

TOWN COUNCIL BUDGET WORKSHOP NOTES – March 31, 2008

State of Rhode Island

County of Washington

In Hopkinton on the thirty first day of March 2008 A.D. a budget workshop was held at 7:00 P.M. at the Town Hall Meeting Room.

PRESENT: Beverly Kenney, Sylvia Thompson, Barbara Capalbo, Thomas Buck; Town Manager William DiLibero; Deputy Town Clerk Lorraine Tarket - Arruda. Also present: Emergency Management Director, Michael Oceau; Recreation Director, Mary Sawyer; Senior Program and Mealsite Manager, Mark Radiconi; Land Trust Members, Carol Baker, Marilyn Grant, Cynthia Johnson, Sarah Windsor, Thomas Thompson; Conservation Commission Member; Harvey Buford; Police Chief John Scuncio and Police Clerk Sherry Stedman.

Emergency Management Budget

Councilor Capalbo asked about new equipment. Michael Oceau, Emergency Management Director, replied that was a continuation of the Ham Radio equipment that had been purchased over the last several years and this would be the last year. He explained he wanted to purchase several hand held radios and a mobile radio.

Councilor Capalbo asked about grants. James Lathrop, Finance Director, answered that part of the last auditors report suggested we change the way grants were listed. He explained in the past when the Town received grants, the grant was tied to an expense and the Town did not see the expense item. He stated the auditors wanted to show the incoming grant money and the related expense money going out. Councilor Capalbo asked what the grant was for. Mr. Oceau replied he had participated in an Emergency Program Grant during the last four years from both the State and Federal Government. He stated the grant contributes 50% of his program costs, adding it offsets what was spent during the year for his budget and was used to offset emergency related costs. He stated during the past year, he added twenty four hours for the GIS

Department because Ms. Benda – Joubert made maps for him. Mr. DiLibero stated it was a 50/50 match. Mr. Oceau pointed out it provided both the hard match, his salary and other items in his budget. He explained this year he added a soft match and in kind hours he technically did not get paid for. Mr. DiLibero stated we had talked about the reverse 911. Mr. Oceau explained he met with employees from the Reverse 911 company and later in the year participated in a webinar with a company called One Call Now. He explained it was the same company the Chariho School District utilizes. He felt the cost was more reasonable, as the Reverse 911 start up was in the \$30,000.00 to \$40,000.00 range. He stated Call One Now was in the \$6,000.00 range and Chariho felt it worked relatively well. Councilor Capalbo felt the information stated it would cost an additional \$2,000.00 per year and needed a total to add to the budget. Mr. Oceau stated it was 75 cents per residence or business. He stated the current US Census had our town at 3,112 total units, but did not feel that took into account the businesses in town.

He also felt because the town's villages were split up, that created a problem because it was difficult for a company to use a map to determine which house would or would not be serviced. Mr. Oceau stated he planned to set up his website so residents could use it to set up their numbers, whether it was a land line or cell phone. He added the system could track out of town numbers, for example, if a parent lived in another town and wanted to know if the children were being dismissed early from school, they would get a message. He added each resident was allowed to register six numbers. Council Vice President Kenney explained the cost for the system was paid in the first year, the \$9,000.00 would be paid up front and was for the course of four years.

Mrs. Ure felt because the towns of Hopkinton, Richmond and Charlestown will overlap, the price could be negotiated so the towns would get the best price possible. Mr. DiLibero stated he spoke to the three towns about using the system together and felt the option was there.

Council Vice President Kenny believed when the numbers reached 10,000 units and beyond, the cost would start to decrease. Mr. Oceau stated he had

been in contact with the Town of Richmond and they were serious, but Charlestown was unsure of the direction they would take. Councilor Capalbo suggested placing \$9,000.00 in that account. Mr. Oceau stated he applied for a grant this year, and had put a line item in for the notification system. He stated the way the Federal Government worked, unfortunately, he could only apply for one year at a time and at 50% of that. The council consensus was to make the “One Call Now” a new line item.

Councilor Thompson asked Mr. Oceau if he had the dam report. Mr. Oceau replied there was no progress, but had planned to submit that by July.

