

State of Rhode Island

County of Washington

In Hopkinton on the sixth day of February 2020 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 20/21 budget.

PRESENT: Frank Landolfi, Scott Bill Hirst, Barbara Capalbo, Sylvia Thompson, Sharon Davis; Town Manager William McGarry; Town Clerk Elizabeth Cook-Martin.
Also present: Finance Director Brian Rosso.

Finance Director Brian Rosso explained that in this fiscal year there has been a revaluation of properties in town which has resulted in a large increase in assessed values of real property of approximately 18% which will provide additional revenue for the town; however, because of the 4% cap, they will have to decrease the mill rate to approximately 18.83% in order to cover the budget. He indicated that he had adjusted the motor vehicle tax due to the phase-out program which will be a decrease in revenue; however, this is being supplemented by state aid revenue. The budget is currently \$500,000 over the 4% cap and he is hoping the school district will make up that difference by cutting their budget. Councilor Thompson believed that when residents saw the mill rate going from \$20.68 to \$18.83, they will assume that their taxes will be decreasing. Mr. Rosso explained that due to the assessment increase, if the mill rate was left the same there would be a tremendous increase in taxes and that is why they have to decrease the mill rate. There will still be an increase in taxes. Mr. Rosso also suggested that as of now, the increase in the school budget is \$1,200,000 and the increase in the tax levy is currently \$1,200,000 as well. There was discussion about the previous year's budget being rejected and it was noted that if this year's budget was rejected they would be using a budget from three years ago. Mr. Rosso advised that the town still has to pay their contractual obligations even if the budget is rejected. Councilor Hirst felt that Chariho's budget had to be defeated and they needed to get Richmond to concur with that belief. Councilor Davis asked where the solar project revenue would be listed in the budget. Mr. Rosso responded that the permitting fees will be in the Building and Zoning revenue and an increase in taxes from assessments will show up under real estate values and in the taxes being paid. Councilor Davis asked about line 4010, Full Time Wages, and if that amount was contractual and Mr. Rosso indicated that all salary increases were contractual. Councilor Davis also questioned line 4130 Pensions, and asked if there would be more retirees. Mr. Rosso indicated no, noting that the state

provides them with a rate every year and the rate went up for all town employees from 3.46 to 3.73; as well as the police pensions.

PUBLIC WORKS DEPARTMENT/LANDFILL

Public Works Director Timothy Tefft and Foreman David Caswell were present. Mr. Rosso indicated that there will be a few changes made to this department's budget, one being that the new employee will not be receiving health insurance; she will be getting a buy-back. Councilor Davis questioned line 4170, Work Uniforms/Cleaning, and asked if they had gone out to bid. Public Works Director Tim Tefft responded that they had gone out to bid and only one response had been received. He explained that he had contacted four or five different uniform companies trying to get them to submit a bid but only one company responded. Mr. Rosso indicated that there would be a decrease in the health insurance cost but the buy-back line would increase. He estimated line 4110 will be reduced to \$186,465; line 4111 will be reduced to \$38,882; and line 4120 will be \$7,000. Councilor Capalbo asked about maintenance supplies, line 5370, and if it could be reduced because they have never spent the entire amount. Mr. Tefft felt that it could be slightly reduced. It was agreed to reduce that line by \$1,000, down to \$8,000. Council President Landolfi asked why the electricity line had increased and Mr. Rosso advised that this was more of a reallocation. Councilor Hirst asked about the line 4040, Tree Warden, and his duties. Mr. Tefft responded that most of the trees that have been taken down are dead but if they have a question or if a resident has a question then they will bring in a licensed arborist. Councilor Davis asked why diesel fuel was estimated less by \$5,000 and why gasoline was also estimated less. Mr. Rosso indicated that some of the newer trucks are using less fuel. Mr. Tefft advised that the new truck they were getting used gas and he felt that the gasoline line item should be higher. Mr. Tefft said the newer trucks are less efficient than the older models. Councilor Capalbo questioned the Westerly landfill line item and asked if they were continually going to be increasing their fees and Town Manager McGarry noted that this was contractual. Regarding the Capital Improvement Plan, Council President Landolfi noted there was \$85,606 listed. Mr. Rosso explained that this was a combination of a three year lease for a truck purchased this year and the second payment for a truck from last year. The CIP has been cut drastically.

TOWN PLANNER

Town Planner James Lamphere was present. Council President Landolfi and Councilor Davis questioned Mr. Lamphere about the jump in his revenue and it was noted that this was due to development plan review applications and solar revenue. Councilor Davis wondered if the solar revenue could be listed separately in the budget so people could see exactly how it benefited the Town. Councilor Thompson believed the best approach would be to list all revenue for solar in a separate spreadsheet and have it as a handout when they present their proposed budget to the residents. Councilor Davis wanted the Finance Director to add another line under revenue specifically for solar. Councilor Capalbo agreed

with Councilor Thompson that this should be a totally separate page. Councilor Hirst agreed with Councilor Davis and wished them to add an asterisk and a note of what the anticipated revenue from solar was expected to be. Councilor Davis did not feel an asterisk was good enough and she wanted to see it as a line item. Council President Landolfi felt that they already have a spreadsheet that dictates all of the solar revenue.

