

State of Rhode Island

County of Washington

In Hopkinton on the twelfth day of February 2018 A.D. a budget workshop was held in the Town Hall Meeting Room, 1 Town House Road, Hopkinton, RI 02832 beginning at 6:30 P.M to discuss the proposed FY 18/19 budget.

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

DPW Department/Landfill Budget

Timothy Tefft was present. Mr. Rosso explained medical insurance projections have been included in the budget and have been adjusted as a reduction as a result of the CVS Company becoming involved with The Trust. Early projections had been estimated as an increase of 6% to 8%; the new projection is an increase 3%. In response to questions related to the skills of DPW employees, Mr. McGarry confirmed each position had a job classification. Mr. Tefft expressed concern that in the future the Town may have to send vehicles out for service or hire another mechanic as vehicles get more complicated. As it pertains to Part Time Wages, Mr. Tefft explained this line item helps with snow removal which results in savings in overtime. The line item for part time help has increased because the hourly rate will go from \$17.00/hr. to \$22.00/hr. in order to attract good help; part time help uses town vehicles for snow removal. Mr. Tefft noted part time help is not needed or used during the summer. As it pertains to tree trimming, he confirmed there was so much of this that could be done; his department could do just that six months out of the year. Councilor Capalbo noted the birches at Crandall could use trimming. With regard to town bridges, he reported the State inspects all bridges in town but noted there is a difference between bridges and culverts and the State does not check the culverts in town. Increases in salaries are contractual; eight employees still receive longevity. Overtime levels are storm-related and when a storm strikes on weekends and holidays, it is more costly. Mr. Rosso noted the last holiday storm cost the town roughly \$11,000.00. As it pertains to salt and sand, it is presently a 50/50 mix but he may go to all salt

at some point in the future. There is an existing restricted account for winter operation and the intent is to keep the level at \$25,000.00 or lower; there is no proposal to add to the fund this year. Mr. Rosso anticipated the salt and sand line item will be maxed out this year. Councilor Husband questioned line item #4160 Work Boot Allowance and Mr. Rosso noted that it was by contract; \$175.00 per employee. Council President Landolfi suggested more accuracy with tracking repairs on town equipment and vehicles, which would help with justifying large expenditures when they come up. With regard to Repairs & Maintenance Town-wide, the Council is aware of the necessity of the re-shingling the roof at the Police Department, a CIP project, so it was suggested that inspections be done on the roof at Town Hall and Crandall to determine their condition. With regard to the Motor Fuels budget, Mr. Tefft confirmed outside emergency entities still are paying a surcharge of .05 cents a gallon. The contract with Gingers runs through June 30, 2019, a three year contract which is why the town received a good price per gallon. Landfill expenses are up \$1,000.00 for Westerly Fees and in response to a question whether town residents can participate in Westerly Amnesty Day, the answer was no. Councilor Thompson would like to pursue the possibility of solar at the town landfill which will require adding an amount to the budget to cover a National Grid audit, which would be a reimbursable expense. More information will be necessary as there was some thought that a phase III line would need to be brought in; whether it would be profitable; where other phase III lines might be; if the lines here in town now were capped out; whether the new substation was making the town more attractive, etc.

CIP Project #10 - Includes a one ton pickup with plow to be purchased outright. Quoted price is \$39,386.00. When going out to bid on this item the Town Manager will incorporate extended warranty language into the RFP.

Council requested mileage information for all Public Works and Police vehicles.

Planning Department Budget

James Lamphere was present. Prior to review of his budget, he reported there had been inquiries from a firm he identified as NRG, who were looking at three RFR-

80 zoned sites in town and he had mentioned that the town was interested in having solar at the towns' landfill and they intend to check it out. Councilor Thompson added there was interest at an old landfill off of Townsend Road. The Planning Department budget was reviewed and discussed. No changes were made to the Planning Department budget.

