

SPECIAL MEETING of the Burrillville Town Council held Monday June 13, 2011 at 7:00 P.M. in the Town Council Chambers, 105 Harrisville Main St., Harrisville for and within the Town of Burrillville.

PRESENT: Council President Nancy F. Binns, Councilors Wallace F. Lees, Edward J. Blanchard, Margaret L. Dudley, Kevin D. Heitke, David J. Place and Stephen N. Rawson

MEMBERS ABSENT: None

1. VOTED to open a workshop relative to FY2012 budget matters.

Motion by Councilor Wallace F. Lees. Seconded by Councilor Edward J. Blanchard. The vote was unanimous. Voting in favor of the motion were Council President Nancy F. Binns and Councilors Wallace F. Lees, Edward J. Blanchard, Margaret L. Dudley, Kevin D. Heitke, David J. Place and Stephen N. Rawson.

John P. Mainville, Finance Director, distributed several budget options for the Council's consideration. Michael C. Wood, Town Manager, summarized the provisions of the options, noting that the distinctions among them related to issues and items raised by various Councilors at an earlier meeting.

• Option A would:

o eliminate Capital Improvement Program (CIP) funding from the operating budget, despite the fact the Town Council's Goals &

Objectives include continued funding of CIP

- o return funding for three-fourths of a mechanic's salary (hiring would be delayed until late fall)**
- o increase funding to the school department**
- o use of the health care contingency fund to offset the increase in health insurance costs**

• Option B would:

- o return funding for three-fourths of a mechanic's salary (hiring would be delayed until late fall)**
- o increase funding to the school department**
- o use of health care contingency fund to offset tax increase**

• Option C would:

- o eliminate Capital Improvement Program (CIP) funding from the operating budget**
- o return funding for three-fourths of a mechanic's salary (hiring would be delayed until late fall)**
- o increase funding to the school department**
- o use of health care contingency fund to offset the reduction in the CIP**

Mr. Wood indicated that a fourth option could be made available for consideration if the Town Council was unable to reach consensus on one of these options.

Mr. Wood distributed a chart outlining the potential impact on the capital program should the funding be reduced. The matter was reviewed. Mr. Wood indicated that the proposals presented were the administration's attempt to incorporate the changes suggested by Councilors at the previous meeting.

The Town Council discussed whether the increase to the School Department budget would be in a side fund, whether those funds would impact the maintenance of effort, and the use of health insurance side funds. The importance of a School Department unfunded liability fund was reviewed. Funding for curriculum development and use of School Department surplus funds were discussed.

The impact of reduced funding for CIP was re-examined.

Councilors reviewed Option A and Option C, and discussed the benefits and effect of each. The CIP funding through TransCanada – Ocean State Power and from the operating budget were examined.

The financial status in the state and reductions in state funding were discussed. The effect on local revenues and the resultant tax increases were reviewed. The Town Council reviewed the necessity to examine the budget, make feasible cuts, and explore future reductions to manage reduced revenues. The funding for the Rail Trail project and the pavilion at Stillwater were discussed, as was

maintenance after the projects were complete.

The options presented were re-evaluated, and the differences and details between Options A and B were considered. Alternatives for School Department funding were discussed. The Councilors appeared to concur on a variation of Option A that would increase School Department funding by \$200,000 more than the original proposed budget.

2. VOTED to close the workshop

Motion by Councilor Margaret L. Dudley. Seconded by Councilor Wallace F. Lees. The vote was unanimous. Voting in favor of the motion were Council President Nancy F. Binns and Councilors Wallace F. Lees, Edward J. Blanchard, Margaret L. Dudley, Kevin D. Heitke, David J. Place and Stephen N. Rawson.

Note: There was a recess at 8:18 P.M. while the administration revised a proposed resolution.

3. Special Meeting relative to consideration and action on FY2012 budget matters

11-175 Consider and act on a resolution adopting the FYE June 30, 2012 Operating Budget

Note: The Town Council may vote to exceed the tax cap levy, pursuant to the provisions of RIGL 44-5-2(e).

VOTED to adopt Budget Resolution, Fiscal Year Ending June 30, 2012, Option A-1, as presented:

SECTION A.

