

State of Rhode Island

County of Washington

In Hopkinton on the sixteenth day of March 2009 A.D. the said meeting was called to order by Town Council President Thomas Buck at 7:00 P.M. at the Ashaway Fire Station, 213 Main Street, Ashaway, RI 02804.

PRESENT: Thomas Buck, Sylvia Thompson, Beverly Kenney, Barbara Capalbo, William Felkner; Town Solicitor Patricia Buckley; Town Manager William DiLibero; Town Clerk Elizabeth Cook-Martin.

The meeting opened with a moment of silent meditation and a salute to the Flag.

CONSENT AGENDA

A MOTION WAS MADE BY COUNCILOR KENNEY AND SECONDED BY COUNCILOR CAPALBO TO APPROVE THE CONSENT AGENDA AS FOLLOWS: Executive Session Minutes of February 2, 2009; Accept the following reports: Animal Control Official, Town Clerk, Meal-Site Manager.

IN FAVOR: Buck, Thompson, Kenney, Capalbo, Felkner

OPPOSED: None

SO VOTED

PUBLIC FORUM

Patricia Fontes of Lawton Foster Road commented on the numerous vacancies on the Towns boards and commissions. It was her opinion that the Town Council threw people off boards after they honestly did what they thought was best, referring to her former position on the Conservation Commission and not being reappointed by the Council. She stated the Council deserved to not have interested applicants for the positions.

Scott Bill Hirst of Maple Court stated the Town Council deserved the support of the community and the Town Council was only as good as their boards and commissions, who did a lot of the leg work. He suggested recruiting members for various boards and commissions such as for the Finance Board to deal with the budget and a Committee on Aging to deal with the issues relating to senior

citizens. He noted he served eight years in various capacities and it was an honor and a privilege adding even though he had not always been appointed to a position he had applied for.

Ray Cox of Main Street stated he had spoken with Representative Brian Kennedy regarding the practice of cutting of grass on highways by the RIDOT. He felt it was an unnecessary expense during the current economic climate and would like to see it stopped to save money on gasoline, fuel and overtime as the grass was also cut on Saturdays. He was aware that eliminating this practice could affect jobs but felt the money could be used elsewhere and Representative Kennedy agreed.

Mr. Cox also mentioned the double pole issue that was still a problem and asked that something be done about it mentioning there was one across the street from his house.

TOWN SOLICITOR REPORT

Town Solicitor Patricia Buckley reported a suit had been filed relating to a tax assessment issue that would not be covered by the Town's insurer The Trust. The Solicitor's office would be handling the response and the Council would be receiving periodic reports. She reported Councilor Thompson had mentioned two issues to her: One issue related to the quorum for the Historic District Commission, a quorum of four was required for the five positions, which was unusually high. She stated this was an easy change and that she could draft an amendment to the ordinance. The other issue related to a clarification on budget rejection. Section 2370 of the Town Charter covered this subject and stated if the budget was rejected, the Council could adopt a flat budget. This was defined as whatever was passed as a budget for Chariho, plus the prior years municipal budget plus approved warrant items. Councilor Thompson noted the revenues would be wrong. Solicitor Buckley stated it was not tied to the revenues. Councilor Thompson confirmed that it was just the expenditures. Councilor Felkner questioned what if they were bound by contracts. Solicitor Buckley stated the Town had to fund contracts. Councilor Kenney explained each departments

line items would stay at the current rate and within the department, the money could be moved around in the in the line items, for each department. Solicitor Buckley stated the only other remedy would be a special financial town meeting after declaring an emergency. Councilor Thompson stated expenses were less this year, than last year.

COUNCIL PRESIDENT REPORT

Town Council President Thomas Buck reported he was continuing with his periodic visits to the Town Hall to monitor progress of the repairs and hoped to be in the building for the next meeting; had attended the first negotiations meeting regarding the clerical contract and professional-technical contract.

