

DRAFT UNAPPROVED MINUTES of
the Budget Workshop of the City Council of the
City of Rye held in City Hall on November 14,
2016 at 7:30 P.M.

PRESENT:

KIRSTIN BUCCI
EMILY HURD
JULIE KILLIAN
TERRENCE McCARTNEY
RICHARD MECCA
DANIELLE TAGGER-EPSTEIN
Councilmembers

ABSENT: JOSEPH SACK, Mayor

1. Pledge of Allegiance

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

2. Roll Call

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

3. Discussion of the FY 2017 Budget

City Manager Serrano reminded the Council that the budget's public hearing will take place on December 7, 2016. Budget changes would need five votes from the Council. He was happy to report that the City of Rye, under Deputy Comptroller Joseph Fazzino's leadership, the City has received the GFPA Budget Award Report, and the GFOA CAFR award.

- **Capital Projects Update**

City Planner Miller stated that as usual, the City was presented with a Capital Projects report in August of 2016. Now is the time to start thinking about priorities for these projects. City Planner Miller said that fund balance is \$750,000. He provided an overview of important capital projects:

Dearborn Pump Station

City Planner Miller said that sewer upgrades are a high priority for the City. The proposed budget has increased the funding for this.

Five-Points Intersection and Pedestrian Improvements project

City Planner Miller said that this project would cost approximately \$250,000. Councilwoman Killian added that this project originally came about with the Safe Routes to School Initiative. City Planner Miller agreed and stated that eventually, the project was taken away from the Safe Routes Program because of certain changes.

First Street Parking Lot Improvements

City Planner Miller said that this lot is located in front of Rye Bar and Grill. That lot has been in the CIP for some time. The lot is deteriorated and needs to be maintained and improved.

Councilwoman Hurd said that she was concerned about the City having to pay for damage during street opening and felt it might be appropriate to raise street opening fees.

City Engineer Coyne clarified that the City does take street opening permit fees and surcharges.

Councilwoman Hurd and City Engineer Coyne discussed the street opening fees and permit surcharges. City Engineer Coyne explained that there are different classifications for street openings.

Councilwoman Tagger-Epstein asked if the City can require deposits for street opening. City Engineer Coyne responded that it is already required for private utilities. There was discussion over deposits and bonds for each and every opening.

There was general discussion about trenching and restoration.

Councilman Mecca asked miller on the Dearborn Avenue Pump Station and the work required. City Engineer Coyne responded that pumps and controls would be replaced. He said that the steel housing is rotting away and the pumps need to be replaced.

Councilman McCartney commented that Dearborn Avenue and First Avenue seem to be the biggest priorities of the three. He felt that the five-points intersection was not urgent.

There was general discussion over priorities, which will be looked at further in January 2017.

Councilwoman Hurd encouraged the Council to consider the funding of the engineering construction documents to the Forest Avenue sidewalk program. There was discussion over this project.

Councilwoman Bucci felt that it was important to consider the major priorities under the CIP first.

There was more discussion on capital improvement projects and priorities.

- **Building and Vehicle Fund Review**

Deputy Comptroller Fazzino said that this fund is used to fund the operation of buildings, which is done through the General Fund. He said that the City uses fund balance for equipment and vehicles.

Councilman Mecca asked about bonding and Deputy Comptroller Fazzino explained that typically, the City would bond for a project over \$500,000. There was general discussion over vehicles and replacements. There was also discussion over the possibility of electric cars used by the City.

- **Public Works Department Budget Review**

City Engineer Coyne explained that the DPW maintains the City's infrastructure. There are no proposed changes for staffing, and the budget is staying mostly flat for 2017. The department will be implementing a computerized work ticket program to keep track of requests.

Councilman Mecca asked Mr. Coyne to clarify about the lack of increase to staffing. City Engineer Coyne confirmed that there are no increases proposed, but that the department has had some turnover with employees. He commended the DPW staff who with take their work seriously. He would like to maintain the same level of service. Councilman McCartney complimented the DPW workers and all they do for Rye.

Councilman McCartney asked if the department was losing half of an engineering position. City Engineer Coyne explained that an administrative role will be split between them and Planning.

Councilwoman Hurd asked about the Disbrow Park Master Plan. City Engineer Coyne explained that the Recreation Commission went out to RFP for a consultant, had six consultants submit, and narrowed it down to three, whereas one was recently selected. He commented that they were eager and excited to move forward with Stantec, the consultant who was selected. There was general discussion over timeline of the project.

City Engineer Coyne said that there was a great need to replace a garbage truck, but it can cost up to \$1.6 million. That item was tabled for capital project discussions in January 2017.

