

State of Rhode Island

County of Washington

In Hopkinton on the 13th day of May 2008 A. D. the said meeting was called to order by Town Council President Vincenzo Cordone at 7:30 P.M. in the Town Hall Meeting Room, immediately following the Financial Town Assembly/Budget Hearing.

PRESENT: Vincenzo Cordone, Beverly Kenney, Sylvia Thompson, Town Manager William DiLibero; Finance Director James Lathrop; Public Works Director Douglas Reese; Town Clerk Elizabeth Cook-Martin.

Absent: Barbara Capalbo, Thomas Buck

Council President Cordone stated first item on the agenda was to adopt a proposed Fiscal Year 08/09 Budget and the proposed Warrant Items for the Budget Referendum on June 10, 2008.

ADOPT PROPOSED FY 08/09 BUDGET

A MOTION WAS MADE BY COUNCILOR THOMPSON AND SECONDED BY COUNCILOR KENNEY TO APPROVE THE PROPOSED FY 08/09 BUDGET AS PRESENTED DURING THE HEARING'S WITH THE FOLLOWING CHANGES; THE ASHAWAY FREE LIBRARY AND THE LANGWORTY LIBRARY TO EACH RECEIVE AN ADDITIONAL \$2,000.00; THE ASHAWAY AMBULANCE CORP AND THE HOPE VALLEY AMBULANCE CORP TO BE LEVEL FUNDED; ADD A LINE FOR THE AMERICAN LEGION MEMORIAL DAY PARADE FOR \$500.00.

IN FAVOR: Cordone, Thompson, Kenney

OPPOSED: None

SO VOTED

ADOPT PROPOSED WARRANTS

Proposed warrants were read by the Town Clerk;

1. Resolution to restrict \$10,000.00 of the unspent balance in the 2007/2008 Fiscal Year Public Works Budget, to be placed into a Restricted Emergency Winter Operations/Snow Removal Account.
2. Resolution to restrict the remaining unspent balance of the 2007/2008 Fiscal Year Public Works Budget to be placed into the Restricted Public Works Capital Account.
3. Resolution to restrict the unspent balance of the 2007/2008 Fiscal Year GIS/IT Budget, to be placed into Restricted Technology Account.
4. Resolution authorizing the borrowing of \$3,500,000.00 for a road improvement bond.

A motion was made and seconded to approve the warrant items which led to discussion:

Councilor Thompson asked what the amount of the unspent balance for the GIS/IT budget would be. Mr. Lathrop replied there may or may not be a balance left but if there was, it would be placed in a restricted account. An amount was unknown.

Councilor Thompson asked that the road bond be taken off the list of warrants because the economy was so bad, she felt this was not the time to spend money on roads. She stated that in 1994 when she was on the Council, the State was in the midst of a difficult state deficit. She explained the Chariho School Budget and the Town budget had passed and the state cut aid for education reimbursement after those budgets passed, causing a huge problem financially for the Town. She stated the Town had been promised by the state to be reimbursed by \$5,000,000.00 and on the last day of voting in the legislation, the session ended with millions being cut statewide. She stated the Town was short by \$774,000.00 in the budget and the Town had to have an additional Town Financial Meeting with voters accepting a three year bond to borrow the money. She stated that directly lead to an increase in the tax rate for following year of \$2.53. She explained the school costs increased, the Town ended up the following year with even less money and the situation impacted the Town's finances for quite a

number of years. Councilor Thompson felt the Town should wait to put forward a road bond because the state was in another horrible financial position again and felt the Town would be cut even deeper. She felt if the bond were put off until November, the Town would have a better idea of where it was financially. Mr. DiLibero noted that if the bond passed, that did not mean it would have to be spent. Council President Cordone stated one year's worth of interest for the road bond had just been budgeted and adopted, which was \$40,000.00. Mr. Lathrop stated he had spoken with the Bond Council, and it was suggested taking the entire amount out to lock in the low interest rate. He added if the bond was taken out in thirds, instead of the entire amount, there would be significant costs involved in doing so. Councilor Thompson stated she would vote against the road bond, because she felt the bond was fiscally irresponsible. Mr. Lathrop stated he felt it would be more cost effective to fix the roads now, rather than five years from now and suggested a one million dollar bond. Mr. Reese, Public Works Director, stated if the bond were eliminated that would put his department further behind on road resurfacing, because the road resurfacing funding had already been eliminated in the budget. Councilor Thompson stated she meant only to postpone the bond until November, because at that point the Town would have a better understanding of the finances. Mr. Reese stated he expected Public Works would tapping into the contingency fund this spring to take advance of the locked in contracted amount for chip sealing now, because the price of chip sealing was going up 40 cents a square yard, which roughly translated into a dollar a foot extra for the average road. He stated he wanted to take advantage of the price and lock it in to get a little bit extra, adding there was approximately \$30,000.00 left in contingency funds. Councilor Thompson pointed out school bonds had failed because people were nervous about the economy and she felt the road bond may fail for the same reason. Council President Cordone felt the Town would be in trouble with or without the bond if there was a substantial cut in state aid. Carol Baker of Ashaway Road felt when living in a rural town, citizens do not receive services, such as water, sewer, trash pickup or gas utilities. She stated the only service a rural town had was good roads and our town's roads were in awful