Recreation Department

Councilor Capalbo stated last year the Council asked the Recreation Department to hire a part time person for the summer, to avoid the amount of overtime or compensation time that occurred last summer. Mrs. Sawyer replied last year the circumstances were different because an employee had left without notice. She added June through October of last year was rough, but things were settling down. She stated the new employee that was being trained was working out well and she did not anticipate having to work much overtime.

Council Vice President Kenney inquired why there was water testing under contract services that cost \$1,200.00. She asked who did the testing and why didn't the Public Works Department perform that duty. Mr. DiLibero replied the State used to do all the testing and had now turned it over to the Town. He explained Mrs. Sawyer had been certified to perform the testing. Mrs. Sawyer explained she inherited the job five or six years ago when the State told her they would need someone on site to inspect and write up paperwork. She explained that turned into lead and copper testing. She stated she was required to take the course to become certified by the state. She explained it had turned into bacterial testing for the Town Hall and the State had suggested the Police Station. She explained she had the license, but it was time consuming. She added the amount of money that was in the account now was not necessary, however, if the Town had a positive bacterial reading, we would be required

to test five times within 24 hours, with an additional four times within the next 24 hours. Councilor Capalbo asked why Public Works did not do the testing, as it was town wide. Councilor Thompson asked if the \$1,200.00 went to pay Mrs. Sawyer. She replied yes. Councilor Capalbo stated she wanted it under general government because it was a function that covered the entire town. Mrs. Sawyer explained that contract services was her copy machines, the HB Alarm at the Crandall House, the occasional Porto-Potties for functions held at the Crandall House, supplies, and operation. Council Vice President Kenney noted supplies had increased by \$500.00. Mrs. Sawyer replied in order to run the office and the activity center, paper, crafts and first aid was needed. The Council Consensus was to take Supply Line 5390 from \$2,500.00 to \$2,300.00 and to take Program Supply Line 5400 from \$5,000.00 to \$4,500.00. The Town Council felt Line 5150, Heating Fuel, could not be decreased because of the fuel crisis.

Councilor Buck questioned part time wages as they were higher than last year and did not want to see seasonal part time personnel receiving a larger wage increase than permanent full time workers. Ms. Sawyer explained there may be additional hours instead of a raise. The Council instructed the Finance Director to adjust Line 4020 to reflect a 2 ½ % raise.

Ms. Sawyer voiced her concerns regarding gas prices. She felt she would have to cut a field trip or two and rearrange several programs to run more frugally or find other things to do. She reminded everyone how fortunate they were to have a resident that allowed them to use their pool, which was within walking distance of the Crandall House.

Ms. Sawyer explained the fees would increase for the Winter Basketball Program and other activities. She felt families and children get a lot for their fees, citing that Basketball brought about \$20,000.00 in revenues at this point which was \$2,000.00 over last year.

Senior Programs

Mr. Radiconi replied he added cable television for the seniors. He stated the program was using the VCR and he felt the seniors would like to have basic

cable. He stated the cable company billed them as a business which was \$46.45 per month and he would look into the possibility of a senior discount. Mr. Radiconi stated the funds available were minimal, so the site was run as a meal-site program. He stated over the last couple of months there had been interest in enlarging the program and adding more activities. Mr. DiLibero stated he had met with Mary and Mark to discuss advertising elderly programs in the next newsletter. Mr. Radiconi mentioned there were supplies in house such as cards, card tables, games and suggested starting a cribbage group. He indicated he would also be helping Mrs. Sawyer with administration duties and paperwork. Councilor Capalbo asked Mr. Radiconi how many hours he worked. He replied a 40 hour week. Councilor Capalbo felt as his duties increased so should his salary.

Mr. Radiconi stated the food was still popular, but the activities were important and suggested coming up to par with Richmond's Senior center. He stated Senior's were not coming in until they were in their late 70's. He felt they were hardy, with a great sense of humor and still very active.