That a resolution of the Town of Burrillville adopting the annual Town Budget for the 2011-2012 Fiscal Year be adopted.

Whereas, the Burrillville Town Charter provides in Article Ten for the budget process and specifically in Section 10.04 (F) for the final adoption of the Town Budget including School Operations.

And whereas, the final budget when adopted shall show a balance between authorized appropriation and anticipated receipts.

Now, therefore, be it resolved that the Town Council adopts a final budget for the 2011-2012 Fiscal Year of \$ 43,318,971. This total budget is divided into the following Sections:

(1) Total Town Operating Appropriation: \$ 9,517,893

(2) Total Town Indebtedness and Interest Appropriation: \$ 3,732,884

****NOTE 1**

(3) Total Other Transfers: \$ 5,000

(4) Total Town Capital Improvement Appropriation: \$

2,164,000 **NOTE 2

(5) Total School Department Appropriation: \$27,169,194 **NOTE 3

(6) Overlay Variance Appropriation for Tax Abatements, Refunds and Uncollected Taxes:

\$ 730,000

Total Appropriation: \$43,318,971

The Total Adopted Departmental Budgets as recommended by the Town Manager, and amended by the Town Council, for the 2011-2012 Fiscal Year is attached and incorporated as part of this resolution.

SECTION B.

That the Town Council hereby orders the assessment and collection of a tax on ratable real estate and tangible personal property in a sum not less than \$25,631,769 and not more than \$26,361,769, based upon current estimated assessed valuations.

The Total Revenues allocated for Town and School Expenditures are broken out as follows:

**(1) Total Estimated School Department Revenues: \$
12,042,871 **NOTE 3**

(2) Total Estimated Town Non-Property Tax Revenues: \$ 4,522,687

(3) Total Funding Other Sources:

a. Spring Lake Fund

b. Burrillville Extended Care

c. Health Benefit Fund

d. Wastewater Treatment Fund

e. BPAC

\$ 38,322

33,322

50,000

265,000

5,000 **NOTE 1

Subtotal Other Funding Sources \$ 391,644

(4) Application of General Fund Balance: \$ -0- _____ **NOTE 4

(5) Application of School General Fund Balance: \$ -0- _____

(6) Total Estimated Amount to be raised from Property Taxes:

Class I Real Estate and Tangible

Personal Property 84.00%

Class II Motor Vehicles 16.00%

\$22,143,886

4,217,883

Subtotal Estimated Amount –From Property Taxes \$26,361,769

Total Revenues: \$43,318,971

Total Estimated Net Assessed Valuations:

Class I Real Estate and Tangible Personal Property \$1,369,742,576

Class II Motor Vehicles \$ 105,377,574

Total Estimated Net Assessed Valuations \$1,475,120,150

The Estimated Percentage of the Tax Levy to be raised from:

Class I Property is Projected to be 84.00%

Class II Property is Projected to be 16.00%

The Total Tax Rates to raise the above percentages of the Tax Levy are to be no greater than:

Class I Real Estate & Tangible Personal Property \$16.16

Class II Motor Vehicle \$40.00

An exemption in the valuation amount of \$ 1,500 shall be applied to all motor vehicles and trailers subject to an excise tax as provided in RIGL 44-34.1.

Any and all revenue/receipts (prior and current fiscal year ending 2011 shall be considered to be part of the general receipts of the Town and shall not supplement nor increase the amount appropriated to a specific department by the Town Council). This does not apply to direct reimbursements (e.g. insurance, grants, cancelled orders).

Subsequent to the adoption of this budget by the Town Council, should State Aid be higher than anticipated, the amount will be utilized to adjust the tax rate in lieu of increasing the related appropriations for Town and School Operations.

Municipal department expenses incurred during their normal operation that will result in the over expenditure of a given municipal

department's appropriation for the given year shall be balanced through transfers from the General Fund Contingency line item by the Finance Director who shall notify the Town Council of any transfer at the next Town Council meeting.

Now, therefore, be it further resolved, that the tax levy WILL EXCEED the four and one-quarter percent (4.25%) annual cap as imposed by Rhode Island General Laws Chapter 44-5-2, as amended.

