



Finance Board – Workshop Meeting Minutes Tuesday, March 12, 2019 – 6:00 p.m.

Town Manager's Conference Room, Westerly Town Hall
45 Broad Street, Westerly, RI 02891

AGENDA

1. CALL TO ORDER

Mr. Swain called the meeting to order at 6:05 p.m.

2. ROLL CALL AND REVIEW OF STAFF ATTENDANCE

Members present: Chair Kenneth J. Swain, Vice Chair Paula Brouillette, and Members Stephen Lynner and Betsy Gleason

Members absent: Christopher A. Duhamel, Ex-Officio

Staff present: Finance Director Dyann Baker, Senior Accountant Kenia Lopez, Town Manager Mark Rooney, and Minute Taker Stephanie LaSota

3. APPROVAL AND REVISION OF MINUTES

1. March 5, 2019

2. March 7, 2019

Ms. Gleason made a motion to accept the March 5 and March 7, 2019 Finance Board meeting minutes as submitted. Ms. Brouillette seconded the motion. The motion **CARRIED** by unanimous vote with no abstentions.

4. REVIEW AND DISCUSSION

Ms. Baker explained a document to the Board showing a preliminary net assessment, a proposed tax levy before assessment rates, and the budgeted levy is what is sitting on the books now and is what was put in the preliminary budget. She said in the next section of the document, the Board will see what things look like with revised assessments. She said you can see the 3.84 percent real estate and personal property tax to test the cap and the anticipated revenue at this assessment level is on the right. She said using that information, you are looking at a 300,000 dollar drop if you use that information versus the budgeted levy. Ms. Baker said they are seeing the decrease because of the Motor Vehicle Tax. She said she still needs to speak to the Department of Municipal Finance on how firm the phase out money is from the Department of Motor Vehicles. Mr. Swain said he doesn't think what the Finance Department is doing this year would change that because the State is a year behind. Ms. Baker continued to explain the document in front of them. She said in the third section they see a tax rate of 2.81 percent, which is closer to the rate of Social Security cost of living adjustment (COLA). She explained the decrease in revenue at that tax rate. Mr. Swain said they would have to continue to cut the budget to equal those reduced revenue numbers based on the 2.81 percent tax levy scenario. He asked where the Town was in its levy rate as compared to last year. He said the new assessment shouldn't fall into play with the levy.



He said this year's levy cannot go up beyond four percent of last year's percentage. Ms. Baker said in the middle chart of the document it shows a comparison from last year to this year. There was discussion on the numbers. Mr. Swain asked Ms. Baker if she could get him a copy of the Tax Assessor's Certification to the State for 2017. He said the bottom number on that would need to balance in this document. Mr. Rooney said they wanted to give the Board a sensitivity report via this document to show what a 2.81 percent tax levy would do. He said the change in the motor vehicle tax affected it a lot, too, with a 1 million dollar decrease in anticipated revenue. Mr. Lynner clarified that their estimated revenue at 2.81 percent is 71,402,731 million dollars and Mr. Rooney said yes. Mr. Rooney said there will be a small change with the Motor Vehicle Tax collection after this is set. There was discussion on how to avoid breaking the tax levy cap. Mr. Swain said the Board needs a philosophy of what it wants its goal to be and then get the money. He said 3.81 percent is what too close to the 4 percent cap. Ms. Baker said this document is her way of testing it. There was discussion of how many budget meetings were left. Mr. Swain said they had a lot of work to do before the public hearing. There was further discussion on determining final numbers due to the Motor Vehicle Tax and motor vehicle valuation reductions. Mr. Swain said this year Ms. Baker may be able to get a good number from the State, but next year it may be more volatile because they will have to do their calculations. There was further discussion on State decisions on available funds. Mr. Lynner said it sounds like fiscal year 2019- 2020 is reasonably locked in with regard to Motor Vehicle Tax. Mr. Swain said if you allow a float of up to ten percent, then it is reasonably locked in, yes. There was discussion on the enforcement of the vehicle tax collection.

