

**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 Council Meeting on Monday, the 6th day of June 2016 at 6:30 p.m. at the Tiverton Town Hall, 343 Highland Road.

MEMBERS PRESENT:

Council President deMedeiros, Vice-President Chabot, Councilor Lambert, Councilor Mello, Councilor Pelletier, Councilor Perry and Councilor Sousa.

Town Solicitor Anthony DeSisto and Town Administrator Matthew Wojcik were also present.

Call To Order

Council President deMedeiros called the meeting to order with a pledge of allegiance to the flag.

1. Discussion and Possible Votes on Recommendations to Budget Committee Regarding Possible Cuts for Budget Approved at Financial Town Referendum

President deMedeiros explained the Budget Committee (BC) meeting is this Thursday night, the Council is having this discussion to offer suggestions to the BC to help move the process along. Town Administrator Wojcik, in a memo dated June 3, 2016 iterated for the Council budget concepts and considerations. Administrator Wojcik stressed these were not recommendations, illustrated various health care options. As part of the Pension Reform Act since 2011 cities and towns can transition retirees to Plan 65 and migrate to Medicare. Currently 12 retirees with an additional retiree in August. Total health care cost for the 13 retirees is \$253,477. Could be transitioned to Plan 65 with Medicare pharmacy part D. That is being done now with the more recent contracts. Net savings would be about \$220k. By putting retirees in Medicare part A, B and D and Plan 65 it would put them in a neutral position for total insurance coverage. However we cannot transition these people into Plan 65 unless they are enrolled in Medicare. Consulted with the Labor attorney, Blue Cross and the Trust, noted the city of Newport just did this with 150 teacher retirees. It is a transition the Town Administrator plans to do in the next two weeks. Councilor Lambert concerned in punishing any one group. T/A Wojcik explained the State provided this relied notwithstanding any collective bargaining contractual agreement; the expectation was to save money on OPEB. None of these decisions will be easy; to counter point the Town no longer receives the benefit of these individuals. President deMedeiros noted some of these were for family plans and the spouses may not be 65 years old, would have to find alternative health care. Councilor Pelletier noted that may help in the long term but does not solve the immediate problem.

Administrator Wojcik discussed employee health care; the Health Savings Account (HSA) makes up the deductible. The Town pays 50% of that account; the Town front loads the full amount. The Town could increase the deductible and use a product called an HRA, Health Retirement Account to fill in the gap. There would be premium savings on the high deductible so putting both of those accounts together the estimated savings would be \$100k. The Teamsters buy their insurance through one unified benefit platform. The Town pays \$9.96 per hour based on the hours worked. Typically costs \$17k per member, can negotiate and get a co-share similar to the rest of the Town employees. This could save an additional \$20k. Administrator Wojcik noted the Town is in negotiations with AFSCME and all the department head contracts refer to the AFSCME contract for health insurance. For Police and Fire would have to invite them to reopen the contracts; out of that would like to make the same opt out for all. It's not the same for every contract, should be \$3k with savings of about \$48,800. Some people have floated proposals about eliminating trash pickup. The contract is about \$649k per year; there is an escape clause if the Town did not appropriate significant funds. To add 2 full time workers would add \$150k plus equipment; no town does this as the numbers don't make sense. Yard waste pickup costs \$5,811

however it is used as cover for the landfill providing other savings. Just picking up recyclables would cost about \$300k, residents would have to bring their own trash to the landfill or hire a private company. Councilor Sousa looked for recommendations on raising revenue. President deMedeiros explained that would only go into the General Fund and not help the current situation. Solicitor DeSisto noted the vote was to reduce the expenses by a set amount; can't be offset those reductions have to take place. Administrator Wojcik noted the levy was reduced in budget number 2 with a reliance on \$175k from the General Fund. Solicitor DeSisto explained the BC job is to reduce expenditures. Councilor Lambert wanted to do something as broad as possible to spread out the pain. President deMedeiros noted Section 1214 of the Charter says all fees go into the General Fund. Councilor Pelletier noted right now there is no revenue side; Solicitor DeSisto added the Council could raise more revenue.