BUILDING & ZONING

Deputy Zoning Official Sherri Desjardins was present. Councilor Davis asked if the Building and Zoning budget took into account the shared building official with the Town of Richmond and Mr. Rosso indicated it did. Council President Landolfi asked if there were any applicants for that position and Town Manager McGarry indicated they had two applicants. Councilor Capalbo questioned line 4105, life insurance, and asked why it had decreased in the past and was now increasing. Mr. Rosso advised that this was because of the anticipated hiring of a building official. Councilor Davis questioned revenues and asked if that was where their solar revenue was listed. Mr. Rosso indicated yes and advised that they were going to be increasing that number. Councilor Davis expressed her desire again to see a separate line item for the solar revenue. Mr. Rosso also advised that this budget included an increase in hours for the part-time employee from 29 hours to 32 hours. Councilor Capalbo questioned whether she would be receiving health insurance and Mr. Rosso indicated yes and advised that she would be receiving a family plan.

BOARDS AND COMMISSIONS

Harvey Buford was present from the Conservation Commission. It was noted that there was an increase in his budget of \$1,000. Mr. Buford indicated that he did not make that request this year; he believed it was in the budget for the prior year and that might be why it was showing up now. Councilor Davis asked Mr. Buford if he could live with less and he indicated he could and he felt that the \$3,500 should be sufficient. Council President Landolfi felt maybe they could increase this budget by \$500. Councilor Thompson advised that Mr. Buford indicated that they were okay with \$3,500 so that was what it should remain at.

All of the other Boards and Commissions budgets were acceptable.

TOWN CLERK/PROBATE/BOARD OF CANVASSERS & ELECTIONS

Town Clerk Cook-Martin was present. She noted that there was an increase in the elections' portion of the budget due to the upcoming presidential preference primary and presidential election. Councilor Hirst questioned the status of the town's records preservation and Ms. Cook-Martin noted that the records are always being monitored and maintained. Councilor Capalbo asked why there was an increase in revenue and Ms. Cook-Martin indicated an increase in real estate sales this year, so there was an increase in tax stamp revenue; and also, in order to obtain a real ID license, people are required to bring with them certified copies of their vital records.

TOWN COUNCIL

Councilor Hirst felt that the Town Council deserved a raise and it was noted that they could not give themselves a raise; it would be for the next Council. Council President Landolfi agreed. Mr. Rosso advised that he had a spreadsheet of the increases in stipends and he would let them know when the last increase had occurred. Mr. Rosso indicated that the Department of Revenue produces a report with every municipality in the State and he would check that. Councilor Davis questioned line 5065, Town Contingency, suggesting that she would like there to be transparency on how this money can be spent; she didn't feel that just one person should be able to make the decision. She believed that any money that the Town Council was spending should be voted on. All Councilors agreed.

GENERAL GOVERNMENT

Councilor Davis asked why line 5060, contract services, had increased by \$3,200. Mr. Rosso explained that they added in the cost for Coastline EAP which came out of contract services for the Police Department and was moved into General Government. Coastline EAP was support for employees for mental issues or problems at home and was something that was really needed from an HR perspective. There was also an increase in trash pick-up cost which fell under contract services. Councilor Davis questioned the increase in line 5180, property and casualty insurance and Mr. Rosso explained that when they purchased the streetlights they had to increase the town's liability coverage to \$5,000,000 and the insurance company was projecting an increase in the rate. Mr. Rosso indicated that legal fees for the solicitor will need to be increased. Councilor Davis asked if they went out to bid for a solicitor and Mr. McGarry explained that when the Council is looking to hire a legal advisor the Council will advertise and then interview. It was also noted that there are three solicitors. Mr. Rosso explained that there was a restricted account for legal fees which last year had \$72,000 in it; but as of this date, that account has a negative balance of \$6,000. They will need to fund that restricted account this year, for contract negotiations, grievances and ongoing litigation. Mr. Rosso wished to propose a warrant item to restrict unspent funds such as salt and sand, overtime and building and zoning, whatever we do not spend this year, be transferred over to that legal fees restricted account. Councilor Thompson asked Mr. Rosso to put that all down on paper for them so they could get a better understanding of what is going on and what they can do differently. Councilor Thompson asked what happens when they exceed a line item; how do they reconcile that? Mr. Rosso stated that there was a summary page and he had all of the back-up paperwork; he advised that they could overspend a line item because they have contractual obligations and they have to pay people. Mr. Rosso went on to state that they can freeze budget items if they thought they were going to go into a deficit. If the budget gets rejected, people think we are going to spend less, but the town is going to spend more, whether it is in the budget or not because of the town's contractual obligations. This creates a deficit. Councilor Davis felt the town should do anything they could to convince people to vote against the Chariho budget. Regarding the General

Government revenue, Councilor Davis asked Mr. Rosso to explain what the impact fee transfer was. Mr. Rosso explained that this was a fee that was taken in by Building and Zoning for construction which went into a restricted account. Every few years we have to spend that money or it would have to be returned. Councilor Thompson felt that the impact fees should be increased and Mr. Rosso advised that this was something that they were looking into and he was doing the financial research concerning this.

CAPITAL IMPROVEMENT PLAN

Mr. Rosso indicated that there were three items in the capital improvement plan this year, the first being computers. It has been a very long time since we have upgraded technology. Also included are the lease payments for two police vehicles and the lease payment for the dump truck/plow.

The Workshop was closed at 8:05 P.M.

Elizabeth J. Cook-Martin

Town Clerk

Marita D. Breault

Deputy Town Clerk