

State of Rhode Island

County of Washington

In Hopkinton on the fifth day of May 2008 A.D. the said meeting was called to order by Town Council President Vincenzo Cordone at 7:00 P.M. in the Town Hall Meeting Room.

PRESENT: Vincenzo Cordone, Beverly Kenney, Sylvia Thompson, Thomas Buck, Barbara Capalbo; Town Manager William DiLibero; Deputy Town Clerk Lorraine Tarket – Arruda.

Absent: Town Solicitor Patricia Buckley.

CONSENT AGENDA

A MOTION WAS MADE BY COUNCIL VICE PRESIDENT KENNEY AND SECONDED BY COUNCILOR THOMPSON TO APPROVE THE CONSENT AGENDA AS FOLLOWS: Approve Town Council Budget Minutes of March 31, 2008; Set May 19, 2008 as a hearing date for a Class A Liquor License transfer re: The Village Place; Accept the following reports: Meal Site Manager and Animal Control.

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

OPPOSED: None

SO VOTED

PUBLIC FORUM

No one spoke during Public Forum.

TOWN SOLICITOR REPORT

There was no report due to the absence of the Solicitor.

COUNCIL PRESIDENT REPORT

Council President Cordone encouraged people to attend the Financial Town Assembly on Tuesday, May 6, 2008 beginning at 7:30 P.M. at the Ashaway Elementary School. He clarified the misinformation the Westerly Sun had printed twice concerning the Town's tax increase. He explained the newspaper reported that on a \$350,000.00 home there would be a \$1,000.00 increase, noting the next article stated the same would be a \$683.00 increase. He explained the correct information in reality would be \$95.00 per home and stated the tax rate would increase from \$14.19 to \$14.46 per thousand. He stated the budget was not set,

and the during the budget hearing the Council would take into consideration comments from taxpayers so there could be potential changes. He stated there would be a Special Town Council meeting on May 13, 2008 at 7:00 P.M. to adopt the budget and after that point there would be no additional changes. Council President Cordone reminded everyone to keep in mind that 80% of the budget was due to school budget costs and 20% went for town expenses. He stated the Town Council had four budget workshops and felt they had worked hard to keep non-contractual items down. He felt it was not a perfect budget but was a far cry from past budgets that had 18% tax hikes.

TOWN MANAGER REPORT

Mr. DiLiberio reported he had been working on Municipal Court, which had met for a second time last Friday and was going well; reported stated he was working on the budget with the Finance Director and the Tax Assessor for the final budget figures and tax rates; reported the Town's Newsletter was published last week; reported he attended site walks at the 1904 Ashaway Elementary School over the past few weeks. Mr. Diliberio stated he and the Police Chief spent time looking at Spring Street and the speed limits that were posted. He noted they felt one speed limit sign was missing, but otherwise it seemed the speed limits posted in those districts were appropriate. He noted he had attended the Congress of Council's the prior week, and the past Friday he attended the Grow Smart RI summit which had the Brooking Institute speak about what needed to be done to make metropolitan areas vital again, the speaker suggested getting the Federal Government committed to working with these areas. Councilor Cordone pointed out the public records request from the Westerly Sun regarding the compensation time and felt Mr. DiLiberio could release that information at this time, adding it was information the public should have. Councilor Capalbo asked about the tax credits for the proposed Exit Two Movie Studio. Mr. DiLiberio replied he had spoken with Representative Kennedy and it did not seem to him that it was moving through the legislature very fast, possibly because of the state budget problems. He felt the proponents of the project needed to make some noise to the State Representatives and let them know how important this project was.