Boards/Commissions

Mr. Buford, Conservation Commission, requested a total of \$2,100.00 which included \$1,600.00 for consulting and technical fees. He felt the dues, fees and supplies should stay at the current levels. He explained the main reason the commission was asking for consultant and technical fees, so they could continue stream water monitoring. He explained last year the commission monitored six sites at \$600.00 per site for the tests. He stated the water was sent to URI and they matched 50% of that. He explained there was a bit of leeway because quite a bit of testing was done in Town they were not funding, places like Locustville Pond, Wood River and Pawcatuck River.

He stated the commission was concentrating on Palmiter Brook, near Rhode Island Harvesting because if the Clark's Falls Development was built, it was very likely to do real damage to the water. He felt it was important to monitor the brook prior to any sort of development, so we can assess the damage if any occurs. He stated there were other locations that were monitored, such as the

Ashaway River, because the river could be impacted by development or it could go the other way, and we could show we have done a good job of protecting the aquifer. Mr. Buford stated it was imperative our water was clean. He felt the Tomaquag Brook, which ran many miles through town was pretty well protected. He added they had been monitoring the Locustville Pond watershed area, assessing the water for eight years now and had a good record of what the existing conditions were, so as development occurred, there was a baseline data. Mr. Buford stated the commission wanted to compile a report to summarize the results of what had been accomplished so far. He explained the testing season was spring through fall, they check oxygen content, temperature, PH and every six weeks we check for nitrogen, chloroform, bacteria and test for metals. Mr. DiLibero asked who the checks were written to. Mr. Buford replied to the WoodPawcatuck Watershed each year. Councilor Buck asked given the commission's budget last year, how was the testing paid for at \$600.00 per test. Mr. Buford replied they paid \$300.00 and had volunteers, which was the agreement to work with them for that price. He explained the commission had money from the prior year and paid it in that time period. He explained the commission had no money at the moment. Councilor Capalbo and Council Vice President Kenney were in agreement to place \$1,600.00 into the Conservation Commission budget.

Land Trust Board of Trustees

Carol Baker and Marilyn Grant, Land Trust Trustees, explained how in the past year, the Land Trust had gained two pieces of property, one of which was a significant piece of nearly 400 acres. Mrs. Baker stated it was a priority to put signs up on the borders of the property. She stated the Trust had already ordered signs for a very critical spot on that property. Mrs. Baker explained that was the beginning of the process to place signage on 850 acres that was protected now. She stated the Grills property was a priority. She felt the Land Trust needed more than \$1,000.00 for signage. Councilor Thompson agreed and increased the amount to \$1,500.00.

Mrs. Baker stated the second issue was their purpose to acquire property which unfortunately was not cheap. She explained the Land Trust was a unique board. She stated the board had a meeting with the finance director and the town manager within the last couple of weeks in regard to the funding of the land trust. Mrs. Baker read the mission of the Hopkinton Land Trust; which was from the Act establishing the Land Trust. “We are a municipal Land Trust granted by the General Assembly in 1999, the mission of the Hopkinton Land Trust is to protect the Town of Hopkinton’s rural character and natural heritage. This is accomplished by preserving land as open space through acquisition and conservation easements while maintaining where possible public access to these natural resources.” She stated the board wanted to make clear up front they were not an organization that was against development. She stated the board members were all tax payers in Hopkinton, received tax bills and would like to see smart growth. She stated their mission was to protect properties that needed to be protected and let the properties that could be developed to so. She stated when the board was formed in 2000, the Town kick started them through a warrant item for \$200,000.00 at a Financial Town Meeting. Mrs. Baker explained over the next three years, the Land Trust had received 100% of the Real Estate Transfer fees which were approximately \$60,000.00 per year. She stated it took a year or two to make a land transaction, and land was expensive. She stated the board received an open space bond in 2006 for \$1,000,000.00. at the Financial Town Meeting. She felt bonding was an interesting way of funding an organization because if the bond was approved now, the town was not charged interest for one to two years. She stated the Trust had spent approximately \$400,000.00 up to this point. She stated \$1,000,090.00 had purchased and protected over 800 acres of property, at approximately \$1,300.00 per acre, which she felt was a bargain. Mrs. Baker explained one reason money was needed, was not only to purchase property, but also to leverage other properties. She stated for example, the Grills property, which the board was so proud of, would protect two miles of Pawcatuck river front