TOWN MANAGER REPORT

Town Manager William DiLibero reported he had attended the first negotiations meeting regarding the clerical contract and professional-technical contract, had prepped documents for exchange with the union; the GIS/IT position had been advertised in the Westerly Sun and a couple GIS jobs websites; was dealing with ongoing Town Hall renovations working with the electrician to get outlets in place for the public address system and web-cam, located over the front door, to make sure all is in working order; had made contact with other senior centers and finance departments and had prepared a memo on senior center operations and financing; had participated in the budget workshops; had attended the Governor's briefing on the 2010 budget; had met with Roy Dubs regarding a drainage issue on his property; met with the Police Chief and an American Legion representative regarding the issue with the Gordon Greene Post No. 27 to discuss their concerns; was continuing to perform IT work for the Town including maintaining the website, dealing with network issues in the police department, restored email access, with the assistance of the Public Works Director, to the Animal Control department; met with the Washington County Regional Planning Council energy committee to discuss regional energy investment savings in the Washington County area, with the focus on applications with the EDC for wind towers to expand to energy efficiency to town buildings; reported he received correspondence and information from the National Grid regarding the double pole issue which he forwarded to the Public Works Director and once he had discussed

it with him, he'll bring it to the Council. He stated National Grid felt they were making progress regarding the double poles, but each utility on the pole was pointing fingers at each other in that regard; reported that in regards to the discussions held with the libraries and their offer to provide more services, he stated he had spoken with the Recreation Director about working with the libraries and her previous experience with them had not been very good. At first the libraries were helpful up front in talking about setting up meetings, but when the Recreation Director came in with the local youth, it did not go smoothly and the relationship was not successful. She was not encouraged. Councilor Capalbo questioned which library. Mr. DiLibero stated he was uncertain if it was one or both.

Council President Buck noted the double pole problem had been a noose around their neck for a long while. He asked the Solicitor about any other avenues to address the problem. Solicitor Buckley noted the best leverage the council may have was to prevent the installation of a new pole, but it posed a problem if it penalized a person who needed a pole. She noted the utility does not come to the Town Council to put up a second pole and suggested she could send them a letter that they are not permitted to install double pole. Councilor Thompson pointed out there was an accident across the street from Ray Cox that led to a broken pole and a new pole was installed in short order. She felt she should be careful about the language. Solicitor Buckley noted the letter should state in non-emergency situations. She felt the situation required someone from the Town riding them on a regular basis, not necessarily National Grid, but Verizon, Cox Communication, etc. that someone from the Town should call each user and stay on them.

Councilor Kenney noted half the poles were owned by Verizon and half by National Grid and asked if Mr. Reese had communicated with Verizon. Mr. DiLibero noted the Public Works Director has communicated with them and he could ask for a report from Mr. Reese. Councilor Kenney felt a status report should come from National Grid as well. Councilor Thompson questioned how many double poles there were in the area and how many have been removed.

Council President Buck stated he counted five sets of double poles from the

Meeting House Bridge to the Town Hall and did not believe any had been removed, but he would make a note on his way to work. Councilor Felkner felt the Town Manager should contact National Grid. Mr. DiLibero stated he and the Public Works Director had been dealing with National Grid about trying to square up the Towns electric bills and he had mentioned to them that the other issue was the double poles. He stated he would follow up and find out who Mr. Reese's contacts were. Councilor Kenney asked for an update on the matter for the next Town Council Meeting.

OLD BUSINESS

TOWN BILLS

Councilor Capalbo questioned the Livescan lease invoice for February and March. Agnes Hall from the Finance Office stated it was for the monthly bill for the fingerprinting machine at the police station. Councilor Capalbo questioned the Cott Systems invoice found on page two. Town Clerk Elizabeth Cook-Martin explained that this was a monthly bill from the vendor for monthly support of the land evidence records program. Councilor Capalbo questioned the invoice for These Old Guys found on page six of the bill list and was informed that they were a vendor who completed construction related to low interest loan program conducted through the Community Development Block Grant (CDBG). Councilor Felkner questioned the invoice on page seven related to police station loan and was informed it was for money removed from general fund to the bank account that automatically deducts the payment for the police station loan, a transfer. Council President Buck questioned page three Edwards Garage tow for a Chevy Blazer. Ms. Hall stated she would have to contact the Chief to see what it was for. Council President Buck asked what the invoice to the Town of East Greenwich on page six and was informed that this was related to CDBG work for completed by the CDBG Coordinator Geoffrey Marchant who worked out of an office in East Greenwich Town Hall.

