

**New Shoreham Town Council Meeting
Town Hall, Old Town Road, Block Island
Wednesday, March 21, 2012
7:00 p.m.**

Present: First Warden Kimberley H. Gaffett, Second Warden Raymond J. Torrey, Town Councilor Kenneth C. Lacoste and Town Councilor Richard P. Martin. Town Councilor Peter B. Baute was on vacation. Also present were Town Manager Nancy O. Dodge, Attorney Katherine Merolla and Finance Director Amy Land. Town Clerk Fiona Fitzpatrick took the minutes of the meeting.

First Warden Kimberley H. Gaffett called the meeting to order at 7:00 p.m.

Warden's Report: First Warden Gaffett reported Judge Rodgers remanded a portion of the Champlin's case back to the RI Coastal Resources Management Council to allow Champlin's attorney Robert Goldberg to introduce the Payne's Dock decision. The CRMC will hold a preconference meeting to determine scheduling and other issues on April 6. The RI Department of Environmental Management reported 171 deer were taken by hunting on Block Island this season. Second Warden Torrey reported two local artists are among the three finalists selected by State Council on the Arts for the BI Airport installation. Final proposals will be ready for judging in April.

Public Input

There was no input from the public.

1. Review current information about proposed 13% tax on rental housing and formulate a position and/or resolution to be transferred to our State representatives

Rental houses will be hit with a 13% hotel tax under the Governor's budget bill. The definition of "hotels" will be expanded to include units currently exempt from the tax: houses, condominiums or other dwelling units which are rented out for a total of fifteen days or more per year. Units with a written lease for twelve months or more are exempt. The tax will be applied to the first 30 day period of each rental. This new definition creates a very disproportional expansion of the hotel tax effecting New Shoreham and Narragansett most. Tourism Council Director Jess Willi was present and said the Tourism Council did not take a position on the new tax; hotels may see it as only fair that rental houses are taxed, but everyone is concerned that higher rates may mean less business for all. She said the new definition disproportionately affects Block Island and Narragansett but has the potential to bring increased revenue to the state and town if houses continue to be rented. She explained the 13% hotel tax breaks down as follows: 7% is a sales tax which goes into the state's general fund; 1% is remitted to the municipality where the tax was collected, and 5% is a "bed tax" is split 47% to the Block Island Tourism Council, 25% to the Town of New Shoreham, 21% to the general fund and 7% to the Greater Providence-Warwick Convention and Visitor's Bureau. She said the definition change translates to a new tax of \$1,000 on an \$8,000 house rental. She said Tourism Council members have questions about implementation for July 1 because most house rentals are already under contract for the summer. First Warden Gaffett reported that the Governor's policy office said the expanded tax is intended to replace the Town's 1% rental house fee which supports affordable housing. The policy office said the Town may choose to support affordable housing with the new revenue stream. However, eliminating the Town's fee would seem to require an amendment to the Housing Board's legislation and no such bill has been introduced. The Housing Board bylaws exempt properties which pay the hotel tax. Doug Michel said the net effect of the new definition will be to take \$1.3 million out of Block Island and give it to everyone else.

Senator Sosnowski and Representative Walsh have spoken out against the new tax, based on what they have heard from their constituents.

Councilor Lacoste quoted the RI Realtor's Association estimate of \$1.9 million in revenue which may be exceeded by the cost to administer the new tax. Given that it is not a windfall, and that the tax is generating negative publicity for tourism, which is holding this part of the state together, he would prefer to see \$1.9 million in expenditures cut from the state budget.

Mr. Lacoste moved that the Council encourage our legislators to keep working against the proposal for reasons previously stated. Motion was seconded by Mr. Torrey.

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

2. Receive and act on Town Solicitors report regarding transfer of Cooneymus Road to the town

Town Solicitor Katherine Merolla reported orally. On October 3 she was directed to prepare documentation to effect the transfer. She prepared a warranty deed with no restrictions and no conditions which has been executed by the Lees. The transfer requires Planning Board approval of an administrative subdivision which will be filed soon. Once approval for the administrative subdivision has been granted, the deed will be recorded. Attorney Jeffrey Brenner was present for the Lees and answered questions about the way the document was notarized. Abutters Bruce and Margaret Montgomery were present. Mr. Montgomery complained about the way the item was listed on the agenda. No action by the Town Council was needed.

