

State of Rhode Island

County of Washington

In Hopkinton on the eleventh day of February 2021 A.D. the said remote budget workshop was called to order by Town Council President Stephen Moffitt, Jr. at 6:00 P.M. in the Town Hall Meeting Room, 1 Town House Road, Hopkinton, RI 02833.

PRESENT: Stephen Moffitt, Jr., Scott Bill Hirst and Michael Geary were present in the Meeting Room at the Town Hall; Sharon Davis, Robert Marvel; Acting Town Manager/Finance Director Brian Rosso; Town Clerk Elizabeth Cook-Martin attended remotely.

The budget workshop was called to order with a moment of silent meditation and a salute to the Flag.

The Workshop was held to begin budget discussions re: proposed FY 21/22 budget. Mr. Rosso gave a budget review/overview and indicated that this is going to be a particularly challenging year for the Town Council to evaluate the Operating Budget for several reasons.

1. COVID-19- FY20 was a unique year in many ways. From a budgeting standpoint, I implemented a spending freeze in February 2020. I did this because it became apparent that the projected FY21 revenue (tax collections, recreation revenue, etc.) would fall short of what was budgeted. This creates a challenge for you guys because historically, the Town Council would look at the previous year's spending and determine if the line item should be increased or decreased. I should add that this is not a good budget practice to follow because it punished Department Heads for not spending their entire Budget, which is a good thing. We want to encourage our Department Heads only to spend funds when needed and not force them into using budget dollars, so they don't get them taken away the following year.
2. FY20 Alternate Budget- In FY20, voters rejected the Town Budget, which by Town Charter reverts back to the previous year's Budget. This means that the FY20 Budget is actually the FY19 Budget. This will make the FY20 Budget-to-Actual analysis look strange. The actuals were higher than the Budget in many cases due to contractual obligations, changes by the State and Town.

A couple of other things that are worth mentioning are the impact of COVID-19 on FY21. The Town is still experiencing shortfalls in revenue town-wide, and it is expected to have a significant deficit in FY21. It is still too early to determine how much of a deficit, but I estimate around \$400K on the conservative side. The last item that is important to discuss is the Town's union contracts. All five

bargaining units are up for new contracts in FY22, which means we don't know what wages will be in the upcoming year.

Department of Public Works/Landfill

Public Works Director David Caswell arrived after discussion began. Mr. Rosso noted that the Department of Public Works union contract was due for renewal in FY21 but they agreed to put this off until FY22. He advised that he had factored in a 1% wage increase for them; however, noted that on average the increase was 2%. Councilor Davis asked about tree trimming and if the money noted in the budget was in addition to the money that had previously been set aside. Mr. Rosso stated that was correct; there was money in a restricted account for removal of dead trees. He explained that they had prepared an RFP for the high risk trees, hired a company to cut those trees, and that contract has recently been completed. They contracted for this work to be done in the winter which saved the town money and there are still some funds in that restricted account for future tree trimming. Mr. Rosso noted that the tree trimming line item in General Road and Maintenance was the tree warden, Scott Ahern's stipend. He noted that Mr. Ahern does not accept this payment but asks that it be donated to the Recreation Department. Councilor Geary indicated that he had received an email from a resident advising him that someone had trimmed the trees but left the debris on her property. He asked what the rule was in that regard and who was responsible to clean up the mess and take the wood away. Mr. Rosso advised that when Mr. Caswell signed on he would have him answer that question. Mr. Rosso discussed the salt and sand line item noting that there was a restricted account, Emergency Winter Operations, which covered salt, sand and overtime. They have decreased that line item from years passed and funded a restricted account with the logic that instead of putting the money in year after year, they would reduce the operating expense and put money aside in a restricted account so if there was an overage, they could transfer that money out of the restricted account to cover those expenses. This year Public Works was using their salt and sand pretty quickly so there are going to be some big expenses in that regard. Councilor Hirst asked if there was a need to have a separate line item with regard to any significant tree removal and Mr. Rosso felt they were in good shape for they have a restricted