Councilor Pelletier recused and left the Council table on the discussion regarding the Police Pension Plan. Administrator Wojcik heard back from the State authorizing the Town to rewrite its funding plan to reduce the contribution to \$500k. The Police Pension Board voted 5-0 against doing that. Councilor Perry, a member of that Board handed out a spreadsheet showing expected contributions to the year 2040. The return on investments is more like 3.5% rather than the 7.5% return assumption; asked that this not be touched. Councilor Pelletier returned to the Council table as the discussion turned to the Senior Center. President deMedeiros noted Mr. Katz budget eliminated almost everything in Recreation except for mowing and zeroed out DPW overtime. As far as President deMedeiros was concerned safety comes first; maintenance is also a big issue. Administrator Wojcik noted there is an assumption that exists that there is a lot of money in government just floating around. Some 86.9% of the budget is committed due to contracts, mandates or debt obligations. The other 13.1% is for fuel, sand, salt, heat, electricity and whatever else. The Town has been fiscally conservative and will have to reorganize significantly including benefits. President deMedeiros opined the Council was being forced to do this. Over the last two years have worked diligently with the Police and Fire to have fair contracts. The Fire Department contract has saved over \$200k; these contracts are not wasteful. Councilor Lambert opined this is a two part problem; at some point have to recognize how much revenue is coming in.

Councilor P. Mello did not want to touch the Senior Center and suggested looking at the \$200k in farm abatement taxes. Councilor Pelletier talked about additional revenue, did not want to position the Town so no one would want to work here and to make sure people find Tiverton an appealing place to live. Councilor Pelletier noted the Council has been rehashing the budget since November; are not doing productive business. Councilor Sousa opined a lot of the town problems led from the State level, people want to see more revenue, need to move on. Councilor Perry had a problem with being here; the Charter reads the Budget gets mandated back to the Budget Committee and they discuss it first then comes back to the Council. President deMedeiros agreed, thought since the Council was the policy making body they could give some suggestions to the BC; could be helpful to the process. Councilor Perry affirmed the Town has grown by about 550; there is development all over Town. Will be forced to make cuts, suggest having something in mind for the next time when it comes back to the Council. Councilor Pelletier suggested discussing capital expenditures; asked the Town Administrator if there were any priorities. Councilor Pelletier suggested taking all out of Municipal Capital and as the year progresses doing those items within the budget. Administrator Wojcik explained the Department Heads had originally requested over \$700k for non-recurring expenditures; that was cut in half during the budget process. Councilor Chabot agreed, hate to do it but if there is money left in the budget then over the course of the year could purchase that equipment out of operations; also have to keep in mind all the Resolutions that passed. If you put it in Capital will never be able to transfer out and if you don't spend it you lose it. Councilor Pelletier added that gives the Council some flexibility. President deMedeiros called for motions, Councilor Chabot noted the Council can make recommendations. Members of the BC were in the audience, can make choices based on the discussion.

Councilor Sousa motioned to reduce the entire Municipal Capital non-recurring major expenditures from \$340,500 to zero. There was no second for this motion. President deMedeiros did not agree with removing all the maintenance items. Administrator Wojcik did not recommend cutting capital, will become a more expensive budget next year. Did not recommend removing the purchase of new police vehicles, are on a system to replace them. All three of the regular rescue vehicles were in the shop for repairs, had to rely on mutual aid. Councilor Perry agreed the Council would have to do something, suggested Mr. Katz go before the BC with his suggested cuts. President deMedeiros then motioned to end the meeting and have the Town Administrator relay to BC they could do what they need to do. There was no second to this motion;

2. Distribution of Charter Complaint Being Heard on June 13, 2016 and Town Council Procedure Relating to Charter Monitoring and Complaint Review Board

Town Clerk Mello wanted to mention this at the last meeting, distributed complaint in the packet for the Council to review; scheduled a hearing on June 13. This meeting will be at the High School and start at 6:30 pm. The Clerk had given the Charter complaint to the Council with the backup as it was received. President deMedeiros questioned the Solicitor on who investigates this. Solicitor DeSisto referred to the Charter Section 1211, subsection b, the Town Council shall receive testimony from the complainant and from the official, board or commission, or the members of the official body, against whom or which the charges were made, and from such witnesses as either party may bring forward. Councilor Pelletier noted the Council knew who was making the charge but wanted to know what is the entity or the people being charged and if they were on notice. President deMedeiros noted it was against the library. Councilor Pelletier questioned the meaning of “library” and if every employee should be in attendance? Solicitor DeSisto explained the complaint was against the library, doesn’t speak to a particular employee, just says the library. That may well be a subject of the hearing. Councilor Pelletier questioned if every employee, the Friends of the Library and the Board of Directors were on notice. Town Clerk Mello forwarded the Charter Complaint to the library via the Chair of the Board of Trustees. Solicitor DeSisto did not want to get into the particulars of this complaint tonight. The subject of the complaint has sufficient notice; the hearing could be continued for more than one night.

ADJOURNMENT:

Councilor Perry motioned to adjourn, seconded by Councilor Sousa. The motion passed unanimously.

The special meeting adjourned at 8:45 p.m.

A True Copy.

ATTEST:

Nancy L. Mello, Town Clerk