$300,000; now, therefore, be it

RESOLVED, that the City Comptroller is authorized to transfer \$102,000 from the General Fund Contingent Account to the City Council Legal Services Account.

ROLL CALL:

AYES: Mayor French, Councilmembers Brett, Filippi, Jovanovich, Killian, and Sack
NAYS: None
ABSENT: Councilwoman Parker

The Resolution was adopted by a 6-0 vote

7. Discussion of the draft Contract for Sale for the property located at 1037 Boston Post Road

City Manager Pickup said that the Council had a basic form of a Purchase and Sale Agreement before it. Gene Pride from CBRE, the commercial real estate broker hired by the City, presented an overview of the marketing process for the property, which began in October 2012 and included email notices, a direct telephone campaign and placing notices on a commercial sale internet website. Eight written offers were received. Four bidders who had submitted offers over \$4 million were engaged to revise their offers and three increased their offers to over \$5 million. The contract offer that has been negotiated with a private company from Long Island is for \$5.6 million, all cash. The criteria used to analyze offers was price; method of payment; amount of deposit put down upon signing the contract; and expertise in owning similar real estate properties. City Manager Pickup said the deal will be cash positive to the City overall. Corporation Counsel Wilson said she is working on a license agreement for use

of 10 parking spaces during weekday mornings. Perry Shore, the owner of the current tenant, Lester's, said he did not feel he was being treated fairly by the Council and urged the Council to reconsider his offer to purchase the property, which involves obtaining outside financing. Adam Wolf, the investor who is the purchaser in the subject contract, showed a rendering of the renovations his company proposed to make to the building and indicated that they are looking for a high end retail tenant for the location, and would consider Lester's. Members of the Council indicated their preference for an "all cash" deal.

8. Residents may be heard on matters for Council consideration that do not appear on the agenda

Former City Councilmember *Mack Cunningham*, spoke about the amount of money the City has already spent in "soft costs" on the Central Avenue Bridge prior to work beginning. He also asked if public access from the bridge deck to the Nature Center was included in the bridge project design. City Manager Pickup said that it was included on the Boston Post Road side of the brook.

Jim Amico said he agrees that civility is needed but said that it should be both ways. He also spoke about police overtime and the need for a police presence around the schools at drop off and dismissal times.

9. Discussion on establishing a temporary Technology Committee

This agenda item was deferred.

10. One appointment to the Finance Committee to fill a term expiring on January 1, 2014, by the Mayor with Council approval

Mayor French made a motion, seconded by Councilman Filippi and unanimously carried, to appoint Bertrand de Frondeville to the Finance Committee to fill a term expiring on January 1, 2014.

The following appointment was added to the agenda:

One appointment to the Board of Architectural Review for a three-year term expiring on January 1, 2016

Councilman Jovanovich made a motion, seconded by Councilman Filippi and unanimously carried, to appoint Roberta Downing to the Board of Architectural Review for a three-year term expiring on January 1, 2016.

11. Consideration of a request by the Milton Elementary School PTO to approve a parade to precede the Milton Elementary School Fair on Saturday, March 16, 2013 from 9:00 a.m. to 10:15 a.m.

Councilman Jovanovich made a motion, seconded by Councilwoman Brett and unanimously carried, to adopt the following Resolution:

RESOLVED, that the City Council of the City of Rye hereby approves the request of the Milton Elementary School PTO for use of City streets for a parade to precede the Milton Elementary School Fair on Saturday March 16, 2013 from 9:00 a.m. to 10:15 a.m.

12. Consideration of a request by the Rye Little League to approve a parade to kickoff Opening Day of the 56th Little League Season on Saturday, April 13, 2013 beginning at 12:00 p.m.

Councilman Jovanovich made a motion, seconded by Mayor French and unanimously carried, to adopt the following Resolution:

RESOLVED, that the City Council of the City of Rye hereby approves the request of Rye Little League for use of City streets for a parade to kickoff Opening Day of the 56th Little League Season on Saturday, April 13, 2013 beginning at 12:00 p.m.

13. Consideration of a request by the Midland Elementary School PTO to approve a parade to precede the Midland Elementary School Fair on Saturday, April 20, 2013 from 9:00 a.m. to 10:15 a.m.

Councilwoman Killian made a motion, seconded by Councilman Filippi and unanimously carried, to adopt the following Resolution:

RESOLVED, that the City Council of the City of Rye hereby approves the request of the Midland Elementary School PTO for use of City streets for a parade to precede the Midland Elementary School Fair on Saturday, April 20, 2013 from 9:00 a.m. to 10:15 a.m.

14. Resolution to grant permission to the Rye Sustainability Committee, the Conservation Commission/Advisory Council, and the Rye Arts Center to hold a free public event on the Village Green to commemorate Earth Day 2013 on Saturday, April 20, 2013 from 10:00 a.m. to 4:00 p.m.

This item was deferred to the next meeting.

15. Consideration of a request by the Rye YMCA for the use of City streets for the 25th Annual Rye Derby on Sunday, April 28, 2013 from 9:00 a.m. to 2:00 p.m.

This item was deferred to the next meeting.

16. Miscellaneous Communications and Reports

There was nothing reported on under this agenda item.

17. Old Business

Councilman Sack said that he had not received the information he had requested from the City Manager in connection with retaining an outside personnel consultant to review a complaint of workplace harassment filed by a City employee directed against individuals who are not City employees. City Manager Pickup said there were confidentiality issues and he would have to discuss it with the Council in executive session.

Councilwoman Brett asked for an update on the Sluice Gate. City Manager Pickup said all the power to the site is operational and all replacement parts on the actuator are delivered and installed. Final testing will take place and the City will go through a series of dry runs and calibrations. If the gate functions as it should it could be turned over to the City by the end of next week.

18. New Business

There was nothing discussed under this agenda item.

19. Adjournment

There being no further business to discuss, Mayor French made a motion, seconded by Councilman Jovanovich and unanimously carried, to adjourn into executive session to discuss a personnel matter and not return into regular session at 11:50 p.m.

Respectfully submitted,

Dawn F. Nodarse
City Clerk