and the selling price had been \$2.9 million dollars. She explained The Department of Environmental Management and the Nature Conservancy contributed money and our Land Trust contributed \$585,000.00. She stated without that money, the Land Trust could not have purchased the property. She stated the Land Trust had one farmer in town who had approached us to buy the development rights to their property and the Trust did not have the money, adding the Trust had approximately \$300,000.00. She stated that was not enough money. She stated the Trust was aware of the 5% cap the Town had to adhere to. She stated open space debt would be exempt from the 5% cap on any amount more than 105 ½ %. She explained for example, if the Town had a \$100,000.00 in bond debt for this year and next year there was \$200,000.00 in bond debt, including interest and capitol, \$95,000.00 of that would be exempt from the cap. She explained the Town would have to apply to the Department of Administration which was a lot easier to work with. She stated last year municipalities asked for \$4.1 million dollars and as long as it could be shown it was above a certain cap, \$3.5 million was exempt. She stated the Land Trust was requesting the Town Council approve a bond for \$1,000,000.00 to be placed on the ballot and leave it to the taxpayers to vote on. She stated having open space saved the town money, especially in the cost of educating children. She explained it cost \$6,300.00 to educate one student in the Chariho system, but each house lot only brought in about \$3,000.00 in taxes and once property was developed, it cost the town money. Mrs. Baker explained if the taxpayers approved the bond in November 2008, there would be no debt for the next fiscal year, it would take about six months to find a bond and the payments would not be made for another year after that. Mrs. Baker understood the Town Council had to request the State Assembly to place it on the ballot for November before the Assembly convened in June. Mr. DiLibero suggested it could be done as a referenda. Mrs. Baker offered to do the legwork for it.

Mr. Lathrop asked if that amount should be put in the budget for next year, even though there was no interest payment, there would be accrued interest.

He stated he was not against the Land Trust, part of it sounded very good. He explained in year one there would not be a payment, in year two, there would be an interest payment and after that, instead of a \$40,000.00 payment, it would become a \$120,000.00 payment and although the state allowed the Town to exceed the limit, it was still an expense to the Town. Councilor Capalbo felt the citizens should be allowed to accept or reject the bond.

Grants and Contributions

Mr. Lathrop explained he placed \$33,000.00 in the budget for the Hope Valley Ambulance to cut costs, even though the Association had requested \$42,500.00. He added from the information Hope Valley Ambulance had provided to him, they ran at a profit last year and had a fund balance of \$399,000.00. No one was present from Hope Valley Ambulance. Mr. Lathrop stated Ashaway Ambulance requested \$37,500.00, which was less than they requested last year, but he needed additional information from them. He explained that based on what was provided to him, he had given them the same as Hope Valley Ambulance. He stated the Ashaway Ambulance Association had not provided him with a 9-90 and had provided a brief statement. A member of the Ashaway Ambulance Association was present and explained their treasurer had left and the organization was regrouping. Councilor Thompson asked they provide the last completed audit to the town and requested Hope Valley Ambulance do the same so the Town Council could compare their audits.

Mr. Lathrop stated Hope Valley Ambulance indicated 40% of their calls came from Hopkinton and requested \$85,000.00, which was 50% of their funding from Hopkinton. He felt 40% should come from Hopkinton and 60% should come from Richmond. Mr. Oceau felt there was a significant amount of money given to the ambulance corps and the Town did not have the oversight to how it was spent. He stated as part of his job as EMA was to be a liaison between the Town Council and other emergency departments in town. He suggested he meet with them quarterly to go over their financials if the Town was going to continue funding these entities, so next year, he would have the

information for the Council. Councilor Capalbo suggested Ashaway Ambulance raise their subscription to \$35.00 as Hope Valley Ambulance did.

