

State of Rhode Island

County of Washington

In Hopkinton on the eleventh day of February 2019 A.D. the Town Council held a Budget Workshop that was called to order by Town Council President Frank Landolfi at 6:30 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 Manager William McGarry; Town Clerk Elizabeth Cook-Martin; Finance Director Brian Rosso.

The Budget Workshop opened with a moment of silent meditation and salute to the Flag.

The Workshop was opened to begin budget discussions regarding the proposed FY 19/20 budget. Council President Landolfi provided a statement and review of the proposed budget. He reported that currently the mill rate is expected to increase by approximately 83 cents per thousand and advised that what is concerning to him, as well as the Finance Department, is that they are above the 4% cap by about 1.5%. Finance Director Brian Rosso stated that four of the five union contracts were up for renegotiation and a majority of those contracts were renegotiated with wage increases for year one at 1%; year two 2% and year three 3%, which in turn caused pension contributions and payroll taxes to increase. Also, the State has increased the rates that the Town is obligated to contribute to their employees' pension and healthcare is increasing again. Most of the line items in the budget have been level-funded; however, there are some items that are out of their hands such as contractual obligations, an increase in debt service and this summer the Town will have to bond out Two Million Dollars for the Land Trust Bond which will cost approximately \$170,000. He went on to explain that there are five exemptions to the law about exceeding the 4% cap and the one that they would be facing was called an emergency situation. Mr. Rosso indicated they would apply for this increase and indicate that it is an emergency situation due to the fact that Hopkinton's enrollment in Chariho has increased and there has

been a decrease in State aid. Councilor Hirst advised that what concerned him is the regionalized school district has been in place for about sixty years and the cap was implemented after the regionalized school district was established. Councilor Capalbo indicated that Hopkinton's problem is there is no tax base; it is not just the school.

LAND TRUST BUDGET

Present: Land Trust Board of Trustees Chair Marilyn Grant, Sarah Windsor, Carol Baker, Mary Gibbons. Also present: Tom Thompson, Harvey Buford, John Pennypacker. A handout was provided which was prepared by Marilyn Grant which consisted of an overview of their stewardship responsibilities and an expense sheet. It was indicated that the Capital Improvement Plan contained the Hopkinton Land Trust Post-Purchased Costs identified as Project #LT1 which was funded at \$10,000.00. Ms. Grant indicated that this account was set up in 2015 with a cap of \$15,000.00; the following year the cap was lowered to \$10,000.00. She had prepared a spreadsheet and stated that their average operational costs per year were between \$35,000 and \$40,000 and the trail grants they used to receive had been discontinued. The Land Trust was requesting \$15,000.00. Councilor Thompson stated that they could asterisk this and readdress the issue after the budget workshops were completed. Council President Landolfi advised that the school budget process didn't turn out so well in that they were not flexible. He noted that he had called into question four large variances in that budget and they were ignored; for instance there were four large budget items: compensation, healthcare, transportation and there was another small one in which they underspent in those four categories last year by a total of \$1.8 Million; however, in this budget they added \$1.3 Million to those four items. The school budget really is impactful to the Town. Hopkinton had an increase of 21 children in Chariho and Charlestown is down 61 children. Councilor Capalbo indicated that she was open to the Land Trust's request for \$15,000.00; however, felt that they could not put that in the budget at this time. She noted that she would like to see more money spent on property and less spent on operating costs and noted that the \$10,000.00 received from the fund balance was not included in the spreadsheet as revenue. Sarah Windsor indicated that in the beginning the