- **Rye Golf Club Budget Review**

Jim Buonaiuto, Golf Club Manager, made the following statement to the Council:

“The Rye Golf Club is a City-owned membership based recreational facility which offers a meticulously maintained 18 hole golf course overlooking the Long Island Sound and a large pool facility with both an Olympic sized pool and children’s pool.

Additionally, the Club is home to the famous Whitby Castle, designed by renowned architect Alexander Jackson Davis in 1852. Whitby Castle’s restaurant and events operations are licensed out to Lessing’s Hospitality. Now completing their 3rd year of a 10 year contract, Lessing’s is also responsible for our pool snack bar and golf course half-way house operations.

It is important to note that every attempt is made to avoid depending on any tax dollars or City subsidies to fund the golf club’s operations. The club has consistently run at an operational surplus in the last several years which has resulted in contributions to our own reserve fund for major projects in addition to contributions to the City’s General Fund in the form of inter-fund charges, risk charges, taxes on City Property, and repayments of the club’s debt service from municipal bonds. The Golf Club also pays for all employees, both current and retired, including benefits and 100% of OPEB costs.

Review of 2016

2016 has been a tremendously successful year for our club. In 2015, the Golf Club sustained extraordinary damage due to a faulty product which was part of our greens maintenance program. This damage resulted in the closing of our putting greens for the majority of our season. The golf club maintenance staff worked diligently to recover from this damage and continued this hard work throughout 2016 to have the course in excellent condition. Returning golf members of the club were also offered a 35 percent discount when returning this season.

The total discounts given to returning members was almost \$800,000. If the Club were to take this lost revenue into consideration, our operating projections for 2016 would have the club at about a \$540,000 surplus, which is consistent with our 2014 and 2015 operations. Without the discount accounted for from a purely operational stand point, the club is projected to operate at a deficit of about \$250,000 this season. Fortunately, the club will not need to offset this operational deficit with reserve funds but will in fact still see an increase in our reserve funds thanks to the allocations of money from the settlements with TKI and Travelers. Our projection for the end of 2016 is that our reserve funds will increase to \$3.9 million.

From a revenue perspective, our golfing membership dues were down by about 2% when adjusted for the discount and compared to 2015 actuals, but they were still ahead of 2014 actuals. Pool membership dues were slightly ahead of 2015 and consistent with our overall three year average. User fees including golf and pool guest fees and golf cart fees have increased over our previous three year average.

2016 has been a successful season from a revenue standpoint and it is also a successful starting point for several important projects at the club. On the golf course, we are nearing completion of our new short-game practice area and putting green adjacent to the 12th tee, our renovated 16th tee and castle putting green, and greens expansions and drainage installation on three additional greens. We are also working on our tree management program which is improving our growing environments around our greens and tee complexes. We are also nearing completion of our roof repairs and replacement projects. This project has allowed us to repair or replace several dilapidated roofing structures. We are also currently pursuing the selection of a consultant that will help the club identify long term planning and needs at our pool facility.

2017 Budget

During the 2017 budgeting process the club was faced with two stark realities; the first is that the cost of materials that are used in the everyday operation of the club continue to increase. The second is that our club is understaffed in one of the key areas to the welfare of our product – that being the golf course maintenance department. Currently, the golf club does not have an assistant superintendent. This means that we only have one qualified, experienced, and licensed person to supervise our maintenance crew and be responsible for the welfare of our 100 plus acres of maintained plants and turf.

Compared to other golf courses and clubs in our immediate area which have at least one assistant superintendent and sometimes multiple assistants, we are at great risk in the event that our existing superintendent were not available to perform his duties. Due to this liability we have proposed the addition of one new full time staff member – an assistant superintendent. This would increase the number of full time staff members to 8, but this is well below the club's all-time high of 13 in 2002.

With these pressures in mind, the budget that we propose projects an operational surplus that is smaller than in years past due to these increased expenses. In an effort to offset these increases the club has proposed an increase in one of its most popular user fees – electric golf cart rentals. This fee has not been raised since 2012 and is well below the average rental fee at comparable facilities in the area. Our proposed increase is completely within the market range and will provide a slight bump in revenues. This budget also has conservative plans for revenues, dues, and third party rent from Lessing's. Additionally, we have a \$100,000 unassigned contingency fund as a line item which hopefully will not be needed.

With all of these items taken into consideration, the Golf Club Commission and I feel as though we have prepared a very sound operating budget for 2017.”

Following Mr. Buonaiuto's statement, there was discussion about guest fees.

Councilwoman Bucci commented that the Golf Club has come so far and thanked Mr. Buonaiuto and his staff for doing a fantastic job. She stated that she, the Council and the City are very pleased with the progress.

Mr. Charlie Davies, Rye Golf Club Commission, stated that things have been going well, and there is still more to be done.