account which still has approximately \$30,000 left in it. Councilor Marvel asked about the line item called *Transfer to winter operations fund* and Mr. Rosso explained that for a few years in a row they had transferred \$10,000 into the restricted account. Mr. Rosso noted that the *Repair and Maintenance town-wide* line item covers an array of projects that do not rise to the level of a capital improvement. This year there were three items that were brought up by department heads which need to be addressed; instead of putting a CIP together for \$6,000 to \$10,000, he spoke with Mr. Caswell and they believe that with the remaining budget for this year and with the slight increase requested for next year, they would be able to complete those projects. The projects include the well for Public Works and Animal Control; the Thayer House rugs need to be replaced due to poor air quality which is believed to be stemming from the rugs; and, a shed for Animal Control. Regarding *Vehicle Maintenance*, Councilor Geary believed that Public Works was one of the last departments to get any kind of updated equipment. He noted that after he was sworn in, he took a tour of the town buildings and saw that some of the equipment at DPW was aged and past its life expectancy; they had vehicles from the 1970s. He felt that somewhere down the road he would like to see DPW received additional funds in order to replace some of those vehicles with something newer and felt there may be grants to assist with the cost. Mr. Rosso agreed that a lot of their equipment is old and they have been trying to address that issue the last few years. Mr. Caswell arrived at the Town Hall and Councilor Geary told him that National Grid had cut down some trees and left the wood partially on someone's property. He wished to know who was responsible to take the wood away, National Grid, the homeowner or the town. Mr. Caswell responded that typically it was National Grid and when they contract their services out, it is up to their vendor to remove the wood. The town's contract with their vendor specifically stated that the town would remove any wood larger than 12" and they have been doing that when time permits. Councilor Davis asked Mr. Caswell, since there was approximately \$30,000 remaining in the restricted account for tree cutting, if anyone was going to go out and look at the next level of trees that need to be cut and make a list. Mr. Caswell indicated that they have started that process and he has discussed that with Mr.

Rosso. At a suitable time Mr. Caswell indicated he would provide Mr. Rosso with a list of trees that they next wish to target. Mr. Rosso explained that the town has a landfill expense contract with Westerly which is set to expire at the end of this fiscal year; this contract allows our residents to use the Westerly dump. This contract usually increases approximately \$1,000 a year so he has budgeted for this increase; however, he won't know for sure until contract discussions ensue.

Joseph Moreau of Old Depot Road wished to thank Mr. Caswell and the DPW staff for the job that they have done during the snowstorms. Mr. Moreau also noted that DPW was down two employees who were out on worker's compensation which has made things even more difficult for them. One worker had indicated to Mr. Moreau that during the last storm he had put over 300 miles on his truck. Mr. Moreau also noted that the town's brush cutter was also in bad shape and should be replaced. He thanked Mr. Rosso for his ongoing work with the budget.

Councilor Hirst noted that the two departments with the largest budgets were the police department and public works and usually it was the public works department that got decreased in order to keep taxes down.

Town Clerk/Probate Court/Elections/Canvassers/Boards & Commissions

Town Clerk Elizabeth Cook-Martin was present. Mr. Rosso noted that he had projected a town wide increase in health insurance of 6% and a 3% increase for dental insurance. He noted that the Trust negotiated these rates and they projected these increases. In March he would receive the actual increase and he would put those numbers in the budget. Councilor Marvel asked Mr. Rosso to explain the three items under buy-back which were insurance, co-share and buy-back and Mr. Rosso noted that the health and dental insurance line was the cost to the town for the total health insurance; in the union contracts they have co-shares and currently in this particular union the town pays 78% and the employee pays 22%; and buy-back is if the employee doesn't need insurance the town will give them a stipend of \$3,500; this is an incentive to take coverage elsewhere if it is suitable for them. Councilor Hirst asked how much of the advertising line item was for reimbursable costs and Mrs. Cook-Martin indicated that advertising for voting matters was not