A MOTION WAS MADE BY COUNCILOR KENNEY AND SECONDED BY COUNCILOR THOMPSON TO AUTHORIZE THE FINANCE DEPARTMENT TO PAY THE TOWN BILLS WITH NO ADDITIONS OR DELETIONS.

IN FAVOR: Buck, Thompson, Kenney, Capalbo, Felkner

OPPOSED: None

SO VOTED

RECONSIDER VOTE TO PLACE LAND TRUST BONDING QUESTION ON BUDGET REFERENDUM BALLOT

Councilor Thompson had asked that this matter to reconsider vote to place Land Trust bonding question on budget referendum be discussed. She reported she had contacted Land Trust Trustee Carol Baker to inform her of her reasoning and that there may be a motion to recind the decision authorizing the Land Trust bonding question on the budget referendum ballot. She stated she was concerned with the Towns finances and debt and noted the Town had \$192,000.00 in debt interest for the landfill and police station presently. In a couple of years the Chariho bonds would come due, roughly \$235,000.00, and the Land Trust one million dollar bond would roll over, roughly \$50,000.00, which would double the Town's debt in a couple of years to \$477,000.00. She stated if the Land Trust two million dollar bond was approved it would bring the Towns debt closer to \$600,000. She felt it important that the people in Town were aware of this. She stated she had not supported the road bond last year even though the roads were in dire need and she knows her position was not popular. She implored the Land Trust to reconsider doing this and to place the question on next year's ballot or in two years to allow the Town to get on better financial footing. She made a motion, which was seconded by Councilor Felkner, to recind the March 2, 2009 vote authorizing the Town Manager to work with the Hopkinton Land Trust and move forward with the placing of the two million dollar bonding question as a warrant item on the budget referendum ballot, which led to discussion:

Councilor Kenney stated in other words Councilor Thompson did not want the voters to have a chance to say yes or no. Councilor Thompson stated there was a mechanism in the Town Charter by way of a petition with 200 signatures to place the matter before the voters, so it could still go forward. The Council decision would not block it, but would allow a different mechanism to go on the ballot. She stated she wanted it clear that she did not support this bonding question because of the financial implications of assuming more debt. Councilor Kenney questioned the Town Clerk how long they would have to get the signatures, who

responded it was a tight window. Councilor Thompson responded they had twenty-two days after budget goes from the Town Council to the Town Clerk and then five days for the Clerk to verify signatures. The Clerk read from the Charter the specific section that dealt with warrant items which also required that during the Financial Town Assembly, any warrants had to be explained and a recommendation of the Town Council was required.

Councilor Felkner commented on the deep recession we were in and one of the reasons the Land Trust wanted to go forward was to restrict new development but because of the recession he felt there was time as there was no housing boom at this point in time.

Councilor Capalbo stated she felt the Town's debt load was low and pointed out it took four to five years for the land trust bond passed in 2005 to get on the Town's books and felt they had been ahead of the curve at that time. She stated she did not mind if the Town was ahead of the curve at this point in time and had no issue with the question being on the ballot allowing citizens to make the choice. She was not sure if she would vote for it or not. She added that she did not feel the Land Trust would have any problem getting 200 signatures to place the question on the ballot. She did not feel the debt load would affect the town for several years.

Councilor Felkner stated that was his point if it would not affect the Town for several years and if the goal was to restrict families with children he would rather do it through zoning or some other way. He stated he had a problem for other people down the road to have to pay for it. He did not want to give any impression he was in favor of this.

Council President Buck stated Councilor Thompson brought up very valid points. He also note the \$2.8 million dollar bond for the Ashaway Fire Station bond would come on board for the Ashaway residents very soon. He stated he always favored allowing the voters to choose because they were the ones who had to pay the bills. He was not sure if he would support it either. He stated there were many people who were unemployed and the times were tough and he was not certain it would even pass, but it should be up to the voters to decide.