Libraries

Ms. Penn Martin noted there was \$52,000.00 in the budget this year for the Town's Libraries. She handed out paperwork which referred to Rhode Island General Law 29 – 6. and explained the State would give a grant and aid to libraries but if the town did not level fund each library, the State would cut off their aid, the State referred to it as maintenance of effort. Ms. Martin explained the libraries would lose \$12,500.00 this year which would be drastic and would completely change the way the libraries did business. She stated that would very hard on the community. She stated the library was up against state minimums in terms of staffing and could close down, but served much of the population that was not served in any other way. She stated the pre-school, the 3 to 5 year olds, home schooling families, the elderly and what she called the senior elderly, and there were plenty of active users of large print books, DVD's, and video's, which were free. Ms. Martin stated people enjoy the library and the computers were in constant use. She noted circulation increased 112% between January and February which was attributed to the recession. She felt with people being laid off, they had more time to come in and were also looking for information. She noted the library had purchased new resume writing books. Councilor Capalbo noted the Town did not have a senior center so to speak, but in a way the library was. Ms. Martin replied she would like to see some senior programs in the budget. She stated the library was going backwards, the employees hadn't had a raise in three years, only a cost of living raise. She added the utility bills for the library had tripled. Councilor Thompson felt the Council may be able to do a little more at a later date.

Michelle Walker spoke regarding the Langworthy Library. She stated the library was operating at a bare bones budget, there were no frills. She stated the staff the cleaned the library, did all the snowplowing and shoveling of the

parking areas, scrimping where ever they could. She felt the library kept a lean budget, the basic payroll for libraries was 77%, Langworthy was at 55%. She stated the library organized many of fundraising events and had many children and adult program's. Mrs. Walker noted they were working with the elementary school on an oral history project for their archives. She noted the high school students were working on a production written by one of the library trustee's based on the oral histories. She informed the Council the library would be working with Wood River Health Services to provide early reading programs for families who needed those services. Councilor Thompson asked what the yearly budget was. Mrs. Walker replied \$130,000.00, and explained they received \$55,000.00 from the town, \$17,000.00 from the State and the remainder was from grants, fund raising and income from an endowment. She stated the library does a lot of work to make up the difference, but it was still very tight. Mrs. Walker noted she had been on the board for 14 years and there was one year we were not funded and believed it was the year the town shut down. She stated it was a triple whammy, the library lost their state grant, but still tried to keep the library going and couldn't. She explained the hours were cut back and when that didn't work, the employees were laid off and the unemployment cost went up, so they were hit three times and it took them years to recover. She noted as soon as the funding had been restored, they were able restore the hours. Mrs. Walker added the fees for the State Library system, which were based on circulation, were \$14,000.00 more this year. Councilor Thompson suggested people come to the budget hearing and perhaps the libraries could receive a modest increase.

Wood River Health Services

Mr. David Henly and Ms. Linda Cardelo, representatives of Wood River Health Services, were present. Ms. Cardelo expressed appreciation to the town for the support that had been given to their organization over the years, fully recognizing the budget struggles the Town had. She stated their original request was for \$5,000.00 and noted \$1,000.00 was in the budget. She stated

she wanted to take the opportunity to talk about the services provided to the residents of Hopkinton and the hope the Town would continue to support Wood River Health in the future. Ms. Cardelo explained Wood River Health Services was a federally qualified non-profit community health center which meant the facilities receive federal funds to help support the cost of uninsured patients who come to us for both medical and dental care. She stated their mission was to provide service regardless of ability to pay. She explained federal funds had been level funded for the past six years and with health care costs rising, in some cases doubled, the funding received six years ago doesn't cover the current costs for the uninsured. She explained the federal funding that was given to Wood River to provide for the uninsured also mandates providing other services at the health center that were unfunded and those services were social services, nutrition, lab, x-ray and dental. She stated in order to obtain those funds, Wood River was required through the federal grant to provide those services. She explained they had to find creative ways to provide those services. Ms. Cardelo stated there were currently 2,500 patients at the health center and approximately 2,000 of those were medical patients, 630 were dental patients with 25% medically uninsured. She estimated a little under 500 Hopkinton residents received services at the health center. She explained dental care was even more of a concern for the uninsured. She stated 40% of patients, or 250 individuals, that were seen were uninsured dental patients from Hopkinton. She stated that 37%, or 234 individuals, from Hopkinton have medical assistance, so Wood River Health saw 487 residents from the town who had no other place to go for their dental care. She explained dental providers do not accept medical assistance and they do not accept patients who do not have health insurance, those patients had to pay up front. She stated most of the patients were from Hopkinton, 30%, and Westerly, 28%, was a close second. Councilor Thompson requested audit information and asked what the current budget was. Ms. Cardelo replied it was 3.8 million. Councilor Thompson asked what kind of increases the staff had received. Ms. Cardelo replied only cost of living raises. She mentioned the

