

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
COUNTY OF NEWPORT**

The Town Council of the Town of Tiverton, County and State aforesaid held a Special Meeting on Saturday, the 1st day of February 2014 at 9:00 a.m. at the Tiverton Town Hall, 343 Highland Road.

MEMBERS PRESENT:

Council President Roderick, Vice-President deMedeiros, Councilor Chabot, Councilor Gerlach, Councilor Lambert and Councilor Pelletier. Councilor Arruda was absent
Interim Administrator/Town Clerk Nancy Mello was also present.

1. Call To Order

Council President Roderick opened the Special Meeting with the Pledge of Allegiance to the Flag, called the meeting to order at approximately 9:00 a.m.

2. Overall Discussion and Possible Votes on FY 2014/2015 Budget

Councilor Pelletier had distributed a budget packet with the five year Treasurer's report inputted in the column to left by year and for comparative purposes added a column for the five year average. Columns as usual indicating the 13/14 Budget, 14/15 request, 14/15 T/A recommendation and last blue column with his edits or changes to most recent recommendations based on the five year average that are sometimes important but not always a significant measure. Based on the five year historical performance which netted out total decrease of 67,500 difference once additions and reductions reflected. Didn't do every single category such as non-recurring Treasurer's requests or insurance since assumed all flagged to some other accounts. In police and fire the old account numbers and new do not jive; serious holes that needed guess work. Some no historical info because was budgeted under bigger blanketed accounts. Did nothing with Town Committees or Health and Human Service organizations. Big departments with old accounting reported single line item for personnel lumped together which are contractual so didn't break down further.

Fire Dept paid holiday, shift differential, EMS Incentive are contractual. EMS incentive has been 50,000 for 4years and last year was 64,000. Request is 93,000. Clerk responded they are now almost all paramedics. Some were Cardiac EMT. Treasurer is going through numbers again to make sure those are the accurate numbers.

Councilor deMedeiros commented need to review with Chief, believes he wants to hire as paramedics. Clerk had questioned Chief regarding this account, feels this request is not correct. Councilor Pelletier also concern with the request. Clerk will continue to work on this account with Chief. Also spoke with Police Chief under education since he also budgets as though all that are eligible are going to take courses when historically that does not happen and transfers made out of accounts routinely. Reviewing data as to how many are actually taking courses and actual cost. Councilor Pelletier, there are obvious instances where the 5 year average will not work. One item that stood out was communications and radio, spent three times as much because transferred money in and bought something.

Councilor Pelletier requested if Council minded if he went through some of the accounts so Council can talk about them and get solutions. Began with Town Administrator's budget since Council budget pretty much in agreement and Clerk submits her own budget. Councilor Gerlach questioned Council supply and misc. Clerk responded tapes, paper, supplies, folders, frankly also use from Clerk budget. Currently in negotiations with contract for new T/A. Councilor Roderick comment on cost for vehicle and asked if Clerk would find any other communities where T/A use their personal vehicles. Expense account request 2,000, historically spent 300 think for seminars etc. was decreased to 1,000. Supplies and misc. reduced from 4,000 to 3,000, doesn't indicate spending what has been budgeted. Clerk explained T/A receives funds from CDBG grant for administration as well so didn't always use full budget. Website is counter argument, historically spend about 4,500 and request is 3,000. Clerk suggested reason is Tax Assessor is handling the website and changing to RI.gov. He quite comfortable with this amount. Councilor Pelletier questioned town wide internet. Clerk will recheck and get answer for Monday night meeting. Keeping separate list for any additional accounts that may need relook. Clerk requested that Council take some consensus or vote to confirm the changes stated are acceptable. Council consensus, unless state difference can assume Council is in agreement with changes.

Councilor Pelletier continued with Zoning Board of Review under stenographer reduced to 4,000. Questioned if used only when have hearing for Town appeals. Clerk did discuss before B/C on Thursday night, only real ZBR expense is the stenographer. Will be placing postage and copy service under Building & Zoning, Treasurer is working out the account number. ZBR will only have steno account. Councilor Pelletier questioned Tax Assessor telephone request increase. Clerk will check on his personal cell phone monthly stipend. Reduced by 200, historically spending less than budgeted. Councilor Gerlach would expect rates remain pretty much same. Telephone service is through Cox. No issues with reducing the 200.