Land Trust had no operating expenses, except maybe a package of copy paper and one Land Trust alliance event. They are very frugal and stretch their funds as much as possible; however, they need to be supported by the Town. Councilor Thompson questioned administration fees and Ms. Windsor explained that they hired someone part time and this was her salary and if they did not obtain an additional contribution from the Town the Land Trust would be broke. Council President Landolfi advised that the Land Trust had three accounts: a Citizens account with \$25,000; a Webster Bank account with \$131,000 and the stewardship account with \$6,800, so they had approximately \$163,000. Ms. Windsor advised that all of that money was already allocated and the Citizens account was for their operating budget and at the end of this fiscal year it will be brought down to \$14,000 which was not enough. Carol Baker indicated that the budget does not show the money they have spent on order to buy properties. They are a municipal land trust and they have more properties per capita per area than the South Kingstown Land Trust that has five full time paid staff members. Chris Anderson has organized their Land Trust paperwork and that was the reason that they are so organized and efficient. It may look like they have a lot of money in the bank but it is all spent on projects. Council President Landolfi stated that the Town is currently paying \$76,000 in debt service and in the summer it would have to add \$170,000 to that figure, so they will be paying almost a quarter of a million dollars in debt services a year which is also going to impact the budget going forward. Councilor Capalbo felt it was crucial that they find some money for the Land Trust. Ms. Grant felt that raising the percentage they received from the real estate transfer tax wouldn't affect the bottom line of the budget. She felt it would only affect the Town Clerk's budget. There was disagreement on this as the Town Clerk revenue is factored into the overall budget. It was indicated that this would affect the Town Clerk's budget. Ms. Grant also stated that the money they received from the real estate transfer tax went into an account that Finance Director Rosso had established which was restricted. She requested that this money be put into their Citizens account so they would be able to spend it on whatever is needed and not just for stewardship. The stewardship account specifically states that this money cannot be used towards legal fees and since

they can no longer use the Town's lawyers, they have to pay for them. Harvey Buford of the Conservation Commission indicated that they have a line item in their budget as well and it is true that they can only use this money for certain things such as signs, trail maps, or anything that fits into that category. Friends of the Land Trust are partnering up with them to attempt to pay for some additional signs and other items needed. Council President Landolfi indicated that they would have to speak with Mr. Rosso regarding this being stewardship money and they would have to see how things unfold in that regard. Councilor Capalbo stated that if they were asking for an additional \$5,000 or a cap on the real estate transfer tax of \$15,000 from the \$10,000 they currently receive which would equate to \$20.84 from \$20.83. Ms. Baker asked at what point in the budget process were these decisions made and Council President Landolfi answered that at the end of each meeting Mr. Rosso usually reviewed what was subtracted or added so the Council was kept current. Councilor Thompson stated that March 11, 2019 was the fourth budget meeting when all of the nonprofit organizations are scheduled to come in and that is when a decision could possibly occur as to whether they will increase the amount the Land Trust receives. Councilor Hirst indicated that the bottom line was the Financial Town Assembly was held on the first Tuesday in May and after that meeting the Town Council decides on a budget to present to the voters in June.

PLANNING DEPARTMENT BUDGET

Town Planner James Lamphere was present. The Planning Department Budget was reviewed. No changes were made to this budget.

BUILDING/ZONING DEPARTMENT BUDGET

Deputy Zoning Official Sherri Desjardins and Building/Zoning Official David Rodio were present. The Building & Zoning Department Budget was reviewed. No changes were made to this budget.

TOWN CLERK/PROBATE COURT/ELECTIONS/CANVASSERS/BOARDS & COMMISSIONS

Town Clerk Elizabeth Cook-Martin was present.

TOWN CLERK

The Town Clerk Department Budget was reviewed. Leased Equipment line item #5200-1000 was reduced to \$800.00; Operating Supplies line item #5390-1000

was reduced to \$2,700.00; Supplies– Dog Licenses was reduced to \$350.00. No other changes were made to this budget.

PROBATE COURT

The Probate Court Department Budget was reviewed. No changes were made to this budget.

BOARD OF CANVASSERS

The Board of Canvassers Department Budget was reviewed. Canvassers Wages line item #4043-1200 was reduced to \$300.00. No other changes were made to this budget.

ELECTIONS

The Elections Department Budget was reviewed. Supplies line item #5390-1300 was reduced to \$500.00. No other changes were made to this budget.

BOARDS & COMMISSIONS:

ZONING BOARD OF REVIEW

This budget was reviewed. Clerk Stipend Line item #4040-301 was reduced to \$2,000.00 as the board's meeting schedule has regulated now that a complicated matter before them concluded; Contract Services line item #5060-301 was reduced to \$1.00 and the matching revenue Contract Services line item #3415-301 was reduced to \$1.00 as this is a pass through.

