

State of Rhode Island

County of Washington

In Hopkinton on the fourteenth day of March 2018 A.D. a budget workshop was held in the Town Hall Meeting Room, 1 Town House Road, Hopkinton, RI 02833 to discuss the proposed FY 18/19 budget.

PRESENT: Frank Landolfi, Thomas Buck, Barbara Capalbo, Sylvia Thompson, David Husband; Town Manager William McGarry; Town Clerk Elizabeth Cook-Martin.
Also present: Finance Director Brian Rosso.

Grants and Contributions (continued)

Ashaway Ambulance Corps

Eric Perrin, Treasurer of Ashaway Ambulance Corps was present. Councilor Capalbo asked why subscription checks were not cashed in a timely manner. Mr. Perrin stated that he could not answer that question because he is the new Treasurer as of this year. Councilor Capalbo stated that she would like to have this question answered by someone. Mr. Perrin stated that they cannot correct the past but have made changes going forward. He stated that at this time they are making weekly deposits. Councilor Capalbo questioned whether Ashaway Ambulance Corps has a nepotism policy in place and Mr. Perrin indicated that they are currently working on a nepotism policy, but as he understands nepotism, it is used solely to benefit oneself financially. Councilor Capalbo indicated that this was true but as far as government was concerned you cannot do this. She believes that Ashaway Ambulance should make an effort to have outside individuals on their Board of Directors who have objective views; people who are not related to anyone in the Ambulance Corps. Mr. Perrin indicated that he is the Treasurer of the Board and his wife is the President and their son is a volunteer, but none of them are paid. Councilor Husband asked if both Mr. and Mrs. Perrin had a vote and Mr. Perrin stated yes; and Councilor Husband said that he felt this was a problem and it had nothing to do with money. Mr. Perrin stated the whole membership has a vote not just the Board of Directors. Council President Landolfi stated that the bottom line is they need a nepotism policy in place. Councilor Thompson pointed out that in the Westerly Ambulance Nepotism Policy it reads in Section Four: “No two or more members related by birth or marriage shall serve as a Board member at the same time.” Mr. Perrin indicated that he was very familiar with Westerly’s policy and Section Five of Westerly Ambulance’s Policy reads: “No Board of Governor shall serve in the capacity of a Board of Governor or Director of any other dictating body of any other emergency service agency that provides similar service within or abutting the

Town of Westerly or the Primary Service Area the Westerly Ambulance Corps has designated within the State of Connecticut.” He went on by stating that the acting Chief and President of the Westerly Ambulance Corps serves as the EMA for the Town of Hopkinton. Council President Landolfi indicated that this was Ronald MacDonald’s problem and the Town of Westerly’s problem. Councilor Thompson indicated that the Town’s nepotism policy is very different. Town Manager McGarry stated that looking at the payroll expense that was forwarded to the Town from Ashaway Ambulance’s accountant for 2017, there was a riding paramedic on the payroll that earned \$1,575 so he is a paid employee, he is not a volunteer and he is on the Board. Mr. Perrin indicated that he is no longer a paid employee this year. Councilor Husband indicated that this is a problem and every year there is something that is a problem. Councilor Thompson indicated that she believed they were doing their best to try to move forward and the Town was going to keep pushing them to try to get to the goal; it was not personal or political. Susan Gentile, the Ashaway Ambulance accountant was present. She indicated that pursuant to the Rhode Island Labor Board standards, as long as the person who is a volunteer is not paid in the same week, they are allowed to have a position as a volunteer, even if they are a Board of Director member. It is based weekly and not yearly. As an employee, they are only allowed to make a certain amount of money per week and once they exceed that amount they cannot volunteer their time in the same position that week. Ron Sposato indicated that a few years ago the Fire District came under fire by a person in Town that thought there were too many relatives involved in the fire department. The Attorney General ruled that this was not an issue. He indicated that what Council President Landolfi was worried about, the Attorney General has already ruled on. Their concern only deals with paid people. Any volunteers can be on Boards together, can be Chiefs together, as long as it is not a paid position. Mr. Perrin also indicated that Ashaway Ambulance uses a billing company as do the other ambulance companies. Ms. Gentile indicated that there is now a separation of the billing and her firm opens the bills, reviews them and prepares the checks which are not signed. Every month they are brought to the Board and the Board reviews them, stamps the invoices if they are approved but they do not sign the checks. These come back to her office and they thereafter sign the checks and mail them out. Councilor Capalbo asked if they were finding this more efficient and Ms. Gentile indicated they were. She also asked if Ms. Gentile’s company cashed the Ambulance checks and Ms. Gentile indicated they did not. It was indicated that this is something that could be done at her office and they could also keep track of who the members are and there has been discussions about this matter. Mr. Perrin reiterated that they have made every effort to correct the prior check cashing problem and they have been making weekly deposits. Ms. Gentile indicated that the Council could monitor the Ambulance Corps and check in with her to assure that things were being done properly. Ms. Gentile also commented on the nepotism policy, saying if there are ten members on the Board, as an example,