Professional & Tech average 5,400 but budget less and spending twice as much. Clerk will check into it. Suggests he provide more detail before any changes. We have had a couple of big appeals on the assessments, inland fuel, etc. Fire department; fire marshals inspections historically 40/45,000 range. Last year spent 46,000 and budgeted 50,000. This year request 55,505 wanted to know what drives that number and why expect to spend 10,000 more than last year. Clerk responded all fire inspections are paid by overtime only, driven by contract rates. Treasurer and Clerk went back by employee to track the expenses and are still working on it. All done on O/T does not get done on regular shift. Believe there are 4 fire marshals. Councilor Roderick is contractual and not on shift to maintain minimum staffing. Councilor deMedeiros suggests further research. Clerk referring to chief's backup detail additional hours for plan review, fire alarm and acceptance inspections for sales. Clerk also has breakdown on payroll spent for that purpose. Councilor Pelletier suggests the state fire marshal's office should be reconsidering some of these demands and requirements such as sprinkler systems, etc. Also all on the fee schedule. Councilor deMedeiros questioned if could be decreased to 45,000 felt 50,000 too high. Councilor Pelletier if based on what Chief requests needs to expand and not offering factual supportable data, agrees could be reduced. Councilor Roderick suggests reducing to 45,000 and let him provide justification for the additional 10,000, if not creating full time position then this is overtime. Councilor Lambert this represents what we are paying for the inspections but we do collect fees. Clerk responded the fees collected must remain with fire department for fire prevention programs. Councilor Lambert remembered Kate Michaud stating some of fees charging for inspections far in excess of State mandates. Brought to attention in context of Carpiationo inspections. Clerk responded once Council approves the fees, that is what most be charged. Will put fees on for workshop to address and review perhaps in March and let the departments better explain. Councilor Lambert recalled Gareth telling him was a profit maker but under law should not be profit basis. Councilor Pelletier raised issue with new Library, fees outrageous and by discretion can waive the fee but doesn't realize the multimillion dollar buildings developing today.

Councilor Roderick took consensus of Council and fire inspections were reduced to 45,000. Clerk also reminded Council they really need to look at the probationary salary as discussed at prior meeting. Discussion pursued on fire marshal positions. In operating expense fuel, oil and tires spending twice as much today as was 5 years ago. Councilor Roderick thinks has to do with cycle of trucks and changing of tires, etc. Councilor deMedeiros commented does have newer apparatus. Councilor Gerlach added if volume of activity has gone up year after year and price of gasoline increased would make sense number increases. Clerk added based on using 12,500 gallons at 3.50 for diesel and 3.40 for regular gas. Councilor Gerlach, looking at total number incident responses over prior years 2200, 2550, 2782, then 2797. Councilor Pelletier would like more detail since doubled number in 5 years with no real explanation. Clerk will have Chief get additional detail and explanation as to big jump; leave as is until get explanation. Telephone spending less than budgeted amount reduced by 1,300. Water same issue reduced 200. Councilor Gerlach suggests the telephone variable should be like across all departments. Minor equipment replacements historically less than budgeted reduced to 12,500. Station/Building Maintenance reduced by to 35,000. Roof has been completed which should help with some of the minor repairs. Other item medical physicals requested if driven by assumption of hiring new people decreased 4,500. Councilor Gerlach read Chief's detail that suggests would be a more in-depth physical. Councilor Roderick suggests he is assuming new recruits and additional physicals. Pagers will remain the same, request was up. Councilor Roderick opined may be needed. Councilor deMedeiros stated common in medical field to have pager and cell phone.