Councilwoman Hurd asked whether the neighborhood golf ball issue had been resolved. Mr. Buonaiuto responded that the Golf Club has been making some positive changes on that front.

There was also discussion over the GPS golf carts.

Mack Cunningham commented that when the Finance Committee met at Rye Golf Club, there was discussion about the golf carts. The Finance Committee contemplated a 10 to 15 percent increase. However, raising may cause an issue for some of the club's older members. Mr. Cunningham stated that 2017 is the year to raise these fees (Year 1) for long-term growth. He stated the Golf Club is now in a growth pattern.

Councilman Mecca inquired about the replacement of the golf shop roof. Mr. Buonaiuto responded that the replacement was earlier than expected, due to was poor craftsmanship that unfortunately caused damage and leaks. With the new roof, the Golf Club has worked with its roof consultant to double the warranty with the new roof.

Councilman McCartney asked about possible membership numbers for next year. Mr. Buonaiuto responded that he projected membership would return to the numbers seen in the 2014/15 year.

Councilwoman Killian asked about marketing for the golf club. Mr. Buonaiuto responded that the marketing materials, such as print, journalism and email campaign, are receiving a lot of foot traffic.

Mr. Cunningham mentioned that the Golf Club is also the facilitator for the school district and for the Recreation Department, accommodating the Rye High School Golf Team and summer camp swimming. Mr. Buonaiuto also mentioned the senior citizen discounts.

There was also a discussion on the "Young Executive Membership," for those under 35 years of age.

- **City Clerk Budget Review**

Carolyn D'Andrea, City Clerk, provided the following statement to the Council:

“I have been asked to give a short presentation of possible proposed changes to parking throughout the City of Rye. As you may have seen from the memo I distributed to the Council, parking in the City of Rye is both limited and complex. It takes a lot of thought to understand each lot, permit type, and regulations. Parking within the City is a constant balancing act due to the limited spaces. The Clerk’s office must balance the needs of residents living within the downtown area, the commuters, the merchants, and shoppers that come to visit the central business district.

The Clerk’s office is very open to Council and resident feedback on parking issues. While we see parking and how it works from inside our office, we do not truly witness what it is like to be a commuter or merchant, so we spent the last year surveying those who have come into the clerk’s office with what they would look for in parking. We attempted to take major themes of what we learned and apply them to bring City of Rye parking into the 21st century.

At the same time, we are asked each year to evaluate fees and charges and attempt to create fair fee structures to offset the cost to tax payers and help the City succeed. Over the past year, we have had many internal meetings about positive change and moving toward a direction that helped everyone, whether it be commuters, merchants, residents or the City itself. For purposes of this presentation, I have broken my discussion up by permit type.

COMMUTER PARKING

By way of background, there are approximately 1000 commuter parking permits sold, broken down by roughly 700 MTA lot permits and 300 Highland Cedar permits. The MTA lot has approximately 500 spaces and the Highland Cedar lot has 168 spaces. While oversold, we have observed the lots over the last year and have not seen that the rate at which the City oversells is an issue. We propose to continue with these figures and not increase the number sold.

In terms of proposed changes, first, we note that an overwhelming number of commuters were in favor of being able to use more than one vehicle to travel to the train station. In 2015 alone, there were 377 replacement permits and 450 temporary permits, issued when people needed to take their other car to the station. The current sticker only allows commuters to use one car as their station car. This year, we are happy to announce that across the board, there will be parking hangtags. Commuters will now have the ability to put two license plates on one hangtag so that they can easily switch out their permit to the car that they need for that day. The hangtag program is new and will be here on a trial basis. We are hopeful that it is successful and makes life easier for the everyday commuter.

This year, there is no proposed fee increase on commuter permits. However, City staff had to contemplate every situation, and is worried about the potential for fraud with regard to potential false claims of a lost hangtag permit. With the issuance of a permit with two license plates, it is theoretically possible for there to be a false claim of a lost permit which may lead to two vehicles being parked at the train station at the same time under the same permit. To dissuade this unfortunate situation, the Clerk’s office reached out to other municipalities for ideas regarding lost permit fee structures. Many municipalities responded that they charge the

entire permit fee for a lost permit. In our case, that would be \$760. The Clerk's office felt this was too punitive, as residents are used to a \$60 lost permit fee. As you saw in your packets, the fee being proposed for a lost permit is \$300. Of course, that number is up to the Council, but our goal is to ensure that the permits work fairly and we felt that a higher fee would dissuade fraudulent claims. We welcome Council discussion and feedback on this number, as we know it is a big change. As a matter of policy, on top of the lost permit fee, if any permit does use their permit fraudulently, it has been the policy for years that the permit would be immediately revoked for life.