Councilor Capalbo noted land may also become very cheap to buy.

Discussion ended and the Council proceeded to vote on the motion to recind as follows:

IN FAVOR: Thompson, Felkner

OPPOSED: Buck, Kenney, Capalbo

MOTION FAILED

NEW BUSINESS

INTERVIEWS – APPOINTMENTS – RESIGNATIONS:

Interviews for Boards and Commissions were conducted at 6:45 P.M.

Historic District Commission

A MOTION WAS MADE BY COUNCILOR CAPALBO AND SECONDED BY COUNCILOR KENNEY TO APPOINT THERESA PRESCOTT TO THE HISTORIC DISTRICT COMMISSION.

IN FAVOR: Buck, Thompson, Kenney, Capalbo, Felkner

OPPOSED: None

SO VOTED

Highway Commission

A MOTION WAS MADE BY COUNCILOR CAPALBO AND SECONDED BY COUNCILOR KENNEY TO APPOINT MICHAEL PANCIERA TO THE HIGHWAY COMMISSION.

IN FAVOR: Buck, Thompson, Kenney, Capalbo, Felkner

OPPOSED: None

SO VOTED

AUDIT BRIEFING

Finance Director Laura Kenyon was present to provide an audit briefing for the year ending June 30, 2008. She explained the fund balance for the year ending was a little over at \$3 million, which was 13% of the total revenue and slightly down from the year previous. The unreserved fund balance was just shy of \$3 million, which again was down a little from the previous year. She noted an unreserved fund balance of \$3 million dollars was wonderful for financial security and added the auditors recommend at least a ten percent reserve, so the Town can issue debt at a good rate and for good cash flow. She stated of that, \$93,000.00 was reserved for specific purposes. Councilor Felkner stated he understood the

10% surplus reserve was good policy but noted at certain times of the year the Chariho bill came due, and he questioned if a change in timing of the Chariho payment would help. Mrs. Kenyon stated it would not affect fund balance, fund balance and cash flow were interrelated but were not the same item, it was the revenues over expenditures, which was the bottom line. She noted when she pays for a budgeted expense it does not change fund balance as revenues offset it. The problem was if revenues were lower than anticipated, it affected the cash flow. Councilor Thompson there is always this recommended percentage of reserve and a because there had been a problem with cash flow and the Town has had to apply for tax anticipation notes (TAN), it would help if there was a little extra in cash or unreserved fund balance so she would not have to borrow on the tax anticipation note. Mrs. Kenyon stated they the way it could be looked at, the fund balance is the result of having more revenue than expenditure over history of the Town. The more revenue taken in over expenses helped and allows her some cash flow. Councilor Thompson questioned if Mrs. Kenyon had a feel for what that number should be to avoid a TAN. Mrs. Kenyon did not have a magic number but added she wished she did not have to spend so much money in July and August and it could wait until October, November and December, so she could pay the Chariho payment at that point, so the cash flow would be easier. It was the timing of expenditures. Councilor Felkner commented that a change in the timing of the Chariho payment would help.

Councilor Capalbo noted the total fund balance, as an asset was not comprised solely of cash, but also buildings, grounds, etc. Mrs. Kenyon defined it as equity, the Town's worth. Mrs. Kenyon noted the general fund did end with a deficit of \$218,000.00 due to revenue not coming in as anticipated. Tax payments were \$190,000.00 short of anticipated last year. She reported the Town's total debt excluding the bond anticipation note, decreased and was \$2.3 million, which was low. Councilor Capalbo questioned if this was the first year the Land Trust had been separated out and was informed it was a separate component.

