

**CITY OF RYE
MEMORANDUM**

TO: Honorable Mayor and Council Members

FROM: Scott D. Pickup, City Manager

SUBJECT: Enclosures - Council Packet

DATE: December 27, 2013

Enclosed with this memorandum are the following items:

- 12-11 Reminder for homeowners from the New York State Tax Department to register for the Basic STAR property tax exemption by December 31, 2013.
- 12-12 Press Release from New York State Comptroller Thomas P. DiNapoli recognizing the positive financial position of the City of Rye.
- 12-13 Legal Department Update from the Corporation Counsel dated December 27, 2013.
- 12-14 Meeting notice for the week of December 30, 2013 is available on the City website www.ryeny.gov under Calendar.



The New York State

Department of Taxation and Finance

Andrew M. Cuomo - *Governor*
Thomas H. Mattox - *Commissioner*

Reminder: Don't Miss the STAR Registration Deadline

For the first time, homeowners who are receiving the Basic STAR property tax exemption are required to register with the New York State Tax Department for their exemption.

The deadline to register is December 31, 2013.

If you are receiving the Basic STAR exemption, and have not yet registered, don't risk losing this benefit. The exemption saves the average homeowner \$700.

Online registration on the Tax Department's Web site is fast, easy and takes less than five minutes. Visit www.tax.ny.gov

If you have questions or don't have access to the Internet, call the Tax Department at 518-457-2036.

To learn more visit <http://www.tax.ny.gov/pit/property/star13/default.htm>

Register for



School Property Tax Relief

All New York homeowners receiving a Basic STAR property tax exemption must register with the New York State Tax Department in order to receive the STAR exemption in 2014 and subsequent years.

All Basic STAR recipients will receive registration instructions by mail.

Visit our Web site at www.tax.ny.gov to register now.

The registration deadline is:
December 31, 2013

This is part of an initiative to protect New Yorkers against the costs of inappropriate or fraudulent STAR exemptions.

Questions?

- Call (518) 457-2036
- Visit our Web site

www.tax.ny.gov



New York State Department of
Taxation and Finance



Senior Citizens and STAR

Seniors receiving Enhanced STAR benefits are not affected by the new registration requirement.

In order to continue to receive Enhanced STAR, seniors must continue to:

- apply annually, or
- participate in the Income Verification Program

www.tax.ny.gov



New York State Department of
Taxation and Finance

NEWS

From the Office of the New York State Comptroller

Thomas P. DiNapoli

Contact: [Brian Butry](#), 518-474-4015

For release: Immediately, December 20, 2013

DINAPOLI: WHITE PLAINS AND RYE FARING BETTER THAN MOST CITIES

The cities of [White Plains](#) and [Rye](#) in Westchester County continue to maintain healthy financial positions due to stable tax bases, low poverty and conservative budgeting, according to reports issued today by State Comptroller Thomas P. DiNapoli. The reports are part of a series of fiscal profiles on municipalities across the state.

“White Plains and Rye are on solid financial ground and not facing the demographic and fiscal stress challenges that are afflicting other cities in New York,” said DiNapoli. “By taking advantage of these favorable circumstances, each municipality has been able to encourage economic development and cultivate financial stability for residents and taxpayers. To maintain these positive conditions, I urge city officials to continue to budget prudently and remain vigilant when it comes to long-term financial planning.”

“Rye is a small city, but the recession hit us equally hard five years ago when our financial trend lines were going in the wrong direction – rising unemployment, declining fund balance, rising pension and health care costs, and declining infrastructure funds,” said Rye Mayor Douglas French. “Despite the challenges posed by the property tax cap, the city’s focus on sound fiscal decision-making and tough budget choices has put Rye in excellent position as the economy rebounds.”

“Since becoming mayor, my focus has been on stabilizing taxes and running a more efficient government,” said White Plains Mayor Thomas Roach. “The city of White Plains has stayed within the state property tax cap and has not borrowed to pay for pension costs or other operating expenditures and has ceased the practice of borrowing for tax certiorari. We have consolidated departments and services and are continuing to look for efficiencies and other cost-sharing opportunities. We are on the right track and I am pleased that this profile by the Comptroller recognizes that.”

Over the past decade, expenditures in each city have grown faster than the statewide average, according to the reports. The Comptroller noted, however, revenues have increased substantially for both municipalities during the same time frame. In Rye, revenues increased 5.7 percent while expenditures grew by 5.9 percent. In White Plains, the city’s revenues increased 4.5 percent and expenditures by 5.1 percent. The statewide average growth for cities in each of these categories was 3.3 percent for revenues and 3.6 percent for expenditures.

Revenue growth has allowed each city to build up its rainy day reserves. In 2012, Rye had \$6.8 million in available fund balance, equal to 23 percent of its general fund expenditures, and White Plains had \$12.7 million available, or 9.2 percent of its expenditures.

The fiscal profiles also outlined several positive demographic factors that benefit each city.

For example, Rye’s median home value is more than \$1 million, which is ranked highest in New York state. The median household income of \$142,469 is substantially higher than the median of \$38,699 for

cities statewide. And the child poverty rate was a mere 1 percent, compared to 28 percent for the median city.

This combination of factors allows Rye to rely more heavily on property taxes to fund operations than most other cities. In 2011, property taxes accounted for 46.2 percent of Rye's revenues, which was notably higher than the 27.1 percent of revenue for all cities in the state.

In White Plains, there are a number of similar positive economic indicators. The city's median household income is \$76,164; the median home value is \$518,500; and the child poverty rate is 13.6 percent. White Plains also outperformed most cities in each of these categories.