Under police overtime moving target most spent over 5 years is 160,000 and had transfers out. Flat lined at 190,000 reducing 10,000. Councilor Gerlach suggests since hiring additional officer should this account be decreased. Councilor Pelletier suggests there is a lap over of services but ultimately should. Questioned

education incentive and sick leave buy back. Councilor Gerlach requested information on actual number of officers taking advantage and costs. Clerk responded this incentive is not for classes but contractual based on degrees held. Councilor Pelletier, still spending less. Consensus reduced to 40,000. Would like more thought being put in these assumptions and not just taking the maximum. May need to see more detail from Chief.

Clerk again stated unless otherwise noted by Council is tracking the changes as being discussed as agreed. Chief indicates potential of 6 retirees. Clerk stated that is on paper only, none having actually indicated they will be leaving. Operations heat historically less than 11,000 requests 16,750. Took last year reduced by 10% and reduced to 12,500. Gas and oil same situation, historically very consistent around 83,000. Over budgeted at 100,000; decreased to 85,000 which is in line with past expenditures. Should be consistent since comes from DPW. Radio communications reduced to 12,000 which is average over years. Problem in only one year over past 5 did they spend anywhere near amount requested. Council reduced further to 12,000. If historically didn't spend the allotted amount difficult to justify increases. Need to look at what historically spent and need.

Continued with Animal Control. Clerk and Treasurer have been looking into these accounts. This is last year of 3 year contract on shelter. Dog census expenses minimal spent and requested double. Councilor Lambert suggests by next year will have some proposals to handle our animal control in town by Officer Bell. Census numbers show cats used as adoption agency and dogs are 24 to 48 hour rescue service. Almost 95% are claimed in a day. Last year found 134 dogs and 129 claimed in 48 hours. Chief Blakey, Barbara Pelletier and Officer Bell been great help. Cats stay until adopted but dogs go back to owners. Clerk will get contract for next meeting, have use of six cages. Councilor Gerlach if this is final year of contract looks like over past years cost have gone down. Contractual amount should be matching budget requests, will check into it by next Council meeting. Will continue to give B/C updated budget proposals so all are working with the same numbers.

Rubbish and recycling clause that adjusts late term years by CPI adjustment. According to DPW Director assumption is 4.3%. Councilor Pelletier suggests doesn't line up with actual CPI rates. Current contract year is 580K and budgeted 7% over actual. Usually 4%, agree don't know but 7% high. Notation handwritten by DPW Director is for budgeting 5%. Clerk added budget also includes the yard waste pickups. CPI for Boston in 2013 was .9 and historically under 2% over last few years. Think 3% still conservative. Councilor Roderick suggested 600,000. Council in agreement. Councilor Pelletier will review numbers again. Landfill operations only question was the increase in in electricity & propane. Discussion followed regarding the hut used at the landfill which will run on propane but very small, reduced electricity & propane to 250 from 1000. Under building maintenance the custodial travel raised issue, had big jump in 2012. With new fuel monitoring system and other arrangements opportunity for cost savings there reduced to 4,500. Clerk explained janitor is also compensated for mileage up to 500 per year. Clerk will red line and get greater detail since was prior discussed in budget cycle account included roller and fuel for rolling town farm which was decided by Council to be expense to recreation committee. Eliminated rental truck expense.

Senior Citizen service small changes, telephone budgeting over spending shouldn't go up 20% one year, reduced to 800. Electricity same issue reduced to 3,500, have made efficiency improvements over past year or two. Bus service remains around 13,000, requested 17,000 recommended reduce to 15,000. Councilor Roderick need to check if expanding service extra days. Councilor Pelletier agreed. Clerk will speak to Director and see if problem reducing to 15,000. Maintenance supplies and mowing under fertilizer, seed lime and stone, historically budgeting varied. Councilor Gerlach based on conversations with recreation the lower soccer field needs to be rehabbed and get back in safer playing conditions. Suggested get a better breakdown. Councilor Pelletier entire budget spending more than budgeted. Will leave until more information. Councilor Pelletier stated that completes review and net reduction of 78,800, little more now from amended amounts. Councilor Roderick thanked Councilor Pelletier for great job. Mr. Perry of B/C also thanked Council for this type of detail review.