OLD BUSINESS

TOWN BILLS

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

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

OPPOSED: None

SO VOTED

ROCKVILLE MILL CONVERSION

Geoffrey Marchant, of the Community Development Consortium, was present. He explained the Rockville Mill was an old rope making mill which now housed the Rockville Post Office and a jewelry model maker who also was the owner, but most of the mill was empty. He explained several years ago the mill was added to the Town's Affordable Housing Plan to create eight affordable housing rental units. He stated part of the plan was to use state tax credits to pay for a part of the construction. He explained the ownership of the mill had changed, there had been two partners, but Marek Zamojski bought Matthew Hopkins out, and was now the sole owner. Mr. Zamojski, of Rockville LLC, needed a \$900,000.00 mortgage to fill the gap between what was identified as potential public money and the balance, adding it was a \$4,000,000.00 project overall. Mr. Marchant stated so far the project had received \$1,000,000.00 from the Neighborhood Opportunities Program last fall which was money the governor had cut. He stated the General Assembly felt the State of Rhode Island should honor that contract and restored \$2,500,000.00 in the budget, which passed. He stated the Rockville mill's portion was \$600,000.00 which was \$60,000.00 a year for ten years of operating support. He explained when renting to a low income household, there would be no cash flow. He stated the State had opened a special Affordable Housing Bond Program for these projects that had their construction funding cut, in order to restore the operating money because operating expenses were not eligible for a bond. He explained the next thing that happened was the tax credit elimination. He stated compromise legislation was put in place so if an application was in prior to January 1, 2008, the project was allowed to continue, but it was not possible to

obtain 30% state tax credits any longer. He explained the program was now set up for 25%, 26% or 27%, and the fee would be 3%, 4%, and 5% of the eligible expenses, so they decided to go with the 27% and carry a 5% fee. He stated they were allowed to continue because the application had been in place prior to the January deadline. He stated a May 15th deadline now had to be met, paying a 2.25% of the total 5% fee which came to about \$65,000.00. He requested the Town Council authorize the use of the Block Grant funds to pay for the historic tax credits of \$65,000.00, adding they were working on getting the mill on the National Register of Historic Places. Mr. Marchant explained while they were working their way through the wetlands application, the DEM felt the well and septic system were not adequate, so a new well was drilled. He stated they had George Joslin Well & Pump Co. go over the property and he found a vein with 75 gallons a minute. He introduced Cathy Cavanaugh, a Historic Preservation Consultant, and explained she was helping with the State Credit Applications. Ms. Cavanaugh stated the project had applied for both the Rhode Island and Federal Historic Tax Credits, explaining the Federal was 20% of the qualified expenditures, which hadn't changed. She explained the State of Rhode Island had adjusted the credit from 30% when their application was filed last summer, down to 27% after last January. She stated the project would have to commit to that by May 15th, and the fee was 5%. She stated they had put an application into the National Parks Service for federal credit and hoped to learn shortly whether the application was approved. She estimated they would start construction this summer.

Councilor Buck asked how much money had been received to date through the CDBG funds. Mr. Marchant replied it was approximately \$100,000.00 of which most had been spent on pre-development engineering and National Register work.

Councilor Buck asked when the estimated completion date would be. Mr.

Marchant replied the last projection he heard was a year and one half from now.

Councilor Buck asked for an explanation of what tax credits were used for. Mr.

Marchant replied they were sold to receive 86 cents on the dollar and to generate cash for the project. He explained the individuals who purchase them turn them into the state to receive a break on their income tax, adding that was why

Governor Carcieri was so nervous about it. He stated it was seen as an expenditure, but on the other side what was looked at was the number of jobs created and taxes that would be raised.

Councilor Thompson asked why it would cost \$500,000.00 per unit to be built.

Mr. Marchant replied because this was an old building and not new construction, a lot of respect had to be made to the historic integrity of the building to receive the credits, plus make it habitable which presented a lot of challenges.

Councilor Thompson asked if they were concerned about next year's payment.

Mr. Marchant replied they had revenue from public sources and private financing.

He explained before construction all those numbers had to be in place. He stated

Mr. Zamojski had to commit to a mortgage of \$900,000.00 and in it would be those fees, charges and construction costs that weren't covered by other money.

Councilor Thompson asked who would manage the facility. Mr. Marchant replied it would be the Narragansett Affordable Housing Corporation that would manage the affordability and the daily issues that come up with rental property, noting that Narragansett AHC was actually the NA Housing Authority.