and three or four of those members are family related but they abstain from voting, that would be acceptable. Councilor Buck indicated that was correct. Councilor Thompson indicated having a conflict of interest and having to step down is very different than a nepotism policy. Councilor Capalbo also stated that then the Board would be useless because there would be too many people stepping down. Mr. Perrin indicated that the Board really doesn't have any voting authority; the voting authority was with the members and that is the difference. Councilor Thompson questioned who was in charge and Mr. Perrin explained that they have a command structure. Councilor Thompson asked who is in charge of the command; who is really the CEO? Mr. Perrin indicated that the President is in charge but the members make all of the decisions. Council President Landolfi stated that Ms. Gentile suggested the Board makes all the decisions on invoices. Mrs. Perrin, President of the Ambulance Corps explained that she brings the bills back to the body and they are read at their monthly meeting as part of their duty protocol and the body accepts the bills and approves them for payment or not. Mr. Perrin indicated that the Board of Directors, pursuant to their Bylaws, really doesn't have a vote. They are there to organize and bring all the information back to the members. Councilor Husband asked what the point of having a Board of Directors is if they cannot make a decision; he questioned if every decision had to go before the entire membership. Mr. Perrin indicated yes and the Ashaway Fire Department runs the same way, other than a disciplinary action, and that is how they stay away from the nepotism problem. Councilor Buck asked Ms. Gentile what the donation revenues were. Ms. Gentile stated that they were donations from individuals. In 2016 they had fundraisers, such as the Washington County Fair. Councilor Buck questioned where the finances and revenue for bingo showed up, was it under donations or fundraisers? Mrs. Perrin stated that she just put it in as a donation figure. Councilor Capalbo asked where they would list the Senate legislative donations from the State, from Brian Kennedy and Elaine Morgan, the legislative grant money. Ms. Gentile indicated that they were listed under Municipal Grants from the Town and then State Grants. She indicated that the 2017 return would be filed in May and she had provided a spreadsheet for the deposits to Jodi Perrin and this is broken down into sections. Councilor Buck indicated that he has been on the Council for 12 years and this is the first time that they have been approached by individuals and informed of different problems. Every year when the Council gets to this point there are problems with Ashaway Ambulance and whoever appears at the meeting states, "the past is the past and things will change." Councilor Capalbo asked if they had enough manpower to answer the calls the ambulance company receives. Ms. Perrin indicated that they only have a paid crew Monday through Friday from 8 a.m. to 4 p.m.; however, they have put into place temporarily a paid cardiac person on second shift. Councilor Capalbo stated that this was still not the case for third shift. Mr. Perrin indicated that it boils down to money and Councilor Capalbo added as well as manpower. Mr. Perrin indicated that if you could afford the pay, manpower is not