Council President Buck stated he was concerned that the Town was starting out the year already in the hole. Mrs. Kenyon agreed, the fund balance as of June 30, 2008 was reduced by \$218,000.00 plus \$109,000 had been taken out to offset this current budget year. Councilor Thompson noted that when preparing the budget it was good to know if the Council could dip into this fund to offset the budget and based on this information, they could not. It was not there. Councilor Capalbo referred to the GASB statements on pensions, that showed the pension funds had improved. The pension fund was at 119% for municipal employees. The police pension fund State plan was down by 23%, but this was being addressed. Mrs. Kenyon responded yes, it was under funded per the actuarial study. She noted the State gives us the amount that has to be funded. Councilor Felkner questioned what the police pension liability amount was. Mrs. Kenyon responded the unfunded liability for the police was \$572,000.00 as of the June 30, 2007 actuarial study. Councilor Capalbo referred to the investment policy recommendation and noted the Town did not have an investment policy. She stated last year this was discussed with the former Finance Director, whether one could be written, but he had not had an opportunity to do so. She stated she would like to see this pursued. Mrs. Kenyon stated she thought that to be a good idea. Councilor Capalbo noted the segregation of duties recommendation came up every year. Mrs. Kenyon stated they were doing their best with the two people in the department. That they had begun to look at the duties and that one other person was expected one day per week in the department. She stated she had spoken to auditors about the duties so that between the three people they could have what the auditors required and in addition they would address the tax collectors department and address any weakness in that department.

SOLICITOR REVIEW OF CHARIHO HIGH SCHOOL/MIDDLE SCHOOL BOND

Councilor Thompson noted a question had been asked at the Omnibus Meeting if the bonds as written for the High School and Middle School project had passed in the way the legislation was written. She stated there was no answer to the question. She referred to the Fact Sheet that broke down and explained about how much the projects would cost the taxpayer. The Fact Sheet had been based on assessments, used a 20-year interest rate and a 56% state reimbursement rate

equaling about \$14 million for the High School and Middle School. The total cost without the reimbursement was about \$31 million. She would like to request the Town Solicitor to review Chariho High School and Middle School bond data and let the Town Council know that if at some point in the future, when Chariho went forward with these projects based on how the legislation was written, what the taxpayers would be required to pay and if the Building Committee or School Committee would scale back the projects if there is less State reimbursement or no State reimbursement. Could it cost \$31 million or \$14 million and once we receive that answer, she wanted to know in writing from the School Committee or Building Committee, a guarantee from them that they will not go forward or will scale back the project. Solicitor Buckley confirmed that she was being asked if state reimbursement aid does not come through if that could potentially increase the cost to the Town. Councilor Thompson stated the Town needed to know. Council President Buck stated he had asked Senator Algieri several times if we were guaranteed that reimbursement rate. Senator Algieri stated we were entitled to that money. Councilor Felkner stated he was not sure where the Building Committee was in the process but if they were negotiating contracts he felt it would be wise for the Town to send a letter. Councilor Thompson agreed, it would serve to notify them that the Council was concerned. Councilor Kenney stated she was aware that the Building Committee would be entering into a contract with an architect and was looking at coming in with low bid prices that she assumed would be on every facet of the project due to the economy and job situation. She asked what the Council was asking of them. Councilor Thompson stated she was worried they would enter into contract with no reimbursement aid and felt it should be contingent upon receiving reimbursement from the State. Solicitor Buckley stated she would look at the issue and have an answer for the next meeting. Council President Buck stated it was the first bond that had passed that did not have the reimbursement language in the legislation. He noted the former one had the statement. This one did not. Councilor Felkner noted the Town could not tell the building committee what to do, but the Council should send a letter so there was an escape clause in the contract. A motion was made and seconded to send a letter expressing the Town's concerns in light of the

situation with the legislation and potential reduction in state reimbursement aid which led to discussion: Councilor Kenney stated she would rather wait for the Solicitor's opinion. Councilor Thompson agreed that it could wait but in the meantime, she would draft a letter. Both councilors withdrew their motion and second agreeing to wait for the Solicitor's opinion. Councilor Thompson commented on how School Committee member George Abbot said don't worry about the reimbursement language, it was in RI General Laws. She noted when the legislation was submitted it could have said that it be subject to those certain laws, but entire section was taken out.