IT/GIS Department Budget

Mr. Rosso addressed this budget in the absence of an IT/GIS Director; as the previous employee has taken another position and an interim individual was currently doing the work. The search for a new IT/GIS Director is pending. Mr. Rosso made a correction to the base rate increasing it to \$44,476.00 for the director salary; he explained he had used the wrong beginning salary; he had used the FY16 beginning rate plus 1% so had corrected it to the FY18 beginning rate plus 1%. He noted the amount placed in the budget for health and dental is based on a single plan, a gamble in the event a family plan was needed but if a family plan was needed he was confident his department budget could handle the additional expense. Councilor Capalbo questioned if the family plan amount was not needed, could the unused funds be used to purchase computers or something along these lines such as placing it in as a CIP project. Mr. Rosso explained the Charter allows the Town Manager to move funds around within a particular department's budget but not between budgets. If there were funds left over, it was possible that it could be reallocated within the budget. The CIP cannot be used for personnel or health expenses; it is restricted only for the items listed in the CIP. Another option would be a warrant item at the end of that fiscal year to restrict the funds for computer purchase. There was no objection to going forward using a single plan for health and dental. Mr. McGarry reported there were offers out to two individuals who had applied and both were single. Council President Landolfi noted an increase in contract services. Mr. Rosso handed out the list of contract service vendors for the department and reported NEGEO is related to GIS work which the former employee had taken care to clear some of the backlog. It was not certain at this point if a new employee would have the GIS training which could take a year. In response to a question as to whether Vision would tie into the Finance Office system, Mr. Rosso reported Great Plains

was working on integrating the Vision data into the system. There are no plans to change the Vision Appraisal system vendor at this point. Councilor Husband asked about the internet security system and Mr. Rosso explained there are new fire walls in place from Cybershore which came with a 2-year warranty.

Building/Zoning Budget

Sherri Desjardin was present. The Building & Zoning Department budget was reviewed and discussed. The increase in Workers Comp line item was noted by Councilor Capalbo. Mr. Rosso explained the workers comp rates are applied to payroll and at year end an audit is done and an audit adjustment is made which would be anywhere from \$3,000.00 to \$5,000.00. In the past he had pro-rated this amount over what was budgeted, as he figured that was the most logical way to do it; this time he forecast it in the budget and it is up by \$1,200.00. He explained this line item is reallocated across all town departments and in most budgets this line item went down with the exception of Building & Zoning, Public Works and Police. The amount has been reallocated and the budget reflects what we are being billed for; it is broken down by employee job description and class; each employee has a rate and this rate is applied to payroll; so after the audit was done, it was found that the DPW and Police overtime was not factored in to the wages, nor were the reserve police included. He noted when he received the adjustment at year end and when he compared with the initial premium; it was determined there had been an oversight by the Town and the Trust because the wages were going to be higher than anticipated for the reserve police and overtime. He has worked with the Trust and now this has been factored in, he has included the reserve pay and the overtime pay, so the premium forecasted should be a lot more accurate and there won't be a big audit adjustment to make at year end. Council President Landolfi confirmed these rates would be higher in the Police and DPW budgets but asked why the rates would be up in the B/Z department when there was no overtime and Mr. Rosso indicated it had to do with the rates for the non-clerical employees in the B/Z department is a lot higher so it involved a re-classification. A lot of the departments had been over-forecast but this department had been under-forecast. Councilor Thompson asked about line items 4000 – PT Certified Building Official, 4001 – PT Building Inspector II, 4010 –

Deputy Building & Zoning and 4020 – PT Building & Zoning Clerk and how the shift in duties had been working out. Mr. McGarry explained when the former official left Mr. McGarry had difficulty in hiring a full time person because the salary was so low and there is a demand for building officials. He explained what was done was a part time clerk was hired which is shown as \$18,784.00; hired a part time Building Inspector II for 10 hours a week shown as \$14,820.00; hired a Certified Building Official who can sign off for 4 hours per week shown as \$10,400.00 and Sherri Desjardin serves as the Deputy Building & Zoning Official shown as \$46,925.00. This situation is working for now until such time as they hire a full time Building & Zoning Official. Councilor Thompson asked if the Town had any issues reviewing the new B2B Gateway office building. Ms. Desjardin explained that with a commercial project of that scale, the State requires them to hire their own architect and inspectors and the Town conducts the final inspection. No changes were made to the Building and Zoning Budget.

Town Clerk/Probate/Elections/BOC/Boards & Commissions Budgets

Town Clerk Elizabeth Cook-Martin is present. Town Clerk Budget: the Deputy Town Clerk Salary line item was questioned as it pertained to the former employee and new employee. Mr. Rosso explained the amount in the budget correctly depicted the salary level from the clerical contract which includes the base rate, health & dental insurance and degree stipend; the degree stipend had not been included in the previous year. The longevity bonus has been replaced by steps in the clerical contract; there are three steps on which the level is met on the third anniversary. An increase in revenues had been factored in to the Town Clerk Budget. No changes were made.

The Probate Budget was reviewed. Councilor Thompson suggested a slight increase of \$200.00 to the Probate Judge Stipend. This proposal did not garner full Council support. An increase in revenues had been factored in to the Probate Budget. No changes were made.

