

**SPECIAL TOWN COUNCIL MEETING - THURSDAY EVENING
MARCH 14, 2013**

PRESENT: Parella, Calouro, Stuart, and Sweeney

ALSO PRESENT: Antonio A. Teixeira, Town Administrator
Julie Goucher, Town Treasurer

ABSENT: Herreshoff

The Council met in special session on Thursday evening, March 14, 2013 in the Town Hall, Council Chambers, beginning at 8:00 o'clock PM, Council Chairman Parella presiding:

Council Chairman Parella announced that she called this special session to allow for an early read-through of the Town budget, especially in consideration of the three new Council members.

Budget books were distributed and a discussion ensued regarding the budget in general.

A discussion ensued regarding the Human Resources budget with Councilman Stuart commenting that he was of the opinion that these grants should be provided to bona-fide non-profit entities.

Council Chairman Parella noted that some of the applicants do not have sophisticated means to complete complex applications. She noted that the Council should be flexible when small requests are considered with the understanding that some groups have no professional staff.

Councilman Stuart stated that he was concerned that the Council should be comfortable that the appropriated funds are provided and expended according to the Council's intention when making the grant.

Town Treasurer Goucher noted that the Roger Williams University Fund for Civic Activities Grant program requires a report from the grantees.

Town Administrator Teixeira noted that some of the agencies may have lost their tax-exempt status.

It was suggested that any grantee agency should have an approved budget and provide information on how they spent the appropriation, justifying the expenditure and that "audits" of small grants are unnecessary.

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Town Administrator Teixeira informed the Council that he plans to send a letter next year offering paperwork assistance to the smaller grant recipients.

Council Chairman Parella suggested that the Town might receive some type of report from the grant recipients within two months of the availability of the funds.

Councilman Stuart asked to know if any of the budget requests were lower than the previous year.

Town Treasurer Goucher noted that budgets with personnel salaries may be misleading since the proposed salary increases were missing last year due to contract negotiations and that the increase amounts were elsewhere in the budget.

A discussion ensued concerning the Human Resources budget.

Council Chairman Parella noted that the Council is free to ask questions of the departments during the budget workshop if Council members find the budget back-up information to be insufficient.

Town Treasurer Goucher noted that the departments were "grilled" during their budget sessions with her and the Town Administrator.

Town Administrator Teixeira noted that management looked at the budgets more than once and that department managers were asked to return after making additional adjustments before his recommendation was finalized.

Town Treasurer Goucher reviewed her power point presentation, providing a budget "primer."

Town Administrator Teixeira noted that he informed Superintendent Thies and Director of Administration and Finance Silva that their budget request was too steep.

Town Treasurer Goucher reported that the School Department will likely reallocate some money from their reserve funds.

Council Chairman Parella asked to know if Town Treasurer Goucher will be available to guide the Joint Finance Committee with Town Treasurer Goucher responding that she

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will prepare a spreadsheet as she has done in the past offering different scenarios.

A discussion ensued concerning road repairs, payments in lieu of taxes, and the effects of the General Assembly law resulting from "Senate Bill 3050."

A discussion ensued regarding the Other Post Employment Benefits (OPEB) fund and the fund balance (surplus).

Councilman Calouro asked to know what was "standard" for the fund balance with Town Treasurer Goucher responding that the range is 8-15% and that she recommends keeping the balance at 15%. She added that it is a healthy budget practice to apply fund balance to the budget if the fund balance is too high.

She also added that the amount of fund balance impacts the Town's bond rating and that bond rating agencies like to see a consistently healthy fund balance.

Councilman Stuart asked to know the Town's bond ratings with Town Treasurer Goucher responding that Moody's rates Bristol at AA2 and Standard and Poor's rate is at AA-.

Councilman Calouro asked to know when bond rating agencies "get upset" with Town Treasurer Goucher responding that bond rating agencies like to know that the Town has a plan to protect its reserves.

Town Administrator Teixeira suggested that the Council should remain cautious since the fund balance is trending downward over time. He stated that the Council should consider judiciously the decision "when to tap and not to tap" the reserves.

Town Treasurer Goucher noted that she has a report from the Town's financial advisers and will pass this along to the Council members.

Council Chairman Parella suggested that the Town should provide an op-ed piece for the press explaining the larger budget "drivers."

Councilman Stuart agreed with Council Chairman Parella and stated that the Town has the responsibility to explain these issues thoroughly.

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Council Chairman Parella noted that any explanation provided should indicate the Town's desire to maintain its services.

Town Treasurer Goucher noted that the proposed budget exceeds the statutory spending cap and that there are compelling reasons to do this.

Town Treasurer Goucher noted that the Auditor General's language includes the word "emergency" and that she does not consider the matter to be one of "emergency" but rather due to extenuating circumstances as a result of the school enrollment and pension costs.

A discussion ensued regarding the proposed tax rate increase of \$.36 per \$1000 of assessed valuation.

Town Administrator Teixeira noted that much was explained via his introductory letter and read it aloud for the Council's edification.

There being no further business, upon a motion by Councilman Stuart, seconded by Councilman Calouro and voted unanimously, the Chairman declared this meeting to be adjourned at 9:40 o'clock PM.

Louis P. Cirillo, CMC
Council Clerk