3. Review and act on Fire Department letter re: Authority Having Jurisdiction

Fire Chief Tristan Payne and several other members of the Fire Department were present. Town Manager Dodge reported she met with the state fire marshal's representative who was on island today regarding the issue. She said the state fire marshal's office is the authority having jurisdiction in the state; they will be on the Island in April and May. They are willing to work with and train local personnel in preparation for a turnover in authority. Mr. Martin said he hopes the local position will be a liaison and not a highly paid town employee. No action by the Town Council was needed.

4. Receive and act on NSPD monthly report: February

Motion to receive made by Mr. Martin, seconded by Mr. Torrey.

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

5. Receive and act on Motor Vehicle for Hire letter re: D. Riordan Limousine License application

First Warden Kimberley H. Gaffett moved to grant a limousine license based on the recommendation of the Commission on Motor Vehicles for Hire, and pending receipt of appropriate fees and documentation. Seconded by Mr. Lacoste.

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

6. Receive and act on Rustic Rides Farm, Inc. letter re: use of Town roads

No one was present for Rustic Rides. Ms. Gaffett explained this is an annual request from Rustic Rides to use town roads for its guided horse rides, a stipulation of the Zoning decision which allows the business.

Ms. Gaffett made a motion to approve the request of Rustic Rides, Inc. to use Old Mill Road, Dorry's Cove Road, Grace's Cove Road and Champlin Road from May to September 2012, and to use all other Town Roads from October 2012 – May 2013, not to include Cooneymus Road. Rustic Rides is required to continue to work and cooperate with Superintendent of the Roads Mike Shea and Town Manager Nancy Dodge regarding road maintenance requests. The motion was seconded by Dr. Baute.

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

Ms. Gaffett noted one letter of complaint was received urging Rustic Rides to contain the animals on their own property and keep town roads and beaches clean and free of manure. The Town Clerk was directed to contact the complainant and ask him to work with the NSPD if there are any issues in the future.

7. Request to Land Trust for monetary contribution to organic fertilizer at Heinz Field

Mr. Torrey said he believes that if the Land Trust feels strongly about the use of organic fertilizer, they should support it fiscally. Ms. Gaffett said Heinz Field is town property and the town has the responsibility to maintain it. A letter was received from Fred Nelson urging the use of synthetic fertilizer because he believes it is considerably less expensive and less bulky. The difference in price is about \$5,000. A discussion ensued.

Mr. Torrey moved that the Council forward a letter to the Block Island Land Trust for financial assistance and make up the difference in price between organic and synthetic fertilizer. Motion was seconded by Mr. Lacoste.

Ayes: 3(Torrey, Lacoste, Martin) Nays: 1 (Gaffett) Absent: 1 (Baute)

8. Boards, Committees and Commissions

• Act on appointments: Block Island Tourism Council, Old Harbor Task Force

Several letters of interest were received to fill Ted Merritt's unexpired term on the New Shoreham Tourism Council. The Council agreed all the volunteers would be great.

Mr. Lacoste moved to appoint Logan Mott Chase to the Tourism Council to represent second homeowners and vacation renters, seconded by Mr. Martin.

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

Ms. Gaffett moved to appoint Cariona Corcoran to the Old Harbor Task Force, seconded by Mr. Torrey.

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

• Announce current Board, Committee and Commission openings

First Warden Gaffett announced vacancies or upcoming appointments on the Harbors Committee, Board of Canvassers, BI Housing Board, Sewer Commission, Water Commission and the office of Tree Warden.

