

Town of Lincoln

Budget Board Meeting

March 15, 2012

Present:

Linda Noble Richard Foster Mike Babbitt Carl Brunetti

Claudette Lussier William DiBiasio Maria Marcello Paul DiDomenico

Hagop Jawharjian

Absent:

Bob Turner Domenic Ricci

Call to Order

The meeting began at 7:33 pm with the Pledge of Allegiance.

Minutes

William DiBiasio made a motion, seconded by Richard Foster, to defer the review of the minutes of March 14th.

Correspondence

There was no new correspondence.

Public Comment

There was no public comment or questions at the time.

Proposed School Capital and/or School Technology Plan

William DiBiasio made a motion, seconded by Richard Foster, to defer the discussion of the Proposed School Capital and/or School Technology Plan.

Town Administrator's Proposed Budget

The Town Administrator and Finance Director were present to discuss questions of the Budget Board regarding the Town Administrator's Proposed Budget.

The Town Administrator distributed a complete inventory of town vehicles, a copy of the audit as approved by the Town Council along with the Management Discussion and Analysis, and a worksheet pertaining to capital project spending.

The Budget Board requested a copy of the Management Letter, which would be a separate document from the analysis.

In discussion of the Barney Pond, it was noted that when Administrator Almond came into office, the Town had begun working on Barney Pond and Manton Dams, and that they had been cited by DEM but not in violation.

There had been funding to begin an engineering study, which was to be a full environmental study, for both dams.

DEM then issued a violation for Manton Dam, therefore the money that was funded for the study at both dams was shifted in order to comply with the needs to fix Manton Dam.

It was noted also that there is a statute that provides that if there is a

violation issued on a dam, the work can be done while bypassing all of the normal permitting requirements.

The Finance Director will provide detailed information of what funding was expended on the dams and how it was all appropriated.

The work at Manton Dam is now complete, and they are spending money on a redesign of Barney Pond Dam as they are under a consent order from the state to do so, but it will not be a full environmental study.

Currently the design project is 90% complete and awaiting design approval from DEM,

The idea is to build a new encapsulation over the old dam to create a new dam, and the rest of funds expended would be for construction engineering where the engineer that designed the project will oversee the construction.

Removing the old dam completely and replacing it would have cost over \$2 million.

It was noted that the new design plans do take into account future contingencies and future renovations that may be necessary.

The Finance Director will also provide details of the \$5 million bond which was provided and actually issued in 2008 for with plans to renovations at Town Hall and build the new Senior Center.

It was noted that the balance of funds left of that bond is \$677,702, and the Finance Director distributed a worksheet of how the funds were distributed, including approximately \$4 million for the new Senior Center.

It was noted that a Bond Council approves how bond funds are to be used.

The Town will be looking for a consultant to recommend an addition to the existing police station of 3,500 to 4,000 square feet.

The cost of this would be out of impact fee revenues collected, as they are meant to offset additional impact on the infrastructure of the Town.

It was noted that in the future, towns may consider consolidation of public safety services.

The Town Administrator noted that he would provide his recommended resolutions to the Budget Board to be included in the budget book for the Financial Town Meeting's consideration. He will also include what school capital projects he recommends, and noted that the amount he requests for school capital would be the amount they have left in their restricted capital funding.

It was noted that if the schools are provided with funding through resolutions, they could in theory spend more than provided and expand the project if they take the extra funding out of their operational budget since it is a bottom-line budget.

The Budget Board discussed the playground at Lonsdale Elementary and possible hazards that concerned them when they toured the schools, and they wondered if a contractor installed the whole

system or if it was done in-house.

They also wondered whether the Quinville playground would be installed in-house or by contractor.

The Budget Board questioned what capital should be done with school funding and what should be done with municipal funding, using the example of the High School Tennis Courts which are on school property but used by the public as well.

The Town Administrator noted that the funding would come from the same restricted capital accounts either way, and he gave the example of the Town and Schools working together on Chet Nichols Field, as it is maintained by the Schools for part of the year and the Town for part of the year.

In discussion of funds, it was noted that any unrestricted funds go into Funds 11 or 12.

Capital Fund 50 is the VLT revenues, which is adjusted every June when the actual numbers come in.

School Capital Fund 83 is a reserve fund for housing aid and all other such expenses that come through resolution, and this fund is mandated by the state.

The Budget Board discussed how much school capital surplus is remaining in reserve, and it was noted that the Town Administrator is recommending \$1.5 million could be used for the media center and technology project, which by estimation would leave approximately

\$1 million remaining.