The Board of Canvassers and Elections budgets were reviewed. The Elections budget has increased because of the September Primary and November General Election in the advertising line items and for election wages; newly submitted legislation may change the date of the September Primary to August as well as

legislation that would allow early voting which may require appointing additional poll workers. No changes were made to the Board of Canvassers Budget or the Elections Budget.

Boards & Commissions Budget. Mr. Rosso reported every Board and Commission has been level funded. The Land Trust is listed at zero as they are included in the CIP. The Land Trust will be before the Town Council on February 22, 2018. Councilor Husband asked about the Zoning Board advertising line item. Mr. Rosso noted this was a pass through and reported often there are timing issues where the revenue to offset the expense does not come in until we are into the next fiscal year. No changes were made to the Board & Commissions Budgets.

Town Council Budget

The Town Council Budget was reviewed. In response as to why Workers Comp Insurance is reflected in this budget, Mr. Rosso explained that the councilors are considered employees because the Town Council collect's a stipend. No changes were made to the Town Council Budget.

General Government Budget

The Expense and Revenue pages for General Government were reviewed. Expenses: Contract services line item increased; expenses covered include Patriot Disposal Municipal Waste Removal Service, Terminex Service, Fire Alarm Testing Service and an added a service through Coastline EAP, an employee assistance for confidential personal personnel issues. Councilor Capalbo noted State Aid to Libraries decreased. Mr. Rosso explained that amount comes from the State and there is a revenue line on page 5 which is equal and offsetting. In regards to the Legal Budget and Legal Fees Solicitor line item #5225. Mr. Rosso explained there is a new system in place to pay the Solicitor; that he gets paid for 41 hours of work per month and he receives additional pay for any hours over that amount. In the event he does not work the 41 hours, the town receives a credit for hours under that amount, presently the hours are running over the 41 hours. Mr. Rosso broke the line item down: \$30,000.00 for Attorney Cozzolino for prosecutions; \$12,000.00 for Attorney Asselone as Zoning Solicitor plus a \$1,250.00 for additional monthly meeting; \$105,000.00 to Solicitor McAllister.

Council President Landolfi explained the extra hours are related to Planning, not Council. The Council briefly discussed the necessity of the Solicitor at Town Council and Planning Meetings. The feeling was that it was necessary for Planning, perhaps not for small Council Meeting and not for workshops. Mr. Rosso noted there was roughly \$33,000.00 left in the restricted account for legal fees and he asked if the Council wished to consider adding to this amount. The Council agreed with this suggestion and \$7,000.00 was added to line item #5500 Transfer to Restricted Fund – Legal Fees. A warrant item may be necessary. Mr. McGarry commented on the cost of interest arbitration which could be expected to be anywhere from \$75,000.00 to \$100,000.00. This line item may be reconsidered again.

Revenues: Councilor Capalbo questioned line item #3510 Interest on Investments. Mr. Rosso has been leveraging the money market; whenever the Collector is bringing money in he moves it over and places it in highest yield savings so that whatever we have in-house receives the best interest rates. He feels interest rates will go up. He noted that in allowing the Land Trust to borrow \$1 million that is a good chunk of interest we will not be getting. He noted through December investments had earned about \$4,700.00 in interest and felt that was a good indicator of where we will be next year. Councilor Husband asked if the same reasoning applied to line item #3201 Current Interest & Penalties. Mr. Rosso explained that was because the Tax Collector is holding two tax sales per year so there will be much less in interest and late penalties; that is expected to continue to decrease; he felt line item #3109 Delinquent Taxes was budgeted accurately at \$550,000.00. Councilor Thompson asked about line item #3350 Tower Rent budgeted at \$55,109 and why it fluctuated. Mr. Rosso noted there are multiple contracts and they escalate at different rates over different periods of time.

Capital Improvement Plan

There are nine projects in the CIP. Councilor Thompson addressed the Town Hall Consolidation project. She noted to get to the \$1.972 million goal \$617,509.00 would be needed for the project. She suggested to get started, that we use that