Ms. Baker displayed a document created because of discussion last week with Finance Board meeting requests. She showed professional development actuals of the Westerly Police Department (WPD). She said she and WPD Chief Shawn Lacey reviewed together the vacation buy-outs of employees and that it typically runs between 15,000 and 50,000 dollars a year. She said Chief Lacey felt comfortable estimating a 30,000-dollar hiring lag in his area because of retirements and waiting for recruits. He felt comfortable removing the vacation buy-out line and leaving the salary line whole as a way to absorb that vacation cost. There was further discussion on WPD staffing. Ms. Baker said Chief Lacey also estimated they could decrease the staff clothing allowance by 27,000 dollars. She said he requested a reinstatement of 5,000 in the armory line item to accommodate an upcoming lease payment on tasers. Mr. Swain summarized Chief Lacey is decreasing their budget by 109,000 dollars and asking for a 5,000 dollar increase in the armory line item.

Ms. Baker said the harbor management position and the revenue seen above it are the mooring fees and the person hired to support that program, which offset each other. Mr. Rooney said they are anticipating greater revenue from these collection fees after the Harbor Management Plan (HMP) is approved. There was further discussion on the harbor management position possibly being part-time and seasonal with examples of how other communities do this. Mr. Swain said they should not be recommending a full-time harbor management position paying 85,000 a year, including benefits. He asked for a part-time value of the position. Mr. Rooney said it would be about 55,000 dollars without the full-time benefits. There was more discussion on the HMP and mooring fees.

Ms. Baker shared information previously requested by the Board that the Verizon lease revenue is based on 24,000 dollars and the Westerly Airport rent for the WPD was originally based on 31,000 dollars in rent, but over time, because the Verizon lease increases by 3 percent annually, they are at about 33,000 dollars for 2020. She said on the WPD lease payments, they have a CPI (Consumer Price Index) increase and that is projecting at about 37,900 dollars. Ms. Baker said the Westerly Airport lease is a thirty-year lease with two thirty-year renewals. She said they are twelve years in the lease agreement. Ms. Baker found that the Verizon lease was for five-year terms renewable up to five times,



or 25 years. Mr. Swain said the Board would return to the topic of WPD requests, as well as the HMP new proposed position.

Mr. Swain asked Ms. Baker to discuss the restricted funds. She explained the document in front of the Board. She said they have two restricted funds on page one for 2019 and there is carry over on the back page. She said if you look at the total column that holds current and prior year. Mr. Swain clarified that the document will give the Board the active balances in the Town's restricted accounts. Ms. Baker said the last column all the way at the bottom is the current total. Mr. Swain read some of the actual totals. Mr. Rooney said his intent is to get rid of restricted accounts and merge that money into its operating departmental budgets. Mr. Swain said his experience with that is if it goes into an operating budget, it may be used for other things, rather than what it is budgeted for. Mr. Rooney asked if the Board was pleased with how their questions were being answered. Mr. Swain said yes and it seems all their questions are being answered. Ms. Brouillette addressed the Board's philosophy discussion on how to look at budget cuts. She said she would limit going farther below the 2.81 COLA rate. Mr. Rooney said staying around there would increase the deficit by about one million dollars. Mr. Swain agreed with Ms. Brouillette's thoughts.

Ms. Brouillette left the meeting at 6:46 p.m.

Mr. Swain said the Board would like to get through the Parks and Recreation budget and the Department of Public Works (DPW) budgets. Mr. Swain asked if it was appropriate to have a full-time Parks and Recreation director. He asked the Board for their thoughts and suggested the director could possibly present how the budget would look with a part-time director. Mr. Rooney said there will be more discussion on Parks and Recreation with the school staff and School Committee at Thursday's Finance Board meeting. Mr. Swain said they could hold off on discussing that budget tonight. Mr. Lynner said Mr. Swain was talking about laying off Town employees. Mr. Rooney said there is some work they do with after-school programs.

There was discussion on page 316 DPW Building and Maintenance. Mr. Swain asked Ms. Baker to educate them on some of the line items and she reviewed some of the numbers on staff and 808 contracts. There was further discussion on the staffing in that department and contracts. There was conversation about allocation of funds to this DPW budget from Parks and Recreation. Mr. Rooney said the idea was the funds would be better managed from this account and the work is not done by Parks and Recreation staff. Ms. Gleason said the telephone bill has increased. Ms. Baker said the cost of services increased. There was discussion of why the Westerly Senior Center was in this budget. There was discussion that that cost was hidden in this budget and not clear to the tax payer. Mr. Swain a goal for the Finance Department may be to show the true costs of programs by highlighting the costs.