Councilor Pelletier asked Clerk for edit relating to TIF bond. Was a reduction of 20,000 plus from 714,235 to 686,440 and Treasurer stated reason was not showing new payment which will stay steady for 9 years. Also changed the non-recurring removed 8,000 because the plotter was listed twice under planner and code enforcement. They will be sharing and only needed to be in budget once. Treasurer has tied all salary items to equation regarding social security and pension numbers. Reviewed by Treasurer and Clerk several times.

Property insurance not cut and dry has lot of variables. Trying to get better explanation and detail on health insurance and dwindle down those numbers, working on a separate report those figures much more complex. Actually looking to see what savings are by changing to HSA. Councilor Gerlach would like to compare files on telephones and utilities across the departments which should line up between departments at same percentage.

Clerk will move the changes from red to regular column for Monday's meeting but still not where need to be on percentage of increase. Councilor Pelletier stated this is just clean up. Councilor Roderick agreed still need to get below 2% and currently at 4.55% which represents couple hundred thousand in additional cuts. Councilor Lambert commented the need to start getting DPW Director and landfill committee to address some issues in landfill operation accounts since possibility in 4/5 years this operation will change and won't need 2 employees operating a landfill. Thought at some point begin to address long term plans to make that change. Councilor Gerlach requested landfill testing up. Councilor Lambert all guided by DEM regulations, not really much we have to do with, comes from PARE. Councilor Roderick suggests have Steve justify that number up 20,000. Councilor Chabot suggests giving this copy of budget to department heads so they can review and suggest where savings can be made. Clerk has discussed with them and will continue.

Councilor Roderick suggests, going against personal view, unfortunately the landfill closure at 168K this year needs to be cut. Need to look or plan somewhere else, relying on PAYT which won't make up full shortfall but need something to bring down budget. Knows it pains the Council but would relook at next year with this same detail review and find some way to put back. Councilor Lambert reviewed Charter section 310, everyone happy amount in excess of 5.35% of budget in reserve, well in excess of 3% requirement. Read requirements of section 310 and can only be used if declared state of emergency by T/C. Discussion pursued on the percent to remain in unreserved amount and the criteria to be able to use any of the funds and ability to have some of the funds be more discretionary. Breaking funds down for different categories. Councilor Lambert feels will still hit target number even without 168K. Concern is Town had RFP, hired PARE Engineering for 27,000 for report on closure but now without any other information or report we are second guessing and suggest need backup plan. Councilor Roderick, unfortunately need to review the big numbers. If didn't have PAYT would have been obligated. Opined should review section 310 and look at means to utilize some of the funds if needed by referendum or whatever works. Councilor Pelletier expressed some concern if doesn't pass FTR or need to wait additional year to be able to use the funds in some emergency. Clerk did inform on legal judgment have used reserve funds. Sees problem since the 168K was removed from last year's budget, the amount is now having a huge adding effect on the overall budget and percentage impact. Councilor's suggestions varied with possible ways to handle capital purchases that could be addressed including perhaps a resolution on the FTR to allow reserve to be broken down to specific categories. Need to avoid bonding and be able to purchase capital equipment from unrestricted to restricted surplus. Emergency situations would be hampered by the process to go through FTR, need for preplanning and smart planning. Councilor Gerlach suggested would be good to have some question on this FTR but need further policy discussion regarding what reserve should be. Clerk informed have a policy of increasing the unreserved percentage passed by former Council.

Councilor Roderick total reserve would affect bond rating, need clarification through Treasurer and impact if any. Clerk informed will be going out for bonding with library but do not have our own independent rating since going through state. Councilor Pelletier definitely needs more discussion. Councilor Roderick need to look at long term expense and capital needs. Councilor Pelletier suggests keep budget as tight as can and then any overage put in account for future needs, would save money in long run even for small items that we continually take loans and payment plans on, would set parameters and priorities for planning expenditures. Councilor Lambert supports taking 168K out of budget as long as have plan to address for future. Councilor Gerlach have good momentum and would like to see talks go forward. Councilor Pelletier when addressed with B/C should convey that something Council really concerned with. Clerk will raise issue that items some removed but looking for other means to fund. Consensus is need to take out this year due to increase in budget needs but will look at next year.