Councilor Thompson asked if individuals paid 60% of their median income, would there be enough to pay back the \$900,000.00. Mr. Marchant replied with the NOP operating subsidy that came with the project, the debt should be paid down, but after 10 years, the owner could re-finance. Mr. Marchant described the project, which would have apartments that had a mix of two and three bedrooms and one loft.

Council President Cordone asked Mr. Marchant if he was asking the town to loan the money to pay the fee. Mr. Marchant replied he was. Council President

Cordone asked if the Council had received anything in writing from the state regarding the request. Mr. Marchant stated the Council had to approve the amendment first, the State could not act on this without approval from the town.

Councilor Capalbo felt the mill project had been lingering for too long and needed to be finished.

A MOTION WAS MADE BY COUNCILOR THOMPSON AND SECONDED BY COUNCIL VICE PRESIDENT KENNEY TO APPROVE THE CDBG

AMENDMENT TO PAY THE TAX CREDIT FEE OF \$65,000.00. THE TOWN CHECK WOULD ONLY BE AUTHORIZED UPON THE STATE OF RHODE ISLAND'S GUARANTEE IN WRITING THE TOWN WILL BE REIMBURSED BY JUNE 30, 2008.

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

OPPOSED: None

SO VOTED

PENSION REFORM

Councilor Thompson noted she had handed out a newspaper article which detailed a House Pension Commission that had been appointed, which Representative Peter Lewiss was a part of. She stated the commission was convened in an effort to help identify opportunities to make changes in the pension plan to save the state money. She stated since then information had come from Attorney Dan Kinder through the manager's office concerning Senator Alves request that legislation be drafted to assist in halting the growth and reduce unfunded pensions. Councilor Thompson stated she had spoken with Mr. DiLibero in support of the pension commission, provided they do not come up with a plan that would pass the buck to the municipalities. She felt the town manager should send a letter to Representative Lewiss and to ask that our town be kept in the loop concerning how this would affect the individual towns.

A MOTION WAS MADE BY COUNCILOR THOMPSON AND SECONDED BY COUNCILOR CAPALBO TO HAVE THE TOWN MANAGER WRITE A LETTER TO REPRESENTATIVE LEWISS EXPRESSING THE COUNCIL'S CONCERNS.

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

OPPOSED: None

SO VOTED

Councilor Capalbo noted the Westerly Town Council asked our Council for support in the matter of health and welfare and pension plans. She felt the Council should work with them as well. She felt they should assist the Westerly Town Council with two resolutions in support of House Bill 7108 Labor Relations

& Collective Bargaining, and House Bill 7776 relating to Labor & Labor Relations, Health & Welfare Funds and Collective Bargaining & Pension Plans.

NEW BUSINESS

INTERVIEWS – APPOINTMENTS – RESIGNATIONS

There were no interviews, appointments or resignations.

SCHEDULE SPECIAL TOWN COUNCIL MEETING

The Council scheduled a Special Town Council Meeting for May 13, 2008 at 7:00 P.M. to adopt the Fiscal Year Budget.

CORRESPONDENCE

Councilor Capalbo stated the Chariho Regional School Committee sent a letter to the Council urging them to oppose H2650 as it established a new funding system for the support of public education and would result in a total loss of \$12,782, 488.00 in state aid to Charlestown, Richmond and Hopkinton. She felt she would like to work with the school district in opposing H2650.

Councilor Buck stated the information the Council had received on H8227 only showed one bond. Council President Cordone responded only the one for the high school had been submitted.

PUBLIC FORUM

Scott Bill Hirst stated someone had mentioned to him that Cemetery Lane in Ashaway had rubbish strewn on the roadway. Mr. Hirst stated he was concerned about political etiquette and legislation that was introduced by Representative Walsh, and Representative Scott on the latest Chariho Bonding proposals.

ADJOURNMENT

A MOTION WAS MADE AND SECONDED TO ADJOURN THE MEETING

SO VOTED

Lorraine Tarket - Arruda

Deputy Town Clerk