Mr. Swain entertained a motion from the Board to tentatively approve the DPW Building and Maintenance budget. Ms. Gleason made the motion. Mr. Lynner seconded the motion. The motion **CARRIED** by unanimous vote with no abstentions.

There was discussion on the DPW Administration budget on page 328. Mr. Swain this budget has been reduced. Ms. Baker said new personnel came in at a lower rate of pay. Ms. Gleason made a motion to tentatively approve the DPW Administration budget. Mr. Lynner seconded the motion. The motion **CARRIED** by unanimous vote with no abstentions.

Mr. Swain introduced page 334. There was discussion on what Geographical Information System (GIS) is. Mr. Swain said it is an ongoing expense. He said it started in restricted funds and then moved into the Department of Engineering. Mr. Rooney said it will be continually updated with the various layers of the Town. He said they do not have a GIS specialist. He said he is looking to see if there is a consortium the Town can join to cut down on their costs and be mentored in this, but not necessarily create another full-time job for the Town. Ms. Baker said it was 15,000 dollars in restricted funds. Mr.



Swain said it is a popular and functional service among communities. He said it is a time-saving tool for the Planning and Zoning process and tax-payers and property owners can use it, as well. Mr. Swain said in the Department of Engineering there was an overall decrease in the bottom line. Ms. Baker said professional services may also be reduced in the future. There was discussion of intern services in the Town. Mr. Swain said the Board will table this budget for a later time.

Mr. Swain asked for an approval on page 342 DPW Tree Warden budget. Ms. Gleason made a motion to tentatively approve the DPW Tree Warden budget. Mr. Lynner seconded the motion. The motion **CARRIED** by unanimous vote with no abstentions.

On page 346 of the DPW 808 Contracts, Ms. Baker explained they are trying to manage the healthcare plan better in the future. She said they anticipate savings for switching to a high-deductible healthcare plan. Mr. Swain said this is the first year line striping is entering this budget at 15,000 dollars from restricted funds.

Mr. Swain made a motion to move the designated 15,000 dollars for DPW line striping in Grounds and Maintenance back into restricted programs. There was discussion on why the funds were moved to DPW. Mr. Lynner seconded the motion. The motion **CARRIED** by unanimous vote with no abstentions.

Mr. Swain made a motion on page 347 for line items on Downtown light poles and mosquito control to be moved back into the restricted program. There was discussion on the line item for guardrails and where it was in the budget or restricted funds. Mr. Swain asked Ms. Baker for an actual cost of fuel and lubricants. She said year to date it is 51,000 dollars and last year it was 91,000 dollars total. Ms. Baker said the year to date actual cost of asphalt products is about 11,000 dollars up until January.

Mr. Swain made a motion that the line item of asphalt products be reduced to 25,000 dollars. Ms. Gleason seconded the motion. In discussion, Mr. Lynner asked how many lines are a function of spending year to date versus a projection of future cost. Ms. Baker said it is a combination of no knowing and time efficiency. He said if there are ten or fifteen similar line items, in the aggregate if the Board calculates it, it could add up to 100,000 dollars.

Ms. LaSota entered the meeting at 7:37 p.m.

There was discussion on actual budget numbers. Mr. Swain said there needs to be a December 30 actual column in the budget for next year. Ms. Baker agreed. Mr. Rooney said they could annotate the ones that are seasonal. There was no vote on the motion on the floor by Mr. Swain on reducing asphalt products to 25,000 in DPW.

Mr. Swain made a motion to recommend a reduction to the Waste Disposal line item to 15,000 dollars from 33,100 dollars. Ms. Gleason seconded the motion. The motion **CARRIED** by unanimous vote with no abstentions.

Ms. Baker said the Town has spent 2,450 year to date on professional tree service for two events. Mr. Rooney said they are contemplating doing a 6,500-dollar contract near School Street. There was discussion on the danger of the tree in that area. There was discussion on who was responsible for paying for tree removal and how to share those costs. Mr. Rooney said he is also looking to take it out of bond money. Mr. Swain made a motion to decrease the professional tree services line item in DPW from 10,000 to 5,000 dollars. Ms. Gleason seconded the motion. The motion **CARRIED** by unanimous vote with no abstentions.