reimbursable. Zoning advertisements were reimbursable and she had received all reimbursements except for one application that had been denied. Also she had advertised in the help wanted section of the Westerly Sun, Chariho Times and Providence Journal, which was triple the cost. Councilor Marvel asked if they ever advertised online for open positions, which was acknowledged noting they have advertised with monster and zip recruiter. Regarding elections, Mrs. Cook-Martin noted that she was able to reduce this line item somewhat because there was not expected to be the same number of elections held next year. Councilor Davis noted that the Chariho School Committee voted to go forward with investigating tearing down all four schools and building one new one and this will have to go to the public for a vote. Mrs. Cook-Martin advised that Chariho usually tried to target a regular election cycle for the best coverage, but they could ask for a special referendum. She noted that Hopkinton was reimbursed \$1,500.00 from Chariho for holding the school budget referendum. Mrs. Cook-Martin also mentioned that every ten years there was a census and potentially we could have population shifts. Ten years ago we had a population shift that pushed a section of our voter population into a special precinct 1403, which is covered by a different state representative. They had to shift the populations around and come up with a place to hold an election for that precinct. The 2020 census has been completed and in March there will be a zoom meeting with election officials and state agency mapping people to find out if there will be any changes. If there are changes this will be an expense that may need to be included in this budget. Councilor Hirst noted that the elementary schools are owned by the towns and rented to Chariho and Chariho is legally responsible to maintain those buildings. Councilor Geary asked Mr. Rosso what the town currently paid for the 1904 school building and Mr. Rosso indicated that the only expense they have for that building was the electricity. A few years ago they were required to put a smoke/CO system in that building, even though they were going to tear it down, which cost the town approximately \$14,000 and now they pay approximately \$600 to \$700 a year for electricity.

Regarding Boards and Commissions, Mrs. Cook-Martin reported that she had reached out to the Boards and Commissions and only heard back from Mr. Buford

of the Conservation Commission. All other Boards and Commissions have been level funded and there has been no increase or decrease. Councilor Hirst noted that in the future they may wish to allocate some money for the Committee on Aging which he would like to re-activate.

Joe Moreau of Old Depot Road asked what the consulting fee of \$3,000 in the Conservation Commission's budget was for. Mr. Rosso noted that this generally covered all of their expenses. Councilor Marvel noted that the Juvenile Hearing Board did not have any money in the budget for the previous year and he felt that was because it had been inactive. Councilor Marvel wished to consider adding something back in there and Mrs. Cook-Martin advised that she would contact the Chief to see if there is any expense necessary. She noted that the only thing they used to do was an annual summation report but they have not had an active meeting for a couple of years because any recent juvenile offenses have not been able to be handled locally. Mr. Rosso noted that he would make a note and they could review this again at a later time.

Town Council

Regarding stipends, Councilor Davis noted that the Town Council has not had a raise in eleven or twelve years but thought that it would be frowned upon if they voted for an increase knowing that it would benefit them. Councilor Hirst did feel that there should be an increase for at times it was hard to find enough people interested in running for Council. Mrs. Cook-Martin noted that there would be another opportunity and more time to address this issue and the Council should also review what similar-sized towns pay. Mr. Rosso noted that he had a document from last year regarding this issue that he would provide to the Councilors in their packet and they could address this at the last workshop meeting. Council President Moffitt asked Mr. Rosso to explain the contingency. Mr. Rosso noted that this was really a catch all for certain things that come up and is for their discretion. He noted that if they wished to increase their stipend without affecting the taxpayers, they possibly could allocate some of that contingency money to the stipend line. Councilor Hirst indicated that the contingency account was for unexpected expenses and the amount in that fund was not very much. He felt this should not be used to increase Town Council