shape, which was aggravating to a taxpayer. She felt \$3,500,000.00 was not a lot of money in the long run and that amount would not even pave or fix many roads. Councilor Thompson stated she appreciated Ms. Baker's concerns about the roads, but felt if the Town received a huge cut in state aid, the Town might have to make additional cuts in the budget and have to hold a Special Financial Town Meeting. She added she would support some money being allocated for roads, agreeing our roads were falling apart.

Mr. DiLibero reported he attended a League of Cities and Towns meeting, and a State Representative had been present to explain a proposed new method for the state aid formula. He stated he had explained there were two, if not three other proposals in the works, but that one he focused on had a full formula per student value, with adjustment for special needs and income. He explained one proposed \$891,000.00 in allotted distribution for state aid to schools during the first year, 75% would be distributed the way it's been distributed in the past with only 25% applied to the formula. He explained in the second year, 75% would be distributed by formula and year three would be 100% by formula. Mr. DiLibero stated the formula looked at a set rate which was lower than what it should be per pupil and then it looked at income for cities, which would receive the most and towns like Hopkinton would be one of the least. He stated if that was the model that was eventually adopted, it looked like there would be a transition in year one, so the Town would see a much smaller decrease than in future years.

John Donahue, of Ashaway, agreed with Councilor Thompson concerning the Road Repair Bond being held until the November Election. He felt there were more and more mortgagee sales and many people were on fixed incomes, the Town needed to keep expenses down as much as possible or people would be forced to leave town. Councilor Thompson stated the Town needed stability with taxes. She felt the Town could not go on a rollercoaster ride as it had in the past with a 16 ½% increase one year, a 41 cent increase the next and a 12% increase in the third year.

Council President Cordone recommended keeping the road bond warrant item as the \$40,000.00 in interest anticipation was already funding in this year's budget.

A MOTION WAS MADE BY COUNCILOR THOMPSON TO AMEND THE MOTION AND TO EXCLUDE THE ROAD IMPROVEMENT BOND FROM THE JUNE WARRANT ITEMS AND DELAY IT TO THE NOVEMBER ELECTION. There was no second to the motion.

MOTION FAILED

Council Vice President Kenney stated the infrastructure in Town needed to be improved and was continually being delayed. She stated the roads were so bad, there was no asphalt left in some areas and had major potholes. She noted there was never going to be a good time. She felt this item should go on the ballot now and if it was approved, the bond did not have to go out until January. She felt the Town could bond out for \$1,000,000.00 at a time and if the Town did take a serious hit in State Aid to Education come July 1, 2008, it could be put it off for another year, but the Town would have access to the funds. Councilor Thompson stated she felt the bond would fail, because people would not vote for it, adding she would not vote for it because she did not want to see the town facilitate a two or three dollar increase over the next few of years.

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

A MOTION WAS MADE BY COUNCILOR KENNEY AND SECONDED BY COUNCILOR THOMPSON TO APPROVE THE WARRANT ITEMS AS PRESENTED.

IN FAVOR: Cordone, Kenney

OPPOSED: Thompson

MOTION PASSED

Council President Cordone reminded everyone the Financial Town Assembly was on June 10, 2008 from 7:00 A.M. until 9:00 P.M. in the Town Hall Meeting Room.

SET HEARING DATE RE: HUCK FINN DAY

A MOTION WAS MADE BY COUNCIL VICE PRESIDENT KENNEY AND
SECONDED BY COUNCILOR THOMPSON TO SET MAY 19, 2008 AS A
HEARING DATE FOR THE SPECIAL EVENT PERMIT FOR HUCK FINN
DAY FILED BY THE ASHAWAY SPORTSMAN’S CLUB.

IN FAVOR: Cordone, Thompson, Kenney

OPPOSED: None

SO VOTED

ADJOURNMENT

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

IN FAVOR: Cordone, Thompson, Kenney

OPPOSED: None.

SO VOTED

Elizabeth J. Cook–Martin

Town Clerk

Lorraine Tarket-Arruda

Deputy Town Clerk