Mr. Swain made a motion to recommend a decrease to Fuel and Lubricants in DPW to 100,000 dollars. Ms. Gleason seconded the motion. The motion **CARRIED** by unanimous vote with no abstentions.



Ms. Baker said in her notes she is reducing asphalt products to 25,000 dollars. Mr. Swain asked baker for a revised bottom line so they could tentatively approve the budget on the page. Ms. Baker revised the bottom line by deducting the 5,000 dollars out of professional tree services, 18,100 dollars out of waste disposal, 11,135 dollars out of fuel and lubricants, 10,000 dollars out of asphalt products, 5,000 dollars out of light poles, 25,000 dollars out of mosquito control and 15,000 dollars out of line striping roads, for a total reduction of 89,235 dollars. She said this made the new budget 2,324,678 dollars.

Mr. Swain made a motion to approve DPW Highway and Grounds Maintenance budget on page 346 with the new adjusted bottom line number. Ms. Gleason seconded the motion. The motion **CARRIED** by unanimous vote with no abstentions.

There was discussion on the DPW snow and ice removal budget on page 370. Mr. Lynner asked for an actual DPW snow and ice budget. Ms. Baker said over-time pay is 65,000 dollars year to date and last year it was 148,000 dollars. She gave year to date actual numbers on materials and vehicle costs.

Mr. Swain made a motion to reduce the over-time and stand-by budget line item from 139,000 dollars to 100,000 dollars. Mr. Lynner seconded the motion. The motion **CARRIED** by unanimous vote.

Mr. Swain made a motion to tentatively approve the DPW snow and ice removal budget with a new bottom line of 253,350 dollars. Ms. Gleason seconded the motion. The motion **CARRIED** by unanimous vote with no abstentions.

There was discussion on page 374 DPW Utilities budget. Mr. Swain asked how they were budgeted so well last year that they were the same this year. He asked for actual numbers. Ms. Baker said electric year to date cost is 96,000 dollars with four more months to go. She said natural gas year to date cost is 14,000 dollars, water is at 62,000 dollars, Verizon circuit fees are at 43,000 dollars, and street lights are at 192,000 dollars. Mr. Rooney said the bill is coming in better for the street lights because it's the first year with the new prism LED lights.

Mr. Lynner made a motion to reduce street lights in DPW Utilities from 350,000 to 300,000 dollars. Ms. Gleason seconded the motion. The motion **CARRIED** by unanimous vote with no abstentions.

Ms. Gleason made a motion to tentatively approve the DPW Utilities budget with the updated bottom line of 567,100 dollars. Mr. Lynner seconded the motion. The motion **CARRIED** by unanimous vote with no abstentions.

Mr. Swain said they would table the approval of the DPW Maintenance and Mechanic budget on page 378. Ms. Baker said they will remove one staff at a cost of about 85,000 dollars. Mr. Swain asked her to recalculate the bottom line and update the Board next week.

Mr. Rooney said they will do the Department of Recreation next Tuesday after the combined meeting with Recreation and Westerly Public Schools (WPS) on Thursday. There was discussion on the school budget and possible cuts. Mr. Swain asked Ms. Baker to verify changes the Board made tonight and any other updates. The Board discussed Thursday's agenda topics. Mr. Swain said the school staff could come at 6:00 p.m. Mr. Swain said he would like to get through their budget and then talk amongst the Finance Board. Ms. Baker said she would also revise the restricted accounts. Mr. Lynner asked if there has been any feedback from the school yet. Mr. Swain said he sent the School Committee chair and the Superintendent the Board's recommendations and thoughts with explanations. He said there hasn't been a year in his time on the Board where the school's budget hasn't been met with much conversation and substantial cuts.

5. OTHER BUSINESS



None.

6. PUBLIC COMMENT

None.

7. ADJOURNMENT

Mr. Lynner made a motion to adjourn the meeting at 8:07 p.m. Ms. Gleason seconded the motion. The motion **CARRIED** by unanimous vote with no abstentions.

Respectfully submitted,

A handwritten signature in blue ink that reads "Stephanie J. LaSota".

Stephanie J. LaSota
Minute Taker