the issue. The problem is that Ashaway only performs 500 calls a year where the other towns do much more. Councilor Buck asked what time of the day the maximum number of calls came in. Mr. Sposato answered first shift. They just changed their first shift hours to 6 a.m. to 2 p.m. due to the number of calls they receive in the early morning hours. Without financial help from the Town and being able to bill as much as other ambulance companies, they cannot afford the cost to have all shifts manned. Councilor Thompson questioned the statistics given for this year being the exact same as the previous year and she asked that they look at this. Council President Landolfi stated that before they could start reviewing the paperwork concerning this budget, the Council had put forth a list of ten conditions for the prior fiscal year and not all of those conditions have been satisfied. He felt that this needs to be straightened out first, including receiving a Non-Profit Business Plan and Nepotism Policy. Mr. Sposato indicated that Council President Landolfi had told him to answer the questions in an email and he would get them a partial payment so they could work on the rest of the items but they never received a partial payment after that. Mr. Sposato stated that he didn't complete the request because Council President Landolfi did not do what he said he was going to do. Council President Landolfi indicated that they needed all ten items completed before they could move forward. Councilor Capalbo stated that the Ambulance Corps is consistently late in filing information with the Town and it shouldn't just fall on one person's shoulders, the whole Board should be assisting. Councilor Husband stated that every other organization every year fills out an allocation request and sends it in on time. He asked why this wasn't done by Ashaway Ambulance Corps. Also regarding the nepotism policy, he questioned Mr. Sposato about the Attorney General's position and asked if he had ever received a letter stating the Attorney General's position. Mr. Sposato indicated that they called it an unofficial finding. Councilor Husband stated that he was surprised at this and he thought the Ambulance Corps would have requested something in writing. Mr. Sposato stated that it said anyone who operates like the ambulance corps operates was okay. Councilor Buck asked if that came from the Attorney General and Mr. Sposato stated it did. Mr. Sposato stated that an individual had put in a complaint concerning the Ashaway Fire Department, who was then investigated by the Ethics Commission and State Police by their corporate fraud division, regarding nepotism. Councilor Thompson indicated that was many years ago and things change over the years. Council President Landolfi asked Town Manager McGarry to send Ms. Gentile the condition list and advise her of the items that have been satisfied and which are still outstanding. Mr. Sposato stated that in two weeks there is a meeting scheduled in the Ashaway Fire District and the taxpayers to discuss what they feel the Town Council has done wrong. (Mr. Sposato indicated that Ashaway Ambulance is willing to satisfy the conditions.) Councilor Thompson went through some of the conditions asked of the ambulance corps and stated that if they had any questions or concerns in satisfying any of these conditions they

should meet with the Town Manager and everything should be answered in writing. Mr. Perrin stated that the Council should have sat down with the Ambulance Corps to discuss any issues that came up and not just taken someone else's word for it. Councilor Capalbo asked Mr. Perrin if Councilor Buck and she could meet with Mr. Perrin to go over the list and he indicated that he would like that. Councilor Capalbo took Jodi Perrin and Eric Perrin's phone numbers and indicated that she would call them to set up a meeting.

General Government (continued); Capital Improvement Plan (continued); Debt Service (continued); Warrant Items, Other Departments, Agencies and Budgetary Matters

Council President Landolfi indicated that this was the last budget meeting to discuss the Capital Improvement Plan allocation, mill rate, anything that is left over from prior discussions. He asked Mr. Rosso about the information sent out regarding surplus and the fund balance and to explain how that came about. Mr. Rosso stated that every year when they set the budget they need to figure out the amount of revenue needed in order to meet the expenses; then they decide if that is supplemented by fund balance or tax revenue. Last year it was decided to use \$421,000; however, at the end of the year should they go over budget they can decrease that amount. It is only used if it has to be. Councilor Capalbo asked why they thought they needed to use the \$421,000. Councilor Husband indicated that they always want to hold onto a certain percentage of the budget as surplus, which he believed to be 17%. Councilor Buck stated that it was in order to keep the current bond rate which Mr. Rosso indicated was 17%. Councilor Husband stated that with the two additions they were up to 20%, so there is 3% of the budget that was over what they normally carry. Councilor Capalbo asked how they could use the overage in their capital improvement plan. Council President Landolfi stated that he believed they should use the extra money in a balanced approach; maybe put some back in the fund balance; add a little more in the CIP; perhaps adjust the mill rate. He indicated at this point in time they were looking at an increase of twenty-three cents; however he believed there was enough money to keep the mill rate at a level fund or put more in the CIP, or a combination of both. Council President Landolfi stated that he felt they can accomplish what they want to accomplish with a balanced approach. Councilor Thompson stated that whatever amount they decide to use from the fund balance should be used as a one-time cost, plus they could put money towards the Town Hall consolidation. Councilor Husband stated that he felt it was a good idea to eliminate some of the one-time items and put money back into the fund balance. Councilor Capalbo wished to address the issue of a new police car that had not been allowed in their budget. She felt they should obtain a car this year because next year it might be two or three cars they would need, however, she did not believe it should cost \$40,000. Council President Landolfi did not agree. Mr. Rosso stated that due to the recent snowstorm additional monies had been used