PLANNING BOARD

Present: Town Planner James Lamphere. This budget was reviewed. The Council questioned whether the Contract Services Line item #5060-311 was a pass through and it was determined to be a different set up. No changes were made to this budget.

CONSERVATION COMMISSION

Present: Conservation Commission Chair Harvey Buford. This budget was reviewed. No changes were made; this budget is level funded.

JUVENILE HEARING BOARD

This budget was reviewed. Nothing has been spent over the course of several years. Supplies & Operation line item #5390-312 was zeroed out. Further discussion will be held with the Chief of Police to confirm whether it was

necessary to fund the JHB. If supplies and/or copying are necessary, it can come from the Town Clerk's budget.

HISTORIC DISTRICT COMMISSION

This budget was reviewed. No changes were made; this budget is level funded.

TOWN COUNCIL BUDGET

This budget was reviewed. Councilor Davis suggested bringing Town Council Contingency line item #5065-001 down to \$1,500.00. This was not supported as this was the only emergency fund the Town Council had available to them. Mr. Rosso gave an example of the need to purchase new microphones; a matter that will need to have Town Council approval for their purchase on an upcoming agenda. Thomas Buck suggested considering an increase to Town Council Stipends next year as it can only be done prior to an election year for the next sitting Council.

GENERAL GOVERNMENT BUDGET

Councilor Davis questioned State aid to libraries and it was indicated that this was a pass-through and this needed to be in there because it is driven by the Governor's budget. Councilor Davis asked Mr. Rosso to explain the line item for street lights. He explained that the Town recently purchased their street lights for \$72,000 a year and installed LED lights. They took out a loan to do this so there is a small loan in debt services which they are paying and they also received two grants. The bottom line is the Town saved \$30,000; however, now National Grid does not do the maintenance on the lights and they had to hire a company named Prism to do maintenance whose fee is roughly \$9,400 per year and they also had to increase the Town's liability policy to \$5,000,000. Councilor Thompson questioned line 5356, which Mr. Rosso stated was a flat fee for the maintenance of the street lights. He believed that when the contract was negotiated for the maintenance of the street lights there was a caveat for them setting aside a certain contingency amount in case of a catastrophic incident. Councilor Thompson questioned the amount and stated that everything was now brand new and shouldn't need any maintenance. She asked Mr. Rosso to review the contract. Councilor Capalbo indicated that her concern about this company was that they had no high voltage electrician on staff. She thought that after the contract

expired they should look into other companies. Regarding the line item for legal fees, Mr. Rosso advised that he had performed an analysis of monies spent and the current projection is lower than what has been paid this year, probably due to solar projects and meetings. Councilor Capalbo stated that last year they put money in a restricted account to be used for litigation/collective bargaining and Mr. Rosso indicated there was presently \$73,000 in that restricted account and it will be used for legal services. Councilor Capalbo questioned whether line item 5226 litigation/collective bargaining at \$60,000 would be adequate; Mr. Rosso indicated that he had decreased this based on what was in the restricted account but he does believe they the Town will exceed that amount and advised that he had planned on transferring some funds from that restricted account. Councilor Capalbo asked that they look at this again at the end of the workshop meetings. Councilor Davis asked about the line item for rent and it was indicated that this was for the Thayer House and the cell tower. Councilor Thompson asked about looking into increases in those rental amounts and Mr. Rosso advised that he has started looking into these contracts which are very old. He didn't feel there was much they could do with them.

CAPITAL IMPROVEMENT PROGRAM (CIP)

One item from the CIP was discussed with the Land Trust. Other projects in the CIP will be discussed with the appropriate departments during budget workshops as they are scheduled. Project #GG2 involving the 1904 Building will be renamed 1904 Building Salvage & Demolition.

WARRANT ITEMS/OTHER DEPARTMENTS, AGENCIES AND BUDGETARY MATTERS

The Council may want to consider adding a warrant item for the budget ballot as it pertains to estimated costs involved to remove the 1000 dead trees. A second budget workshop is scheduled for February 25, 2019. Mr. Rosso will provide an update to the Council as it pertains to changes made this evening.

The workshop was closed at 8:30 PM.

Elizabeth J. Cook-Martin

Town Clerk

Marita D. Breault

Deputy Town Clerk