

State of Rhode Island

County of Washington

In Hopkinton on the seventh day of May 2019 A.D. the said Financial Town Assembly was called to order at 7:30 P.M. in the Town Hall Meeting Room, 1 Town House Road, Hopkinton, RI 02833.

PRESENT: Frank Landolfi, Scott Bill Hirst, Barbara Capalbo, Sylvia Thompson, Sharon Davis; Town Solicitor Kevin McAllister; Town Manager William McGarry; Finance Director Brian Rosso; Town Clerk Elizabeth Cook-Martin; Town Moderator Kraig Stromberg.

There were five individuals from the public in attendance in the audience.

Town Moderator Kraig Stromberg introduced himself and called the meeting to order at 7:30 PM with a moment of silent meditation and salute to the Flag.

Moderator Stromberg introduced the Town Council Members and went on to read the following rules of procedure:

- There will be no votes taken as there are no conflicting warrant items or petition's filed by electors, making the requirements of a quorum unnecessary.
- Sufficient copies of the budget have been prepared for public distribution.
- On May 15, 2019 at 7:00 PM the Town Council will make final revisions to the budget/warrants and adopt the same for placement on the ballot for the all-day Referendum.
- The electors of the Town will vote on the budget at the Financial Referendum scheduled for June 11, 2019 at the Town Hall. Polls will be open from 7:00 AM to 9:00 PM. The vote will be an approval or rejection of the municipal budget for FY 2019/2020 including the most recently approved Chariho budget - there are no warrant items proposed. In addition, the Town Charter requires the publication of an alternate budget comprised of the most recently approved Chariho School budget and the previous year's approved municipal budget and all approved warrant items. There is no ability to approve or reject individual budget line items. The deadline for receiving objections to individual line item(s) was by April 9, 2019 via the filing of a petition signed by 200 of the Town's electors submitted to the Town Clerk. None were received. The Town Clerk clarified that there is one warrant item proposed.

Town Council President Landolfi gave an introduction of the proposed Budget for Fiscal Year 2019-2020. He reported the Town's FY 2019/20 overall budget is

\$26,377,172. This is an increase of \$816,357 or 3.2% from last fiscal year's budget. Education expenses are budgeted at \$19,337,865. This is an increase of \$578,056, or 3.1%, from the last fiscal year's budget. Municipal expenses are budgeted at \$6,686,312. This is an increase of \$339,583 or 5.4% from the last fiscal year's budget. Education revenue from State Aid is budgeted at \$5,150,088. This is a decrease of (\$96,902), or -1.9%, from the last fiscal year's budget. The FY 2019/20 property tax rate is projected to be \$20.87, per thousand, which is increase from the FY 2018/19 property tax rate of \$20.07. This proposed budget incorporates some of the following items of interest: In FY19/20 the Town intends to use \$352,995 of Fund Balance to fund Capital Improvements and keep the property tax rate level from last fiscal year. The budget includes funding for capital projects in the amount of \$352,995. Major projects include funds to raze the 1904 Ashaway School Building, town-wide tree removal, the purchase of two (2) new police cruisers and one (1) mid-size plow for Public Works. He gave a tax math example: FY 2018/19 – A typical home valued at \$300,000, at the current tax rate of \$20.07, per thousand, results in a total tax bill of \$6,021; FY 2019/20 – that same home at the proposed tax rate of \$20.87, per thousand, results in a total tax bill of \$6,261. Education expenses represent 76% of the total FY 2019/20 budget and Municipal expenses represent 24% of the total FY 2019/20 budget. He noted the increase from last fiscal year to the next fiscal year of eighty (\$0.80) cents is directly attributable to state aid to education being decreased by \$96,902.00 and the increase in the Chariho School Budget of \$578,056.00. There are no municipal increases in this eighty (\$0.80) cent increase.

Moderator Stromberg opened discussion on proposed Budget for Fiscal Year 2019-2020 reading through each budget heading on the expense side. There were two questions raised: Grants & Contributions and Capital Transfer.

Under the Grants & Contributions budget on page 50, Councilor Capalbo asked about increasing the Ashaway Ambulance Corp grant by \$2,000.00 to \$52,000.00, to match what the \$52,000.00 the Hope Valley Ambulance Corp is being granted,

as both associations are concerned about their budgets; the State is applying more unfunded mandates and there was a situation with the labor board and they have no control over either of these. Council President Landolfi noted that the Council had just spoken with the Ashaway Ambulance Treasurer about their reporting requirements at last night's Town Council Meeting; reporting was supposed to be sent along last year, but it did not get sent. He suggested perhaps in due time he could consider it, but at this time he was not inclined to support the addition. Council President Landolfi commented that the labor board came down on them because of how they dealt with their volunteer staff; but everyone is on sound footing now as far as the labor board is concerned. He felt it was more about unfunded mandates with drivers having to be certified and the cost of medications continuing to go up; it's a cash flow problem he did not believe \$2,000.00 would solve their problem. He felt this should be more of a global discussion as to where these ambulance corps will be in the future, because in the long term, he doesn't feel these ambulance corps will be around – which is something that merits discussion. Councilor Capalbo supports the addition and would like to address this at the last meeting dealing with the budget.

Linda DiOrio of Woodville Road questioned the Capital Transfer amount. She commented about the amount proposed to be used from fund balance and asked if they are leaving a sufficient cushion in fund balance, as she knew too well the dangers of taking too much out. Council President Landolfi indicated the Town had about two months of expenses in fund balance and he referred to question to Finance Director Brian Rosso. Mr. Rosso responded that the Town always maintains the minimum as recommended by Moody's and the Government Finance Officers Association (GFOA); they give guidance to municipalities on a healthy fund balance; the rule of thumb is two months of operating budget and the fund balance is maintained at that minimum limit this year. He stated funds have been earmarked for use in FY 19 and FY 20; currently the Town has a \$4.9 million fund balance. He noted this year we would be using \$352,995.00 for FY 20 and in the FY 19 we are using \$630,000.00 of it. He further explained it is like a moving target; if the Town comes in under budget or the Town takes in more

revenue, these factors would affect whether they would use the full \$630,000.00 or a lesser amount. He stated he takes a very conservative stand on this because he has seen other communities get into trouble by not paying attention; \$4 million would be the absolute minimum amount he would want to see in fund balance. Councilor Thompson indicated Hopkinton had experienced this as well and learned from it. She reported it had taken ten years to get back to a healthy fund balance. Mr. Rosso commented that with enrollment shifts it is crucial to keep a healthy fund balance because in any given year the Town there can be a big fluctuation as there was this year.

There were no questions raised on the revenue side of the proposed budget.

Moderator Stromberg noted there was one proposed Warrant Item for the June 11, 2019 Budget Referendum Ballot: To authorize the use of \$51,000.00 in the Off-Site Improvements Fees Restricted Account #02-014 to earmark it for the purpose of Town-wide tree removal of potentially dangerous trees. Councilor Thompson explained there are close to 1,000 trees Town-wide that need to come down and the Public Works Department has identified 97 trees designated as emergency trees that need to come down; so that amounts to an estimated 10% of the most dangerous trees will need to come down immediately.

There were no other questions or comments.

ADJOURNMENT

The Moderator declared the Financial Town Assembly adjourned at 7:45 PM.

Elizabeth J. Cook-Martin

Town Clerk