from the winter operations account decreasing the prior balance. He also advised that the twenty-three cent tax rate as discussed equals approximately \$186,000. Councilor Thompson questioned whether the twenty-three cents would disappear if they fully funded the capital improvement plan from the fund balance. Mr. Rosso stated that it is being fully funded. Councilor Capalbo reiterated saying that \$186,000 alleviates the tax increase. At least \$10,000 should go back into the snow budget and \$150,000 toward the Town Hall. Councilor Thompson indicated that she believed that if the cost for the Town Hall project was still \$1,972,000 they would need about \$617,000 to fully fund it, so she would like to contribute more than \$150,000; she was hoping for 50% and actually moving forward with the project this year. Council President Landolfi indicated that they typically set aside \$250,000 and that would be his maximum and Councilor Buck agreed to that amount. Councilor Husband indicated that the Town Manager had mentioned putting additional money in the legal account in case there was need for arbitration and Council President Landolfi suggested that the only union that typically presents this issue is the police. Mr. Rosso indicated there is approximately \$40,000 in that account. Councilor Buck asked should arbitration be necessary, would that cost be higher than \$50,000. Town Manager McGarry indicated that the amount of money that would be needed was already in the operational budget and a restricted account. In the operational budget, litigation and collective bargaining, there was \$55,000. Mr. Rosso indicated that was correct, however, there are legal expenses that are consistent on an annual basis. Councilor Capalbo wished to bring the restricted account up to \$50,000 and then leave the operational budget amount the same. Councilor Thompson felt they cannot add money to a restricted account unless they obtained a vote of approval. Mr. Rosso suggested that they put it in as a warrant item. Councilor Husband stated that if they use \$100,000 as the figure in the budget and if it is not used it would return to the fund balance. Councilor Thompson suggested they could put it in as a warrant and ask the voters to approve this money coming from the fund balance and have this amount restricted. Council President Landolfi asked Mr. Rosso what the category was named in this regard and Mr. Rosso stated “Legal Fees”. He went on to say that this was changed last year to generalize it to cover everything. Council President Landolfi asked why they couldn’t just add to that account and not have a warrant item. Mr. Rosso stated that they could do that. Councilor Thompson indicated that this account needs to be restricted. Councilor Husband said this should be put in a non-restricted account. This was discussed by the Council. Council President Landolfi asked if the Council supported a restricted or non-restricted account and the consensus was restricted. It was discussed that if the money is going into a restricted account it had to be a warrant item. This will have to be determined. Councilor Buck asked the Town Manager who assists in negotiating the union contracts, whether he would rather see this money in a restricted or in the litigation line item. Town Manager McGarry indicated that there were two types of arbitration; there is grievance arbitration

which is very inexpensive and interest arbitration, when a contract cannot be settled. The union takes all of their unresolved issues and the Town takes all of their unresolved issues and they bring it before a panel of three attorneys. This is a very expensive and time consuming process. Only the Police Department has binding arbitration and he believes that if negotiations broke down it probably wouldn't be until the fall and any interest arbitration at the very earliest would be in the spring of 2019. Councilor Buck asked which account the Town Manager would suggest this money be placed in and he felt the legal line item would suffice. It was discussed that \$27,000 was going to be added into the legal line item. The Council wished the tax rate to remain at \$20.07. Councilor Capalbo went over the figures which were \$10,000 for winter operations; \$250,000 for the Town Hall; \$27,000 for the litigation, so \$466,000 is what they are going to take from the surplus. Mr. Rosso reiterated that \$206,000 was the figure to get the tax rate down to zero, plus the \$204,227 that already was budgeted for the CIP, which brings us to \$410,000, and then the other thing we need to add is the winter operations amount of \$10,000 which takes us to \$420,451. Councilor Husband reminded Mr. Rosso of the \$250,000 to be added to the Town Hall account. Mr. Rosso suggested that the new amount was \$670,451 on the fund balance to get the tax rate at zero, which will provide an additional \$246,000 above the minimum fund balance. Mr. Rosso reiterated this as \$250,000 for Town Hall consolidation; \$20,000 was litigation (plus \$27,000 to the operating budget and minus \$7,000 for net \$20,000); \$204,277 for the previous capital improvement budget; then \$186,174 to level fund the tax rate; and, \$10,000 for winter operations, which brings the amount to \$670,451 from the fund balance; which will increase the minimum fund balance of \$246,000 and the mill rate will remain at 20.07. The fund balance is \$4,242,000 and we are going to add \$246,000 to that, so at the end of the fiscal year the fund balance will be \$4,488,780. Councilor Buck questioned the grant to Ashaway Ambulance and stated that there was nothing in the budget for them; however Councilor Capalbo stated that the grant to the Westerly Ambulance of \$25,000 and the additional grant to Hope Valley Ambulance of \$25,000 would become Ashaway Ambulance's when they had met all of the conditions. Councilor Thompson stated that when everything is okay with Ashaway Ambulance, there is still the problem of second and third shifts not being manned and only having coverage on first shift; the funds may have to be split one-third between all three ambulance companies. Councilor Capalbo advised that the Council had given Ashaway Ambulance \$50,000 in the past and they have never had a paid second or third shift crew. Councilor Buck stated that the Town never had to pay Westerly Ambulance or Hope Valley Ambulance to cover calls for Hopkinton in the past because they had an agreement with the Ashaway Ambulance for mutual aid, so they never charged the Town. Hope Valley and Westerly just kept the insurance money that was collected. The Town changed it and asked Westerly Ambulance and Hope Valley Ambulance to provide the Town with coverage as a guarantee so the residents weren't affected