social service department was strictly funded through grants, fund raising, mostly any source that could be found. She stated the Social Service Department consisted of two case managers available to the Town of Hopkinton and was free of charge. She stated 315 Hopkinton residents utilized that service last year for a total of 730 visits. Councilor Capalbo questioned the function of Social Services. Ms. Cardelo replied Social Services provided access to other services individuals may not be aware of. She explained the office assessed the individual or family circumstance, to determine what sort of assistance they were eligible for, which might be state or federal assistance, like Social Security, adding they had a high volume of work with the elderly when Medicare Part D came out. She stated there were programs that assisted with the co-pay of low income residents and two years were spent working with the elderly on that program. She added they assist people to obtain Rite Aid Care, food stamps or medical assistance. Ms. Cardelo explained another significant piece of what the social service department helped with was pharmaceutical assistance. She stated they worked with 100 Hopkinton residents to help them receive free prescriptions, which was approximately \$46,000.00. She stated their agency had an emergency food pantry for many years, which had assisted 50 Hopkinton families during the past year. She explained the agency provided nutritional counseling, used the Wick Program and provided heating assistance through the Rotary Club.

Ms. Cardelo went on to explain Wood River Health had a cancer screening program for women's issues, which 80 residents of Hopkinton had taken advantage of and would cost \$420.00 dollars if individually paid for. She stated they provided sport's physicals for children at a cost of \$30.00 and dental assessments for the children in the Chariho District. Ms. Cardelo explained it was offered to all our patients and to those in the community that were in need.

Councilor Thompson asked if their agency had a deficit during these bad financial times. Ms. Cardelo replied they did not up until this year. She stated the state grants were getting smaller and estimated with things continuing the

way they were, there would be a deficit of \$100,000.00 during coming year, which had never happened before.

Councilor Thompson stated the Council would make a decision at a later date.

Police Department

The Town Council reviewed changes made to the Police budget since the prior budget meeting. Mr. Lathrop stated all the adjustments had been made, the compensation time had been cut and the only real issue was the overtime item. He stated he had placed \$80,000.00 into the budget, but Sherry Stedman and Chief Scuncio felt that number would be lower. Mrs. Stedman stated even with cutting a detective at \$40,500.00, they had not come to terms with the amount to place into overtime. She projected \$100,000.00, but felt that went by each situation. She stated \$78,000.00 had been spent for the first eight months of the year. Council Vice President Kenney felt the \$40,500.00 should be placed into overtime rather than run over budget, because in 2006/2007 \$106,000.00 was budgeted and they were budgeting \$78,000.00 this year, and felt it was not a good idea.

Mrs. Stedman stated holiday pay was needed in the budget for dispatchers, adding \$22,000.00 was the number until the contracts were finalized.

Public Forum

Thurman Silks requested an education line item for boards and commissions, especially for the Planning Board and Zoning Board. He felt because those boards were all volunteer, the Town should pay for their education. He stated the classes cost \$95.00, were very informative and a real benefit to the members. The Council consensus was to place \$500.00 into General Government/Educational.

Town Clerk

Councilor Capalbo questioned the line item for legal advertising and asked why the line item was higher this year. Ms. Arruda replied it was because of the upcoming elections. Councilor Buck asked what advertising encompassed. Ms. Arruda replied their office was required to advertise for elections, bids,

Boards and Commissions, rabies clinics, want ads, ordinances and council zone changes, to name a few.

Mr. DiLibero stated the Probate Judge stipend was \$4,720.00 and the Municipal Court Judge was at \$7,000.00. He had spoken with Attorney Steele concerning the payment of both judges and she was willing to be paid at an equal rate with the Probate Judge.