wages and the Council should use good judgment when spending this money. Councilor Davis asked Mr. Rosso if the \$4,000 had been spent in the prior year and he indicated that it was. Mrs. Cook-Martin explained that in the previous year the Council had spent approximately \$2,000 to install the air conditioner in the meeting room. Councilor Marvel asked where the town contingency money went if it was not spent and Mr. Rosso indicated that as a whole if a budget line item is not spent it would go into the general fund. He also noted that the only time unspent funds would go into a restricted account is if they did a warrant item. Joe Moreau of Old Depot Road indicated that he supported an increase for Town Council members for he does believe that they are underpaid for the amount of work that they have been doing, which he appreciated; however, he noted that in his new position he as Public Welfare Director he has been dealing with three residents who are struggling to put food on their table and obtain heating assistance and he did not feel that during this Covid time the Council should be looking to increase their pay. Mr. Moreau also believed the Council had spent some of that contingency fund on speakers. He indicated that he had planned on raising money or donating money in order to hold an employee appreciation day. He felt that it was important to show the residents during this difficult time that they appreciate their first responders and town employees instead of giving themselves a raise.

General Government

Mr. Rosso explained the unemployment expense indicating that the town had two options, one being that they can pay 1.3% of payroll into the state unemployment or they could use a reimbursement method which is where the state pays and then the town has to pay when someone collects unemployment. Hopkinton uses the reimbursement method and because of Covid there were two employees in the Recreation Department that were laid off. Councilor Marvel asked if the general government section covered things that were not covered under other sections which Mr. Rosso confirmed. Concerning the health insurance line item, Mr. Rosso indicated that this was for COBRA. Regarding the section on buildings and operations, Councilor Geary asked Mr. Rosso to explain the street light section. Mr. Rosso stated that there was a law passed in 2015 that allowed

municipalities to purchase their street lights. In 2015, Hopkinton and several other municipalities secured a low interest loan through the Rhode Island Infrastructure Bank in the amount of \$253,000 which he believed would be paid off in three years. This loan allowed them to purchase their street lights from National Grid, update them to LED lights and install dimmers and timers. Mr. Rosso noted that the line item for street lights was the actual electric bill for those street lights. He also advised that the town receives its electricity through a statewide program called the Reap Program which is where the RI League of Cities and Towns solicits bids for towns in order to get a lower rate. They have just received a new contract with Constellation and previously it was with Direct Energy. When they signed up with the Reap Program they suddenly stopped being billed by National Grid for the street light electric bills and he has been trying to contact them for the past two years to have this straightened out. His fear is that they will receive a bill for thousands of dollars because they haven't paid their bill in two years. Mr. Rosso asked if anyone had a question regarding legal fees and Councilor Geary asked about the bottom line, *Transferred or restricted funds for Langworthy Field*. Mr. Rosso noted that this was DEM and CDBG grants that Mr. Lamphere and Mrs. Sawyer worked to obtain for a new playground. They thought the whole cost would be covered; however, there was approximately \$16,000 that they had to pay and he made a new line item for that amount to make this fact completely transparent. Mr. Rosso explained impact fees which was a \$1,500 fee charged when a new house was built and applied to land development. This fee goes into a restricted account per the town charter and the use is for expanding school facilities. Generally, every few years when that account is built up to around \$100,000 they will use it to supplement the revenue in their budget, which the Council elected to do last year, creating a deficit this year.

Capital Improvement Program (CIP)

Mr. Rosso wished to give the Council background regarding the town hall consolidation. He noted that the last estimate they had received was for \$2,000,000. At the end of FY21 they had approximately \$1.6 Million funded, which has taken place over the course of the last ten years. They are not