Tom Dalglish questioned if Council agreeing to take out the 168K. Councilors confirmed yes at this point. Councilor deMedeiros suggested a joint workshop with B/C at end of February. Councilor Roderick suggested another review by Council prior. Councilor Pelletier requested clarification from recreation on non-recurring on field rehab and questioned tracks for 55,000 for bulldozer. Police pension fund needs clarification if the 825K is

required by agreement with State. Clerk responded Treasurer is working on it. Councilor Roderick understands once amount put in are bound by the number and obligated. Councilor Pelletier at some point the number becomes too much. Councilor Chabot the plan has it going up even higher over 10 year period which ends up putting in over a million after 20 years. Clerk will contact someone from state on plan. Councilor Pelletier went from 535K to 825K as a catch up. Just changed from Bank of America to Washington Trust for management of investments. May need to stay stable until have chance to work out transfers. Bank of America account stayed in limbo since they have been wanting out for several years, weren't really working for us as they should have been and fees were high. Need to give Washington Trust a chance to work. Councilor Pelletier actuary study doesn't reflect actual contributions and performance. Figures were not clear and employee numbers were reported incorrectly by prior Treasurer.

Clerk questioned Harbor increases including assistant Harbor Master for 2000. Councilor Pelletier on the assistant, not lot of money but just hired new Harbor Master getting in swing of things. Not certain assistant really necessary, would have thought absolutely when Dave Vanier was here doing way beyond and tapped out. No experience with this Harbor Master. Councilor Roderick agrees and suggests can relook. Assistant always existed but was doing as community service. Councilor Lambert suggested speaking to Bruce Cox first. Clerk request coming from Harbor Commission position want boat out more and increase in fuel costs. Resident Susan Gill been going to meetings, new Harbor Master not living in Town and only available on weekends. Suggests speak to the committee before cutting. Consensus was to leave in until have new Harbor Master before the Council. Councilor Lambert, issue whether new pier will impact responsibility of job, would like that answer as well. Councilor Pelletier will save operation expenses by not docking the two boats at Standish Boat. Clerk will have Harbor Master come before Council, at present hasn't presented his budget.

Dave Robert arrived and Council questioned the website reduction to 3000. In agreement, also confirmed the internet service is payment for Big Dog. Town was paying Big Dog \$90 a month for hosting and should be cut in half since now paying \$45 a month and nothing to state. Clerk suggests prior T/A may have been using several accounts to cover and not sure where he was taking from. Clerk will continue to research.

Clerk requested motion for adjustments from discussions made today and forward to B/C. Councilor Gerlach motioned to accept changes to individual line item budgets as discussed during session today knowing that interim T/A needs to follow up on certain items so T/C can make further decisions. Seconded by Councilors deMedeiros and Pelletier. Motion carried unanimously.

Councilor Roderick suggested February 15th on Saturday from 9 to 12 for another Council special meeting on budget to allow votes. Reminder meeting Monday and Wednesday at Senior Center for T/A interviews at 7 but should be there a little early. Also need to schedule meeting with B/C. Clerk suggests on the 25th. Need B/C to see that Council goes through this detail and not just listen to dept heads that go before them often with wish lists. Councilor Roderick thanked Council for time, spent more time in one week than prior Councils spent on full budget. Clerk remarked had never seen Council go line by line, more documentation than ever taken on. Final municipal budget vote approval needs to be to B/C by March 8th. Councilor Pelletier suggests Councilors should also consider attending first meeting B/C receives Council final budget. Clerk stressing that Council is working diligently on what they feel meets the needs. Several Councilors stated will attend. Councilor Chabot recommends the site visits with B/C very informative and learn a lot. Need to convince a new approach and not how always done. T/C meets on 2/24 will try to get meeting on Tuesday or Wednesday that week with B/C.

3. ADJOURNMENT:

Councilor Pelletier motioned to adjourn, seconded by Councilor deMedeiros, passed unanimously.

The Special Meeting adjourned at approximately 12:10 p.m.

A True Copy.

ATTEST: _____

Nancy L. Mello, Town Clerk