by lack of coverage. It was discussed that if Ashaway Ambulance complies, there would be a need to go back to the original agreements and no need to sign the agreement for the mutual aid stipend. Town Manager McGarry indicated that the new budget does not take effect until July 1st, so there is some time to see how Ashaway Ambulance responds. Councilor Thompson wished the Council to keep in the back of their minds that if things work out with Ashaway Ambulance the Town might want to make some decisions for the future and tell them that they get a certain amount for the day shift but we still have to come up with some help from Westerly Ambulance or Hope Valley Ambulance for other shifts. Council President Landolfi agreed. Councilor Husband asserted that Ashaway Ambulance may not be able to survive on a one-third amount. Councilor Capalbo indicated that possibly still paying Hope Valley Ambulance and Westerly Ambulance \$250 per run out of Ashaway Ambulance's \$50,000 amount might work. Mr. Rosso thereafter asked if the \$10,000 for winter operations would be a warrant item and Councilor Capalbo indicated that it usually was done that way. Town Clerk Cook-Martin questioned if a line item could be added to the Department of Public Works budget and increase the sand and salt line and if there is anything left over it could thereafter be a warrant item to be moved into a restricted account. Mr. Rosso indicated that the problem was where to place it. The winter operations line item covers over time for plows, plus part time plow personnel if needed, as well as salt and sand, so it encompasses anything that comes up for emergency winter operations. The salt and sand account must be used for salt and sand. Town Manager McGarry indicated that they had two accounts in the operating budget: salt and sand and overtime. In the restricted budget we can use it for related winter costs. Town Clerk Cook-Martin indicated that this might have to be a warrant item to restrict \$10,000 to go into that account, there was discussion and everyone agreed. Councilor Thompson suggested an additional item (which she indicated would be an expense and revenue so there would be no increase to the tax rate) that the Council put in a \$25,000 expense in revenue for the energy audit to pursue the landfill for a solar project. If it doesn't work out that the Town will receive the revenue in time then they don't do it. Council President Landolfi asked where they would put that in the budget and Councilor Thompson indicated that it probably would be a new line item. Councilor Capalbo thought it could be added anywhere energy or utilities, probably in the general government. Mr. Rosso stated that there is a restricted account entitled grant matching where there is currently \$17,900, but that balance fluctuates. This is used in processing grants for the Land Trust, Conservation Commission, etc. Councilor Thompson stated that this is not a grant. This is money that they would pay to National Grid for an energy audit. They would tell us how much an energy audit will cost and we have to pay for it and then when the solar project goes out to bid whoever bids on the project will have to reimburse the Town for the energy audit expense. Mr. Rosso indicated that this would be an expense and would need to be placed in the budget that way. Town Clerk Cook-Martin asked what if National Grid performs the

energy audit and finds that the landfill is not feasible for a solar project; how would the Town get that expense back. Councilor Thompson felt that we would know this ahead of time. Mr. Rosso suggested that there was also a restricted account for engineering which had approximately \$18,000 in it. Mr. Rosso stated that if this is truly a wash than it should not even be put in the budget. This could be paid out of the engineering account and then be reimbursed, but if it is an expense then this will not work. Mr. Rosso went on to state that his concern was what if the Town uses this money and then does not get it back; and he also felt that this shouldn't be put in the budget because even if the Town does get the expense back, it will most likely not be in the same fiscal year. Councilor Thompson disagreed with his timeline. She indicated that she would only like to pursue this if it was a wash. Councilor Buck questioned whether the State had a cap on how many solar projects were allowed and it was believed that there was a cap but it had not been reached yet. No decision was made in this regard and it was indicated that this could be pursued at a later date.

The Workshop was closed at 9:00 P.M.

Elizabeth J. Cook-Martin

Town Clerk

Marita D. Breault

Deputy Town Clerk