

**New Shoreham Town Council Meeting  
Town Hall, Old Town Road, Block Island  
Monday, February 21, 2011  
9:00 a.m.**

Present: First Warden Kimberley H. Gaffett, Second Warden Raymond J. Torrey, Town Councilor Peter B. Baute, and Richard Martin. Councilor Kenneth Lacoste was absent. Also present were Town Manager Nancy O. Dodge, Finance Director Amy Land and Barbara MacMullan and Everett Shorey of the EUTG. Town Manager Dodge took the minutes of the meeting.

First Warden Gaffett called the meeting to order at 9:20.

**1. Discuss and act on \$750,000 renewable energy grant through Washington County Regional Planning Council**

Barbara MacMullan and Everett Shorey were present to discuss the \$750,000 grant and the letter sent to the Council (2/18/11) by Jeff Broadhead of the Washington County Regional Planning Council, and Ken Paynes's letter of 2/4/11 to WCRPC. The question was whether the timeline could be met to secure the grant. Barbara and Everett agreed with the council that it could not. If Ken Payne takes back and reallocates some of the money for turbine grants not used, it is possible that \$250,000 may be available for the town were it to seek a solar grant. The school project was discussed. Kim thought that the town needed to take a measured approach with the turbine and pursue money for a feasibility study again.

Peter Baute made a motion to inform WCRPC that the town is unable to take advantage of the grant as the deadlines are too short to accomplish the requirements. He asked that Jeff be thanked for all his work and said the town looked forward to working with him for a solar grant were the money reallocated. Seconded by Ray Torrey.

Ayes: 4 (Gaffett, Torrey, Baute, Martin)      Nays: 0      Absent: 1 (Lacoste)

There was a further discussion about putting out an RFQ for a third party developer for a turbine. The town would have to share some of the potential savings with the developer but there would still be savings even with that element. A third party developer could take advantage of the tax credits which the town could not. The town could direct the EUTG to develop such an RFQ if the council agreed. It was going on the March 7<sup>th</sup> agenda for that.

**2. Act on resolution authorizing the issuance of revenue Anticipation Notes (New Shoreham Sewer Commission)**

The \$300,000 revenue anticipation notes are in anticipation of user fees coming in. They can be for one year and are to cure an operational side deficiency in cash flow. At the end of the first year, they may be renewed for \$200,000 and then the third year for \$100,000 when the Sewer Commission is in a cash positive position again. Amy Land had suggested this route along with a packet of proposals last fall. Everyone expressed concern that no other parts of the Finance Director's proposals have been acted on and at least one has already been rejected. A seasonal hire became a full time hire after the Commission got and discussed Amy's proposal which included a hold on hiring a full time individual with benefits. The issue is that the commission needs to put forth its own proposal for reaching a cash positive position if its not going to adopt what the finance director suggested but had not yet done so. The Council expressed concern that no one from the Sewer Commission was present at this meeting although it involved the town taking on an obligation which the town would be responsible for paying back if the commission didn't pursue a plan; and no one was sure what the overall plan was at this point. Kim suggested a meeting with the commission to hear what it planned to do to become revenue neutral in the next three years. After lengthy discussion as to how the Council could get the commission's

attention and get past this current sentiment that the town, and particularly the manager and finance director, should have no part in the commission operations or authority, P Baute moved: To authorize the finance director to execute the Resolution but not proceed to finalize the closing until the commission meets with the Council and explains its plan for becoming cash flow neutral in three years and resolves the Management Agreement issues. Kim Gaffett seconded the motion.

Ayes: 4 (Gaffett, Torrey, Baute, Martin)      Nays: 0      Absent: 1 (Lacoste)

All were in favor. The meeting was going to be put off until all the commissioners were able to attend, probably not until March sometime. In the interim, the Council stated that it would continue to advance money to cover the Sewer and Water payroll (currently the advance is at approximately \$200,000.00) and the finance director would utilize incoming sewer user fees to pay their vendors.

**3. Receive and act on update on Employees Union Contract Negotiation (This item may be discussed in closed session pursuant to RIGL 42-46-5(a)(2) for discussion of collective bargaining)**

Kim made a motion to go into closed session under agenda item #3 at 9:55. Peter Baute seconded.

Ayes: 4 (Gaffett, Torrey, Baute, Martin)      Nays: 0      Absent: 1 (Lacoste)

**4. Discussion of Town Manager evaluation (This item may be discussed in closed session pursuant to RIGL 42-46-5(a) (1) for discussions pertaining to job performance)**

The manager's evaluation was postponed due to the absence of Ken Lacoste. A Motion to go out of closed session was made at 10:10 by Kim Gaffett and seconded by Dick Martin.

Ayes: 4 (Gaffett, Torrey, Baute, Martin)      Nays: 0      Absent: 1 (Lacoste)

Motion to keep the minutes of item 3 sealed by Kim and seconded by Dick.

Ayes: 4 (Gaffett, Torrey, Baute, Martin)      Nays: 0      Absent: 1 (Lacoste)

A motion to adjourn was made at 10:11 by Kim and seconded by Dick Martin.

Ayes: 4 (Gaffett, Torrey, Baute, Martin)      Nays: 0      Absent: 1 (Lacoste)

Meeting adjourned at 10:11 am.

Minutes approved March 16, 2011

Submitted by: Nancy Dodge