RICHMOND RESOLUTION RE: SUBMITTAL OF LEGISLATION TO CHANGE DATE OF CHARIHO BUDGET REFERENDUM

A resolution had been received from the Town of Richmond for the submittal of legislation changing date of Chariho budget referendum from April 7, 2009 to May 5, 2009.

Council President Buck noted the Chariho School District was not going to change the date. Councilor Thompson felt it was a great idea but it needed to be done well ahead of time. Councilor Kenney stated it also affects the Towns financial process. Council President Buck stated any time the Town has more time to gather information would be beneficial as it would allow the Town to get more information to pass on to the taxpayers. He stated he would prefer to pass the Towns budget before the Chariho budget. Councilor Thompson suggested it was something to bring up at a Tri Town Council Meeting.

CORRESPONDENCE

Town Manager distributed material from Jeff Broadhead from the Washington County Regional Planning Council who was writing to Senator Algieri regarding proposed legislation involving prevailing wage. Presently, costs under a thousand dollars were exempt from prevailing wage. The legislation would bump projects to \$50,000.00. Councilor Kenney noted this was still in the works, the language was being refined and once it was ready it would be forwarded on to the Councils for support; Mr. DiLibero distributed correspondence from Senator Jack Reed regarding the applications for stimulus package money coming from the Federal Government that would include funding for transportation projects or projects

associated with clean water, waste water or an EDC project. He stated he will forward the email to the Council as well.

PUBLIC FORUM

The following individuals brought up a problem to the Town Council affecting them: Dean Findeisen of 12 Maple Court, Michael Noury of 23 Maple Court, Cheryl Muzinsky of 18 West Street, Cindy Crooker of 19 Maple Court, Scott Bill Hirst of 20 Maple Court. The matter involved a full fledged motor cross track on a private property in a residential zone owned by M.J. Murphy and located at 22 West Street creating a noise and dust problem that was affecting their quality of life. That a tractor and backhoe had been used to create hills and berms on the site and that open burning was being done on the approximate half-acre parcel. That this past Sunday, there had been ten to twelve individuals in full motor cross gear involved and that they fully anticipated there would be a summer full of motor cross activity because the word was out that it was open for business. It was reported that participants were jumping twenty-five feet in the air and was in the vicinity of the gravel bank and the gravel bank owner may not be aware of the activity. Police had been contacted but when it was investigated and said nothing could be done until after 10:00 PM. Council President Buck noted it was a no burn area and the Fire Department should have been contacted. Solicitor Buckley commented that unless there was a code violation it was a private matter. The Town Manager will contact the Building-Zoning Official about the matter. Those who spoke were asked to leave their contact information.

Ray Cox of Main Street stated those vehicles were probably not licensed so that may be an avenue for the police to consider.

Mr. Hirst felt with the current economy the Chariho budget had a strong likelihood of being defeated.

Carol Baker of Ashaway Road questioned if any of the road projects included her road, also known as Route 216, which was in dire need of repair. Mr. DiLibero

responded it was his understanding that Route 216 was one of the projects as was the Bridge Street extension in Hope Valley.

EXECUTIVE SESSION

A MOTION WAS MADE BY COUNCILOR CAPALBO AND SECONDED BY COUNCILOR KENNEY TO ENTER INTO EXECUTIVE SESSION UNDER R.I.G.L. 42-46-5A (1) PERSONNEL – PUBLIC WORKS DIRECTOR & PUBLIC WORKS FOREMAN.

POLL VOTE:

IN FAVOR: Buck, Thompson, Kenney, Capalbo, Felkner

OPPOSED: None

SO VOTED

A MOTION WAS MADE BY COUNCILOR KENNEY AND SECONDED BY COUNCILOR CAPALBO TO RECONVENE IN OPEN SESSION AND SEAL THE MINUTES OF THE EXECUTIVE SESSION.

IN FAVOR: Buck, Thompson, Kenney, Capalbo, Felkner

OPPOSED: None

SO VOTED

ADJOURNMENT

A MOTION WAS MADE BY COUNCILOR KENNEY AND SECONDED BY COUNCILOR CAPALBO TO ADJOURN.

SO VOTED

Elizabeth J. Cook-Martin

Town Clerk