

**Block Island Affordable Housing Board Minutes**  
**Thursday, November 18, 2010**  
**Town Hall, Old Town Road, Block Island RI**  
**7:30 p.m.**

Present were Cindy Pappas, Debbie Howarth, Patty Murphy, Dan Barker, Fraser Lang and John Spier. Absent was Jerry Riker. Audience members present were Nancy Hutnak and Ellen Jacke. Fiona Fitzpatrick was present to take the minutes of the meeting.

Chair Cindy Pappas called the meeting to order at 7:30.

The Chair welcomed John Spier. Ms. Pappas will write a letter of thanks to charter member Doug Michel, who decided not to run for reelection. Mr. Michel will continue to act as an advocate for affordable housing on Block Island.

**1. Approval of the minutes of October 28, 2010 and Subcommittee meeting November 11, 2010**

Ms. Howard moved to the minutes of October 28, 2010 and the subcommittee meeting of November 11, 2010. Motion seconded by Rev. Barker. There was no discussion.

Ayes: 5 (Pappas, Barker, Howarth, Lang) Nays: 0 Abstain: 1 (Spier) Absent: 1 (Riker)

**2. Correspondence/Public Input**

There was no correspondence or public input.

**3. Finance Report**

Interest payment of note: December 2010

The interest payment for December was \$1,647.57.

CD

The Washington Trust CD totals \$100,154.38.

Ms. Murphy moved to roll over the CD for thirty days, seconded by Ms. Howarth.

Ayes: 6 (Pappas, Barker, Howarth, Lang, Spier) Nays: 0 Absent: 1 (Riker)

Collection Update

Collections are streaming in after a reminder mailing to homeowners.

Ms. Murphy moved to approve the Finance Report, seconded by Ms. Howarth.

Ayes: 6 (Pappas, Barker, Howarth, Lang, Spier) Nays: 0 Absent: 1 (Riker)

**4. Ethics Discussion**

Mr. Spier asked for the agenda item on Ethics. On the basis of a conversation with Ethics Commission staff attorney Jason Grammitt, Mr. Michel recused from much discussion due to his position as a contractor. Mr. Spier will ask for an opinion from the Ethics Commission to learn the parameters of any perceived conflicts of interest he may have as a local contractor. He would like to use his expertise for the board's benefit. Other members may model their requests on his letter.

Town Council appointed members serve for two-year terms. They are Cindy Pappas, Debbie Howarth, Patty Murphy and Jerry Riker.

Mr. Spier moved to authorize the Chair to send a letter to the Town Council requesting reappointment of those appointed members wishing to renew. Motion seconded by Ms. Howarth.

Ayes: 6 (Pappas, Barker, Howarth, Lang, Spier)      Nays: 0      Absent: 1 (Riker)

#### **5. Jacke property update; Subcommittee reports**

Mr. Lang will work with Jennifer Taubman to set up a class for homeowners in January. The class will be well publicized in advance and all the people on the waiting list will receive notice. RI Housing will continue to act as the monitoring agent in the absence of a monitoring agent on Block Island.

Ms. Pappas and Mr. Spier begin working on the Jacke property covenants by taking a close look at the deed restrictions and resale provisions for the West Side 20 and Seawinds. A homeowners association will have to be formed to take care of the road and well.

Ms. Howarth reported for the Building Subcommittee. Bill Carey had no information on blown-in insulation, Jerry Riker is gathering information on propane furnaces. John Spier noted propane costs more than oil per btu. However propane furnaces save the cost of a chimney. The fuel is cleaner than oil, the furnaces are smaller and installation costs are lower. One underground tank can be shared and metered separately. As for roadwork, Marc Tillson will draw up a first draft of what's needed. A construction road will be laid on site with erosion abatement and a conduit for electrical wires under the road. Richard Greene will provide final plans.

Discussion of financing options for the Washington Trust note. An interest payment of \$1,600 is due in December, and a balloon principal payment of \$160,000 is due in June 2011. A proposal was discussed to renegotiate the note to extend it for another year (there is no prepayment penalty). Cash on hand may be used to put in two foundations, cap one and complete and sell the first house. The proceeds could then be used to finish and sell the second house. Ms. Pappas reported the Town Manager has no objection to the idea as outlined, and Dave Kmetz of Washington Trust thought the idea was reasonable. Any such request must come from the Town as note holder. A request to the Town Council would contain an outline of the plan and a flow chart with rough budget numbers. The note may be needed as the second house is being completed.

Rev. Barker moved, second by Mr. Lang to write a letter to the Town Council requesting their support to roll over the Washington Trust note for an additional year to June 2012. Motion seconded by Ms. Howarth.

Ayes: 6 (Pappas, Barker, Howarth, Lang, Spier)      Nays: 0      Absent: 1 (Riker)

At 8:45, Ms. Pappas moved to enter closed session pursuant to Rhode Island General Law 42-46-5(a)(5), seconded by Mr. Barker.

Ayes: 6 (Pappas, Barker, Howarth, Lang, Spier)      Nays: 0      Absent: 1 (Riker)

The 30 year affordable covenants of the housing on Beacon Hill Lane will expire in ten years. Pertinent discussion points: homeowners bought in good faith under the 30 year covenants; the BIHB does not have money to offer in exchange for an extension to 99 years. Homeowners approached did not volunteer to extend covenants.

At 9:00 Dan Barker moved to adjourn the closed session, seconded by John Spier.

Ayes: 6 (Pappas, Barker, Howarth, Lang, Spier)      Nays: 0      Absent: 1 (Riker)

At 9:00 Cindy Pappas moved to adjourn the meeting, seconded by Fraser Lang.

Ayes: 6 (Pappas, Barker, Howarth, Lang, Spier)      Nays: 0      Absent: 1 (Riker)

Minutes approved (date)

Fiona Fitzpatrick, Town Clerk