amount or maybe \$500,000.00 to fund or start the project after July 1; to use an amount from the fund balance and pay it off, so in the following year you won't need that amount; it would be a one time expense. She asked Mr. Rosso to explain how we could afford to do that. Mr. Rosso noted in the 16/17 FY that was just audited and closed, the town had budgeted \$420,000.00 out of fund balance that we didn't need plus there was a year-end surplus so there was a very healthy fund balance based on FY 17 to actuals. Mr. Rosso reported the Town ended with a surplus of \$343,000.00; this amount is from the FY 16/17 audit. When he and Mr. McGarry met, their thought process was to fund some CIP projects because we were not supplementing tax revenue; it was a healthy way to fund these projects without impacting taxpayers and at the same time the Council would not be putting themselves in a hole next year. There was a plan to use \$421,538.00 of fund balance in the operating budget that was not used. He noted we budgeted so that we would be within the recommended reserve amount, two months of operating expenses, but based on the actuals, the Town had a very healthy turnaround. The fund balance has \$763,000.00 more than anticipated at year end. He explained that being out of the structural deficit, there was nothing taken from fund balance in the current FY nor in the proposed FY so it would be up to the Town Council to determine if or how to use it, which could be for CIP projects. He stressed that they stay above the reserve amount of two months of operating expenses which is \$4.3 million. Councilor Husband asked if it could be used to soften a tax increase; this suggestion was not favored as this would create a deficit. Councilor Thompson supports using some of fund balance to move forward with the Town Hall Consolidation Project so that the Town Managers Office could be situated in Town Hall instead of at the Crandall House and have fewer employee problems like has happened in the past. Councilor Husband suggested adding an amount to the Legal Fees to build up that fund in the event it is needed. Councilor Capalbo supported considering an addition to the Town Hall Consolidation Fund as nothing was added to it last year. Councilor Husband asked about debt service and suggested some of fund balance could be used to reduce debt service depending on the interest rates on the various loans. Mr. Rosso explained the #5601 and #5602 related to the \$1.5 million loan for Road

Reconstruction, those two line items and the police station loan line items #5390 and #5460, the interest rates are very low at 2.22%. He noted the BAN, line item #5570 is for one year and the interest is minimal on that as well. These are suggestions that can be considered. The other projects in the CIP include an Accounting System Improvement Project for the Finance Office - \$11,250.00 is in reserve for this project in the current FY; Computer Replacement for the GIS/IT Department - \$4,100.00, \$2,000.00 of this amount is to purchase four replacement computers, \$1,500.00 to archive old tax bill information through Vision, and an amount set aside to set up a time and attendance program through Paychex; Town Hall Consolidation Project, -0- budgeted; Land Trust - \$10,000.00 for Land Trust Stewardship, funding source is Real Estate Conveyance Tax; Police Vehicle Replacement - \$68,820.00; Police Station Improvements - \$30,000.00, to finish repairing the police station roof. This has been bid out twice and there are two valid estimates, the cost to repair is high because it is a prevailing wage project and is for a municipal building. Police Equipment upgrade - \$20,287.00, to purchase a new Fingerprint Scanner. Mr. Rosso explained the current scanner was still under warranty but on its last legs and the hope was to make it through the end of the current FY. He noted he did compare the cost of leasing against the cost to purchase and determined there was a savings with outright purchase after factoring in the costs associated with leasing, the town will save over the course of 7 years about \$9,000.00; Public Works Equipment and Vehicles - \$91,756.00, includes second lease payment for Freightliner \$52,370.00 and purchase of 1 Ton Pick-up \$39,386.00. Mr. Rosso noted when they receive quotes for vehicles, the quotes are only good for 30, 60 or 90 days, so costs can vary because of the time frame involved between budgeting and the actual purchase or lease. Councilor Capalbo supported retaining some level of funding in the CIP for DPW and Police to offset future purchases and plan for the future. Crandall Field Improvements, there were two quotes received for the cost to replace and remove the playground. Mr. McGarry reported the RIDEM would be issuing another round of grants the project will be eligible for in 2019. The game plan was to pay for half of it with Town funds and the remaining half with RIDEM grant funding. The Revenue-Capital Budget column was reduced from \$120,000.00 to \$50,000.00 for 2018-

2019. The same \$50,000.00 amount will be added under this column for 2019-2020. \$20,000.00 had been budgeted in the current FY for planning and design. The amount anticipated to replace and move the playground was estimated at \$243,000.00. The Council will discuss this CIP project further with the Recreation Director on February 22, 2018. There are legislative grants that the Recreation Department also receives for Crandall Field; further study is required in order to determine if there are any limitations on these grants as it pertains to using them for this project. Projects listed in the CIP will be discussed further during the related department's upcoming budget session as was done with the DPW Budget during this evenings' workshop.

Other Departments, Agencies and Budgetary Matters

The next budget workshop is scheduled for February 22, 2018.

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

Elizabeth J. Cook-Martin

Town Clerk