Councilor Capalbo questioned the \$21,222.00 for revenue in the 05/06 Probate noting that revenue was \$8,000.00 last year. Ms. Arruda explained during 05/06 there were an unusual amount of probates opened, which were large estates and paid the most in probate costs.

Ms. Arruda asked the Council if they had read the Town Clerk's memo concerning the Board of Canvassers and Elections. She stated the Board of Elections had mandated our office to perform additional tasks relating to elections, which were time consuming and expensive. She explained the Board of Canvassers job had become very detailed and the statewide computer system the Board of Elections had provided our office was not user friendly.

Ms. Arruda stated the Town Clerk felt the time had come to have a Board of Canvassers Office and have someone start out on a part time basis because our office can no longer handle the workload. Ms. Arruda stated the Town Clerk felt one person could come in once a week for a half day, but still felt that might not be enough. Councilor Thompson asked if there was enough of a workload. Council Vice President Kenney stated work was stacked all over. Councilor Thompson agreed the situation would have to be resolved.

Council Vice President Kenney questioned the increase in wages for Elections. Ms. Arruda explained there were two extra elections this year, a possible primary in September, and the presidential election in November. Council Vice President Kenney added that in 2009 there was the Chariho Budget and the Town's Financial Budget. Ms. Arruda explained the clerk's office not only had to budget for every election, which were costly, but also had to assume all 6,000 voters would come out to vote.

Mr. DiLibero addressed the architectural contract that a former town manager, Eric Strahl entered into with Architectura. He stated the company had started a floor plan of the building and were willing to keep the agreed upon hourly rate. He felt the town did not necessarily need to build a new town hall, but did need to seriously look at an addition. He stated he wanted to get the \$8,000.00 left in the contract appropriated and stated there would be more focus on where to build the addition than what it would look like. Council Vice President Kenney asked if this would also be a plan for mold remediation, along with making the current facility more efficient and useful. Mr. DiLibero stated he was moving forward with the mold and remediation with the help of the Public Works Director and the Building Inspector. He felt he had everything he needed to address the mold, mildew and water issues the building had. Mr. DiLibero stated with the \$120,000.00 the town had set aside, the Town could move forward to eliminate the mold. He explained the first step would be to have Public Works install a bulkhead under the meeting room, install drains, pumps and pour a concrete pad and stop the water on the outside from flowing underneath. He stated he wanted to do as much as we could with our own staff and the money we had, then bring in contractors to do the rest. He expected through the upcoming construction season the problem would be addressed.

Councilor Capalbo felt strongly the 1904 school building needed to be addressed. She felt if \$8,000.00 was going to be used for architects for Town Hall renovations, another \$10,000.00 was easily needed for the 1904 school building to renovate, collect ideas or demolish it, which was another option, and a very expensive one. Councilor Capalbo stated her committee had worked on several options and would schedule a work shop soon with the council to discuss the options. She felt a decision needed to be made soon, because the building can't be allowed to sit there empty with the Town paying over \$17,000.00 in heat and electricity. Mr. Lathrop stated he budgeted \$9,000.00, however in discussing the costs with Chariho, it turned out to be closer to \$17,000.00 in maintenance costs, because the town was taking over

100% responsibility of the building, with the exception of the insurance which Chariho paid for. Councilor Capalbo questioned the \$17,000.00 because it was her understanding the town was paying half for the maintenance on Ashaway Elementary which was \$4,000.00 and also the maintenance costs were \$8,000.00. She questioned the fact the cost was now \$17,000.00. She stated the school system billed the town for half the cost of that building, which was \$4,000.00. Mr. Lathrop stated the town had been spending around \$600.00 per month, which made it closer \$7,000.00. Councilor Capalbo replied even \$7,000.00 doubled was only \$14,000.00.