It was noted that the Governor has submitted legislation that would require standardization of state budgeting using the Uniform Chart of Accounts that would give the budget more detail and transparency as well.

In Fund 21, Open Space, there had been a balance from a settlement in 2009 regarding property on Ballou Avenue.

Additionally, the Town acquired several lots in the past that have not yet been sold but will be put up for sale in the coming year.

When the lots are sold, the Town would either require funds from the Open Space Restricted Fund to make up the difference if the lots were sold for less than expected, or if there was a surplus it would be put back into that Open Space Restricted Fund.

There was \$850,000 put in resolution by the Town Council in reserve for Parks and Recreation.

There was an additional \$400,000 added for improvements to Lonsdale Park and Baseball Field, and Manville Park Renovations.

The projects were submitted at the same time but not completed at the same time, and the Budget Board noted that it felt that such projects should have gone before the Financial Town Meeting for approval.

It was noted that in 4 or 5 years there will be a block of debt service that will be expiring, which would be a good time for the Town

considering some new bonding for large capital projects.

The Town Administrator noted that his recommended resolutions for capital projects exceed what the Town has currently taken in for revenues, but e expected that by the end of the fiscal year that the additional revenues would be present, and also that his support of the resolutions was dependent upon the additional revenues being in place.

The Budget Board discussed the library budget.

It was noted that there would be funding of \$480,000 from the Town for renovations at the library, in addition to grants and other revenues received by the Friends of the Library.

In discussion of sewer bonding, the Finance Director noted that the Sewer Enterprise Fund is not a general obligation bond but a revenue bond, and that each year it must be certified by the auditor to be sufficient to continue on.

If the auditor determined that the current rates were not acceptable, it would then ask that the rates be raised, therefore it would not fall to the general taxpayers of the Town.

If for any reason the fund was found to be in default, it would be the responsibility of the RI Clean Water Act, who are responsible for the revenue bond that was then received by the Town.

The Budget Board discussed placing a footnote in the budget in the sewer enterprise fund area to explain the details of how the fund

works.

The Budget Board and Town Administrator discussed benefits and pensions.

It was noted that the police pensions were currently 84% funded, and that a Cost of Living Adjustment of 3% compounded is currently provided for rescue and police contracts.

It was noted that in order to be able to maintain the current level of the pension system, there would need to be benefit changes locally and on the state level as well.

There are state mandates that require the non-union municipal employees to use a 457 Fund, similar to a 401K but for governmental workers, for their pension plans.

It was discussed that if the Town were to join a state-wide system for pensions, it would actually cost more for Lincoln than the plan they are currently using.

The Town Administrator noted that the Town does have a tentative contract settled with the Police Union, and that part of the negotiations included retirement age and post retirement benefits.

There is a statute that states that local pension benefits cannot exceed the benefits of the state system.

The Town Administrator and Finance Director adjourned from the meeting.

Minutes

The minutes of March 14th were distributed for review.

William DiBiasio made a motion, seconded by Mike Babbitt, to approve the minutes.

Carl Brunetti noted that he had not received any information or answers to questions or requests that had been submitted.

The Budget Board discussed that after they receive a revised plan for the technology upgrades, they may want to tour the high school again to see exactly what rooms the technology would be put in.

Also, they have requested a more detailed plan for Professional Development to see how it will all be used.

The minutes were approved by unanimous vote.

Proposed School Capital and/or School Technology Plan

The Budget Board discussed that there may be additional revenue coming in, especially from Special Education reimbursements, that may be extra funding that is not shown.

Also discussed was an additional \$500,000 that had been placed in the budget at the Financial Town Meeting.

Teacher contract negotiations are not going well so the legal fees will probably be increased.

They are currently in mediation, but may need to go to arbitration.

Technology Plan

The Budget Board discussed the funding of the technology plan, and

that the Town Administrator feels there could be \$1.5 million taken from the school capital surplus.

Once again Professional Development was discussed and how the program would be integrated and used in the curriculum so that the students benefit from the new technology.

Also, the software packages that will be put on the new computers were discussed as it seems it has not yet been decided what the schools will be using or how they will proceed once they have the new technology.

The Budget Board discussed the wiring part of the project that would have to occur before any hardware or software would work, and the necessity of that part of the project.

Public Comment

There was no public comment or questions at the time.

Adjourn

Hagop Jawharjian made a motion, seconded by William DiBiasio, to adjourn.

The meeting adjourned at 10:06 pm.