9. Receive and review proposed FY13 Budget

Finance Director Amy Land presented the budget and answered questions. The budget for fiscal year 2012 is \$11,434,554, an increase of 2.1% over current year. It is a 1.9% increase on the tax levy, which may be raised up to 4% under state law (the difference is \$150,000). A large component of the budget increase is a 12.8% increase in health insurance. Most town employees have been budgeted a wage freeze for the second year but the contract allows a possible health benefit contribution of 3-4-5% with commensurate wage increase. The capital budget has been increased by 30% (\$43,867).

Items of interest the Finance Director drew attention to:

- Increased benefit cost in all departments
- Transfer Station will pay \$20,000 usage fee
- Tax sales are schedule every two years, costs will be more than offset by revenues
- One unit of the Thomas property is rented, both will be rented in FY 2013
- Library aid has been accurately budgeted at \$73,011 to reflect the reduction of late last year
- Airport aid has been budgeted at \$30,000 although this has not been confirmed
- Hotels and Meals tax remittance does not reflect proposed legislative changes
- The police are receiving a 2% wage increase offset by lower work related injury premiums. Seven reserve officers (six ~~this~~ last year) and two CSO's are budgeted. Retirement contribution by NSPD is also reduced.
- Mooring maintenance reflects \$10,000 contract bid increase
- Library electricity costs are high
- The GIS consultant has committed to working through January; \$5,000 has been budgeted for transitional costs
- A full revaluation with inspections has been bid; the state is decreasing aid for the reval but details are not clear
- School support has been increased \$43,420 (1%) rather than the \$107,083 (2.47%) increase they requested. School will also receive \$20,000 capital funding for the front façade.

Superintendent Hicks was present and said the school's budget submission was made before the health care insurance increase was known. School Committee members William Padien, Ann Hall and Sean McGarry were present and spoke for increasing the school's budget.

Water and Sewer financials will be discussed at upcoming meetings.

10. Review Town Council meeting schedule and announce FY13 budget meetings schedule
Budget work sessions will be held April 2 and April 4 at 7:00, more will be scheduled as needed.

11. Minutes: March 7, 2012

Mr. Torrey moved to approve the minutes, seconded by Mr. Lacoste.

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

12. Block Island Land Trust request to The Town Council to issue bonds for the Land Trust for land acquisition (this discussion may be held in closed session pursuant to Rhode Island General Laws §42-46-5(a)(5) for sessions pertaining to acquisition of property for public purposes)

At 9:40 Ms. Gaffett moved that the Town Council enter closed session pursuant to Rhode Island General Laws §42-46-5(a)(5) for sessions pertaining to acquisition of property for public purposes with Attorney Katherine Merolla, Finance Director Amy Land, Town Manager Nancy Dodge and Block Island Land Trust Trustees Barbara MacMullan, Harold Hatfield and Barby Michel. The Town Clerk was present to take the minutes.

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

Discussion ensued.

At 9:55, Ms. Gaffett moved to come out of closed session and seal the minutes. Motion was seconded by Mr. Lacoste.

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

First Warden Gaffett reported no motions were made in the closed session.

13. Update on contract negotiations (this discussion may be held in closed session pursuant to Rhode Island General Laws §42-46-5(a)(2) for sessions pertaining to litigation or pending litigation)

There was no discussion of the item.

14. Triangle and Transfer Station Litigation (this discussion may be held in closed session pursuant to Rhode Island General Laws §42-46-5(a)(2) for sessions pertaining to litigation or pending litigation)

At 9:55, Mr. Torrey moved to enter closed session along with Attorney Merolla, Town Manager Dodge and Town Clerk Fitzpatrick, pursuant to Rhode Island General Laws §42-46-5(a)(2) for sessions pertaining to litigation or pending litigation (Triangle and Transfer Station), seconded by Mr. Martin.

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

Discussion ensued.

At 10:10, Mr. Lacoste moved to come out of closed session and seal the minutes.

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

First Warden Gaffett reported no motions were made in the closed session.

At 10:10, Mr. Martin moved to adjourn, seconded by Mr. Torrey.

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

Minutes approved April 18, 2012

Fiona Fitzpatrick, Town Clerk