Councilor Capalbo asked if the water and sewer in the 1904 building was connected to the 1967 building. Mr. DiLibero replied it was. Councilor Thompson mentioned the council had a “walk through” the old school building soon and should be very careful to determine everything that was interconnected. Councilor Capalbo felt \$20,000.00 was needed under architectural services for the 1904 building. Council Vice President Kenney replied she could not agree to that much money. Councilor Capalbo responded that something had to be done with the building, if it was demolished it would cost \$3,000,000.00. Councilor Thompson felt the taxpayers should make the decision on what to do with the building. Councilor Capalbo stated the building was a massive liability just sitting there and it should not continue. Mr. DiLibero noted there was a \$3,500,000.00 Public Works road repair bond. Mr. Lathrop stated he had spoken with the Town’s Financial Advisor, Charles Redeski, at Citizen’s Bank and projected a rate of 5% because the Town was not bonded. He stated in year one there would be an interest payment of \$75,000.00. He noted the problem would be in year two when the principal payment had to be paid and would jump to \$296,000.00. He stated the Town could easily fit that amount into this year’s budget, but for the next year’s budget there would already be \$200,000.00 included. Councilor Thompson asked if the item could be withdrawn. Mr. DiLibero replied it could. He added the good thing about that was once the new number was established, it was added to the base. He explained if the budget went up another

\$290,000.00 that would be next year's base and the cap would apply to that, which was helpful because the town would have a bigger base and would be able to have a higher percentage increase. Mr. Lathrop stated the Land Trust Bond had been refinanced twice now and there had not been a principle payment made on the \$1,000,000.00. He noted in this year's budget the Land Trust Bond was still an interest only payment, but in year nine and ten there would be a problem. Mr. Lathrop stated at the Financial Town Assembly he would have enough information to answer the taxpayer's questions. He stated he had done a lot of work on his end, and could hand it over to the Bond Counsel so they could move forward. He stated he wanted to make sure the Council was aware that in year two, it would have a big impact, increasing \$200,000.00. He explained on the other side, Public Works Director Doug Reese did not plan to spend it all in one year. He stated the town would have a substantial interest income, which would amount to twenty or thirty thousand dollars a year. Mr. Lathrop felt it was a good idea, it was just that year two when the principal payments were made that decisions would have to be made in other areas or raise taxes. Councilor Thompson felt it was very important during the hearing Mr. Reese had all the information, including street maps and was able to show what would be accomplished with the money. She added the money would repair a lot of roads, not only a few. Mr. Lathrop pointed out the town had a water bond that was getting down to a \$90,000.00 per year payment with five years left. He stated the town would then apply the \$90,000.00 to active bonds, reminding the Council of the two years the town would have a tough period with payments.

Councilor Thompson stated the Council had not resolved the tax collector part-time clerk for collections, which would be a twenty hour increase only during major collection times. Council Vice President Kenney stated that would be \$4,200.00 for 24 extra days. Mr. Lathrop stated the employee was already in the pension system and the health insurance was not an issue because it was so infrequent, at one week per quarter, the employee would not qualify.

Councilor Thompson pointed out the \$415,455.00 increase in the Chariho Budget. She stated she wanted to verify this 5% was on tax revenue, not what the Town spent.

Councilor Capalbo felt the Finance Director's salary was not sufficient. She stated she would like to see a salary adjustment, not a salary raise. She stated she appreciated Mr. Lathrop's work on a number of levels, the comp time issue that was corrected in the Police Budget being one that had not been brought to anyone's attention for over twenty years. She noted his work with the finances of Chariho and trying to obtain a payment schedule. She felt he was underpaid for the position and for the amount of money he had already saved the town, even before the budget process. She felt \$58,000.00 was too low and should be at \$62,000.00. Councilor Buck disagreed and felt he was getting paid to do his job and he was doing what he should be doing. Councilor Thompson stated she wanted the employees paid well and if not, the Town would lose the people and the expertise that we now have.

Mr. Lathrop responded he appreciated the thought, but he had a two year contract with the town and at the end of the contract he would decide whether to stay or leave. He stated a couple of thousand dollars would not make a difference in his life and he would rather work together and move forward. He did not want to be singled out as it would cause issues with employees who were deserving and did not receive a raise. He stated when his contract was up for renewal, he would tell the Council what he needed and the Council would decide whether it was or wasn't the amount they wanted to pay.

Adjourn – 10:50 P.M

Lorraine Tarket – Arruda

Deputy Town Clerk