The Wait list for the commuter parking lot closed approx. seven years ago. This year, we are happy to report that the remainder of the list will be depleted. There are 12 names left who we are confident will be awarded spots. However, as 40 people did not renew for the MTA, we have about 28 extra permits to give out. In the past, the wait list was a very complex system, requiring that people pay \$50 each year to renew their spot. If someone had forgotten to renew by the deadline, they were kicked off the list, even if they had been diligent for years prior.

This year, we are proposing that the Wait List be reopened, but that the rules of the waitlist are slightly different. We are proposing only a ONE TIME FEE for commuters with an online sign up. There would be no deadline to renew each year. The one-time fee of \$100 would be used to offset the administrative costs that the City pays to E-Gov, our online commuter parking manager. Each year, the City would allow more names to be added to the list, depending on how many are given away in a given year. The idea is to cap the Wait list at 500 names at all times.

ALL DAY / ALL NIGHT PERMITS

There are approximately 50-60 all day/ all night permits distributed throughout the city. This type of permit allows a resident to park their car in municipal lots 24 hours a day. It is restricted to those residents living in multifamily units or apartments, located within the downtown area, without off-street parking available. There is only one allowed per unit. One of the biggest challenges the Clerk's office has seen this year is the pressure on the City to guarantee parking for a second car. The question is whether we really want to be in the business of providing parking for a second vehicle. With the parking restraints being what they are, it is difficult for us to justify giving priority to those who need a place to store their second vehicles. With all day/ all night permits, the biggest change we are proposing is a fee raise to \$900/ year, and only selling them on an annual basis. The fee raise was due to the fact that they were paying less than commuters, which did not make sense. The commuters are just paying to park during the day and the all day/ all night permit holders are parking for 24 hours. We adjusted the fees accordingly. There are approximately 25 of these permits sold within the central business district lots.

The Highland/ Cedar lots also have all day/ all night permits, but are strictly limited at 25 permits due to the fact that those lots are commuter lots. We have had a lot of pressure from the Highland Apartments to increase this number, but that would mean reducing the number of commuter permits issued.

There are all day/ all night permits issued at the Rye Arts Center. There are approximately 20 spots allocated to “all day/ all night” permit holders only. However, last year, the city sold only 8 all day/ all night permits. 100% of the permits sold were for residents of the Blind Brook Lodge. Blind Brook guarantees that they have room for a vehicle from each unit. However, there has been pressure on the City to guarantee spots for “second cars” for residents of Blind Brook. While we feel for the residents there, we have had to balance their needs with the needs of the residents who come to the Rye Arts Center. I cannot tell you how many residents from the City who attend programs at the Arts Center have come in to complain about parking tickets they have received because there is just not enough parking in their lot. Our proposal is to officially limit the number of all day/ all night permits sold to 8 in total, to match the demand in 2015, and to also give 12 spots back to those coming to park at the Rye Arts Center.

The last place where residents can park all day/ all night is the Gagliardo Park lot on High Street. There are many multifamily units in that area that do not have parking for their tenants. It is an unfortunate situation over there as parking is extremely tight with 6 spots allocated, but the City does its best to help the residents.

MERCHANT PERMITS

There are 488 total spots within the downtown central business lots, and there are approximately 350 merchant parking permits issued. Of course, this is a huge number. Upon taking a closer look, many businesses have between 5 and 10 permits, while two businesses in particular have 30 and 60 permits. The Clerk’s office felt uncomfortable reducing this number without some guidance, as we know that the downtown cannot run without its merchants. However, this also needs to be balanced with the needs of shoppers to park their cars.

The biggest changes we are proposing to the merchant permits are as follows:

- A fee increase to \$500/ year from \$420,
- Including hangtags that only have the business name on them, as we’ve noticed that many, many stickers are shared among those who have “shift work” – the distribution of which would be managed by the businesses themselves. The businesses would still be required to provide names, license plates and proof of employment with their applications;
- Lastly, we are proposing that like commuter permits, these are sold on an annual basis with no prorated fees.

We feel that these changes may result in a reduction of the number of merchant permits naturally, without their being a hard limit imposed.

NIGHT PERMITS

Night permits are sold throughout the city and allow residents within the downtown who do not have off street parking to park from 7pm to 7am. This is especially helpful during the winter months and the snow ordinance period. The biggest change we are proposing is a slight fee raise from \$30 to \$40/ month. We sell about 60 of these at most per year and do not limit them. We have not seen an issue with this type of permit.”

Following the Clerk’s statement, there was general discussion about parking hangtags, merchant parking, Rye Arts Center parking, and the upcoming waitlist for commuter parking.

4. Adjournment.

Councilman McCartney made a motion, seconded by Councilman Mecca and unanimously carried, to adjourn the Budget Workshop at 10:00 P.M.

Respectfully submitted,

Carolyn E. D’Andrea
City Clerk