Said Taxes are for ordinary expenses, the payment of Town interest and indebtedness in whole or in part, the payment of the Town's proportion of the State Tax, and for other purposes authorized by law.

The Tax Assessor having assessed and apportioned said tax on the ratable property of said Town as of the 31st day of December 2010 at Twelve o'clock midnight, according to law, and shall on completion of said assessment, date, certify and sign the same and deliver to and deposit the same in the office of the Town Clerk, on or before July 1, 2011.

The Town Clerk on receipt of said assessment, shall forthwith make a copy of the same and deliver it to the Town Treasurer/Finance Director who shall forthwith issue and affix to said copy, a warrant under his hand, directed to the Collector of Taxes of said Town, commanding him to proceed and collect said tax of the persons and estates liable therefore, said tax shall be due and payable on the 15th

day of July, 2011.

Said tax may be paid in equal quarterly installments, the first installment of 25 per centum on or before the 1st day of August 2011 and the remaining installments as follows:

25 per centum on the 1st day of November 2011

25 per centum on the 1st day of February 2012

25 per centum on the 1st day of May 2012

Each installment of taxes if paid on or before the 1st day of each installment period successively and in order shall be free from any charges for interest.

If the first installment or any succeeding installment of taxes is not paid by the last day of the respective period or periods as they occur, then the whole tax or remaining unpaid balance of the tax as the case may be shall immediately become due and payable and shall carry until collected a penalty at the rate of Twelve (12) per centum per annum from August 1, 2011.

This Resolution adopting the Budget for Fiscal Year Ending June 30, 2012 will become effective July 1, 2011 unless amendments are made prior to July 1, 2011.

****NOTE 1. This budget does not include utilizing funds from the Town's Debt Reduction Fund for the purpose of funding a portion of**

outstanding annual debt obligation associated with the Callahan School Bond issue as provided in Section 2-113 [d] 4 of the Town Ordinances.

****NOTE 2. The Capital Portion of this budget, which does not include the use of Unreserved, Undesignated General Fund Balance, was adopted in accordance with the Town Charter Section 3.14 (j) at a Public Hearing held on March 30, 2011. As such, the Capital Budget as voted on March 30, 2011, is hereby incorporated into the overall budget for fiscal year ending June 30, 2012.**

****NOTE 3. The School Department Expenditure and Revenue Appropriation does not incorporate State Aid targeted for several programs including the following: Student Equity, Technology, Early Childhood, Language Investment, and Professional Development, which shall be received by the Finance Director/Town Treasurer and accounted for separately by the School Department.**

****NOTE 4. The Operation Portion of this budget does not include the use of Unreserved, Undesignated General Fund Balance. The transfer of these funds would require the affirmative vote of six (6) Council members due to the appropriation of funds from the Unreserved Undesignated General Fund Balance [Town Charter 3.14 (j)].**

Adopted as a resolution this 13th day of June 2011

Motion by Councilor Wallace F. Lees. Seconded by Councilor Stephen N. Rawson.

Discussion: Michael C. Wood, Town Manager, noted for the record that six votes were required because of the technicality of adding TransCanada – Ocean State Power money into the budget. He noted that the tax cap was not exceeded in terms of the amount spent. Mr. Wood also commented that state law requires School grant money be included in the School Department budget. He said that an appropriate agenda item would be included on a future agenda.

The motion carried, six in favor, one opposed. Voting in favor of the motion were Council President Nancy F. Binns and Councilors Wallace F. Lees, Edward J. Blanchard, Margaret L. Dudley, Kevin D. Heitke and Stephen N. Rawson. Councilor David J. Place voted in opposition.

4. VOTED to adjourn at 8:38 P.M.

Motion by Councilor Wallace F. Lees. Seconded by Councilor Margaret L. Dudley. The vote was unanimous. Voting in favor of the motion were Council President Nancy F. Binns and Councilors Wallace F. Lees, Edward J. Blanchard, Margaret L. Dudley, Kevin D. Heitke, David J. Place and Stephen N. Rawson.

Louise R. Phaneuf, Town Clerk