White Plains, however, has encountered some fiscal challenges in recent years. Notably, the city's property values fell 29 percent between 2008 and 2013 due to the real estate market collapse. As a result, city officials have implemented a number of cost-saving measures designed to offset losses in revenue, including the consolidation of administrative functions, workforce reductions, wage freezes and additional reductions in operations.

DiNapoli's fiscal profiles of the cities also highlighted:

- Rye's revenues grew 69 percent between 2001 and 2011 while White Plains' revenues grew 55 percent during the same period;
- Rye generated 26 percent of its revenue through service fees in 2011, higher than the statewide average of 21 percent;
- White Plains received 31 percent of its revenue through sales tax in 2011, compared to the statewide average of 21 percent; and
- From 2000 through 2010, the population of Rye increased 5 percent while the population of White Plains increased 7 percent.

DiNapoli has issued [more than a dozen profiles](#) on municipalities across the state. As part of this effort, DiNapoli will also release in-depth reports on some of the issues that contribute to the financial pressures on local governments.

Earlier this year, DiNapoli implemented an early warning system that gives local communities a fiscal stress score. Under his Fiscal Stress Monitoring System, DiNapoli identified 40 counties, cities and towns with fiscal years that coincide with the calendar year that are in fiscal stress. DiNapoli will issue additional fiscal stress updates for other local governments with different fiscal years on an ongoing basis.

DiNapoli's system evaluates local governments on nine financial indicators and creates an overall fiscal stress score. Indicators include fund balance, cash-on-hand and patterns of operating deficits. The scores are used to classify a local community as being in "significant fiscal stress," "moderate fiscal stress," "susceptible to fiscal stress" and "no designation." The system also evaluates communities relative to 14 environmental stress factors such as population trends, poverty rates and property values.

For a copy of the White Plains fiscal profile visit:

<http://www.osc.state.ny.us/localgov/pubs/fiscalprofiles/whiteplains.pdf>

For a copy of the Rye fiscal profile visit:

<http://www.osc.state.ny.us/localgov/pubs/fiscalprofiles/rye.pdf>

For more detailed information about Comptroller DiNapoli's fiscal stress monitoring system and to view reports related to local government fiscal stress visit:

<http://www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm>

For access to state and local government spending and more than 60,000 state contracts, visit

<http://www.openbooknewyork.com/>. The easy-to-use website was created by Comptroller DiNapoli to promote openness in government and provide taxpayers with better access to the financial workings of government.

**CITY OF RYE
MEMORANDUM**

TO: Honorable Mayor and Rye City Council
FROM: Kristen K. Wilson, Corporation Counsel
SUBJECT: Litigation Update
DATE: December 27, 2013

CLAIMS

A notice of claim has been filed by John Collins of Harrison, NY. The notice states that two tires of Mr. Collins' automobile were damaged when he hit a pothole on the Boston Post Road. The claim has been forwarded to our insurance carrier.

TAX CERTIORARI

CARROLL v. CITY OF RYE

This matter is fully submitted before the Second Department.

THE TOWN OF RYE AND THE RYE TOWN PARK COMMISSION v. THE ASSESSOR and Board of Assessment Review of the CITY OF RYE

A Notice of Appeal has been filed in connection with this matter.

WESTCHESTER JOINT WATER WORKS v. CITY OF RYE

The City of Rye has filed its brief with the Appellate Division, Second Department.

LITIGATION

BEAVER SWAMP BROOK – (DEC Administrative proceeding)

A mediation session will be held on January 9, 2014 in Harrison between ALJ Richard Wissler and the parties.

BASSETT v. CITY OF RYE

The Appellate Division, Second Department issued a decision reversing the lower court decision of Judge Berliner that set aside the jury verdict and remitted the matter back to him to consider whether a new trial should be granted.

CASPI v. CITY OF RYE

Motions for summary judgment were denied without prejudice and will be refiled at the completion of briefing as part of the bundling rule. As a result, once the motion is fully briefed, all papers will be submitted to the Court for review at one time.

DELLI PAOLI V. ZONING BOARD OF APPEALS

The Board of Appeals reaffirmed the Board of Architectural Review's decision to deny the application at their May meeting.

PANETTA v. PLANNING COMMISSION (declaratory judgment/42 U.S.C. 1983 claim)

I attended a settlement conference on July 18, 2013. A trial date has been calendared for February 4, 2014.

BUTLER v. PLANNING COMMISSION

Oral arguments were held in the Appellate Division, Second Department. The bench was very interested in the timing of the decisions from lower court Justices Lorenzo and Lefkowitz. It appeared that all four judges understood the City's arguments. Judge Cohen, who has a municipal background, took the lead.

BOARD OF MANAGERS OF THE IVES AT RYE v. CITY OF RYE

The City has served its Answer with Affirmative Defenses.

OMNI CONTRACTING V. CITY OF RYE

The trial date has been calendared for March 3, 2014.

AMERICAN LEISURE ACTIVITIES OF NEW YORK CITY INC. v. CITY OF RYE

In August I reported to you that a notice of claim had been served on the City claiming breach of contract on the part of the City. A summons and complaint was served by plaintiff seeking judgment in the amount of \$42,239.96.

WILBOURN CONSTRUCTION, LLC v. ELQ INDUSTRIES, INC., FIDELITY AND DEPOSIT COMPANY OF MARYLAND, AND CITY OF RYE

A Stipulation of Settlement was entered into by all parties with no payment made by the City.

CITY COURT

There was no City Court calendar this week.

Respectfully submitted,



Kristen K. Wilson
Corporation Counsel

KKW/dfn