proposing to fund this in this budget but possibly in the next year or two they may be able to add more money to that account. Councilor Hirst noted that his concern was the Chariho School Committee's plan to close the four elementary schools and build one new one. If this occurs, Hopkinton may have to take care of three school buildings and there would be a lot of potential expenses coming in the next few years. Concerning the town hall expansion, Councilor Marvel asked if there was a proposal of what the expansion entailed. Mr. Rosso noted there was a huge file at the Town Manager's Office. He noted that all of the leg work had been done; there were blue prints, DEM approval, construction costs and quotes from various companies. This was an expansion off the back of the current building that would bring the Building and Zoning Department over and also the Thayer House employees and Town Manager's office. It would also provide the IT Director with an office and proposed to add a conference room. Councilor Geary asked when the last estimate had been obtained and Mr. Rosso believed it was a few years ago. Councilor Geary felt this should be looked at again for he did not wish to wait another ten years to have this project completed. Councilor Davis believed the prior Town Council prided themselves on being fiscally responsible to the citizens and did not wish to put the residents in debt. Councilor Geary wished to determine if there was a possibility that they may be able to have the addition completed with the funds they currently had set aside. Mr. Rosso stated that he believed this project would keep getting pushed aside because there would never be a good year. Council President Moffitt felt that the cost estimates obtained would now be increased by 10% to 15% so this may now cost \$2.5 Million Dollars. He asked if they could change the plans slightly so they could get this project completed rather than have the money sit in an account collecting very minimal interest. Councilor Davis felt they should try to update the cost and see if someone might be interested in doing the project for less. Councilor Marvel felt they should not borrow to get this project done but maybe there would be someone interested in doing the work for less; he agreed that they should update their figures. Council President Moffitt wished to review the plans. Mr. Rosso recalled that this project previously was proposed at \$1.8 Million Dollars and then a few years back was increased to \$2 Million Dollars, he did not believe that it

had increased significantly. Councilor Davis asked if there was some money from the state that may help with this construction. Mr. Rosso indicated that he would look into grants and noted that they try to keep the debt services level. The 1904 building was also a project that has not been addressed in a long time. This was planned on being partially funded last year, which it was, and partially funded this year. That would require \$165,000 this year to get to \$300,000. The dollar amount of that project may not be exact and he hoped it had not gone up. Councilor Marvel asked if that estimate included handling any asbestos, which it did. Councilor Geary thought they should obtain an up-to-date cost estimate. Mr. Rosso indicated that they would have to prepare an RFP in that regard. Once they got the funding approved they would prepare an RFP and start soliciting bids. This was agreed to by the Councilors.

Warrant Items/Other Departments, Agencies and Budgetary Matters

Councilor Davis felt that they should keep in contact with the Chariho School Committee in order to determine when and if there is going to be a financial responsibility for Hopkinton in this next fiscal year. Councilor Hirst noted that the Chariho School District was very political; however, every town has a veto power and they would need to change the Chariho Act. He believed there to be something stated in the Chariho Act that elementary school children should attend school in their home town. Councilor Geary thanked Brian for his work on the budget. He noted that Mr. Callahan spoke to them, but did not provide them with any documentation, and the next night the School Committee voted on the proposal. Council President Moffitt indicated that the Chariho School Committee knows that they are a completely separate entity and they know that ultimately this will go to the voters. They know that ultimately the Town Council does not have a say and they are going to push this forward. Councilor Davis indicated that Charlestown will vote for this because the price is per student and Charlestown has the fewest students; and, Richmond will vote for it because they need the expansion. Most of the time Charlestown and Richmond have more voters that come out to vote and Hopkinton usually has only a small percentage vote though there are a higher percentage that vote no. Mrs. Cook-Martin corrected them by explaining that as it pertains to the budget it is the aggregate

vote of yes or no with the three towns. When it is a bonding question, there is a veto power as Councilor Hirst indicated. If one town votes no, it will not pass; it has to be unanimous with all three towns. Councilor Marvel felt that a lot of people probably are not aware of what is going on and they should think of a way to get the information out to the residents, put it on the website and possibly a Code Red call. He felt they needed to be proactive about getting the word out to residents about things that are going to impact them. Mr. Rosso believed that the bond for a new school would be split a third to each town and was not by enrollment because debt service in the school budget was split a third to each town. Councilor Hirst felt they could send out a flyer explaining what the vote is about.

Joe Moreau of Old Depot Road noted that when looking at the town's website on the home page, it has the proposed operating budget for 2021 and at one of the last meetings he had written all of the proposed dates of the budget workshop meetings. When looking at the town calendar for Thursday, February 11th, this workshop was not listed.

The workshop was closed at 8:40 PM.

Elizabeth J. Cook-Martin

Town Clerk

Marita D. Murray

Deputy Town Clerk