

MINUTES
Town Council
Town of East Greenwich
Regular Session
January 9, 2017 @ 7:00pm
Town Hall, 125 Main Street, East Greenwich, RI 02818

7:00pm ~ Call to Order & Pledge of Allegiance to the American Flag

Town Council Present: S. Cienki, S. Todd, A. Deutsch, N. Granatiero, M. Schwager

Town Staff Present: T. Coyle, III, L. Carney, P. Clarkin, K. Benoit, J. Duarte, S. Brown, S. Cirella

School Committee Present: C. Mark, M. Winters, J. Dronzek, M. Fain,

Others: V. Mercurio, G. Wilcox, C. Malaga

President Cienki called the meeting to order and led the assembly in the Pledge of Allegiance to the American Flag.

Acknowledgments

None

JOINT MEETING WITH SCHOOL COMMITTEE PER RIGL 16-2-21 and 16-2-21.3 for Council to present estimate of revenues for FY 2018 and School to present estimate of total expenditures, projected enrollments, with resultant staff and facility requirements and any necessary or mandated changes in school programs or operations.

The School Committee was called to order by Carolyn Mark, Chair.

Jeff Dronzek, Finance Committee Chair, began by clarifying fund balance amounts for FY2016 and FY2017 (hand out). In addition to re-appropriating funds from one year to the other, the projected deficit in FY2017 is larger than expected due to high cost special needs, kindergarten and transportation. Currently the school committee is operating with 44% budget expended and we are 50% through the FY2017. Reimbursements from the State, the ratio between surpluses and deficits and unanticipated expenses over the next 6 months were discussed. It was noted that the car tax revenue could be depleted by the State. Some costs for Special Education are anticipated and transitional in nature. Reimbursement percentage rates come from RIDE. Dr. Mercurio spoke about increasing enrollment numbers, capacity and financial impact (increased staffing, etc.). Ms. Wilcox provided details on the difference between the ending fund balance in FY2015 and FY2016 which was due to adjustments for WB Health claims. Further discussion followed on utilizing fund balance money from restricted and committed funds to balance the school's budget. It was noted that about half of the anticipated remaining fund balance for FY2017 could legally be pulled. Projected expenditures for FY2018 do not include students currently in the district. Anticipated deficit of 1.3 million for FY2017 is not for students currently enrolled as special education students in the district but projected costs associated with students who may move into the district. President Cienki stated that SB3050 is in affect and that the allowed increased should be viewed as a ceiling not a target.

Mary Ellen Winters moved to adjourn at 7:35pm, seconded by Jeff Dronzek. Voted 4-0 all in favor, motion carried.

Town Council Minutes

- a) December 14, 2016 (Regular and Executive Sessions)

VP Todd moved to approve, seconded by Councilor Deutsch. Voted 5-0 all in favor, motion carried.

2) Reports and Communications

- a) Public Comment (15-minute time limit for items NOT on the agenda)

None

- b) Presentation on Fund Balance by Adam Krea, First Southwest

Mr. Krea gave a presentation on the Town's fund balance, rating agencies and peer credit comparisons. The five categories were explained (non-spendable, restricted, committed, assigned and unassigned) and how much of each one belongs to the Town and to the Schools. Rating agencies are specifically interested in the Town's total available general fund balance and unassigned general fund balance. The Town's bond rating could decrease depending on which category the Schools take funds from. The median for Aa1 rated communities is 13.3% in Rhode Island and New England. An increase in the Town's bond rating could relate to reduced interest rates. The Town is currently one notch below AAA rating. The four major factors that are reviewed when assigning bond ratings were discussed which are: financial performance (debt ratio/available fund balance), management (people/policies), long term liabilities (OPEB/pension) and regional economy. He summarized that withdrawals for unforeseen one time expenditures are easier to see and explain rather than structural budget problem which will have a negative impact on ratings. Always have a solid plan to address these issues so they don't happen again. Net OPEB obligations and the Town's involvement with The Trust were briefly discussed followed by metrics for fiscal excellence.

Council took a brief recess.

3) Public Hearing

None

4) Consent Calendar

None

5) Unfinished Business

- a) RENEWAL of Class B Alcoholic Beverage Licenses including Victualing,

Entertainment, Outdoor Sidewalk and New Year's Eve (as applicable) for the period December 1, 2016 through November 30, 2017 for Grille on Main, Kon Asian Bistro and The Oak's Tavern (CONTINUED FROM DECEMBER 14, 2016).

Councilor Deutsch moved to approve the renewals for Kon Asian Bistro and The Oak's Tavern, seconded by Councilor Granatiero. Voted 5-0 all in favor, motion carried.

Scott Buontempo, owner of The Grille on Main, showed proof of payments to the State and will pay the Town taxes tomorrow. The owner of the property is also a small partner in the business.

VP Todd moved to extend the license for one day effective on receipt of full payment of Town taxes and renewal is subject to the clearance by the Division of Taxation, seconded by Councilor Deutsch. Voted 5-0 all in favor, motion carried.

- b) An ORDINANCE in amendment of Chapter 248 Vehicles and Traffic, Article II Operation, Section 248-19 Multi-way Stop Intersections to create a three-way stop intersection at Middle Road and Tillinghast Road (THIRD READING).

VP Todd moved to approve, seconded by Councilor Granatiero. Voted 5-0 all in favor, motion carried.

6) New Business

- a) Review of Town Council Rules and Guidelines

No changes were suggested. To be reviewed again in July.

- b) Authorization for the Town Manager to submit an application for the State Revolving Fund (SRF) Program Loan in the amount of \$6,000,000 for the Wastewater Treatment Plant Upgrades.

VP Todd moved to approve, seconded by Councilor Deutsch. Voted 5-0 all in favor, motion carried.

- c) Approval of a performance bond for the Cedar Hill Farm subdivision in the amount of \$727,926 for the subdivision public improvements and an inspection fee of \$14,559.

Mr. Duarte explained the need for performance bonds and how they protect the Town during construction.

Councilor Deutsch moved to approve, seconded by Councilor Schwager. Voted 5-0 all in favor, motion carried.

- d) Approval of a performance bond for the Cedar Hill Woods Subdivision in the amount of \$295,814 for the subdivision public improvements and an inspection fee of \$5,916.

Councilor Deutsch moved to approve, seconded by Councilor Schwager. Voted 5-0 all in favor, motion carried.

7) Town Manager's Report

Mr. Coyle commended Mr. Duarte and the DPW staff for storm management over the weekend. Department Heads have begun submitting budgets.

8) Council Comments

President Cienki and Councilor Schwager attended the Open Meetings Government Summit at CCRI.

9) Public Comment (15-minute time limit)

None

10) Executive Session per RIGL 42-46-5 (a) (2) (5)

VP Todd moved to go into Executive Session per RIGL 42-46-5 (a) (2) (5), seconded by Councilor Schwager. Roll call vote 5-0 all in favor, motion carried.

- a) Collective Bargaining/Litigation (pending)
- b) Dubis et al vs. Town of East Greenwich
- c) Acquisition or lease of real property for public purposes

Following the Executive Session, VP Todd moved to return to Open Session, seconded by Councilor Deutsch. Voted 5-0 all in favor, motion carried.

VP Todd moved to seal the Executive Session minutes, seconded by Councilor Schwager. Voted 5-0 all in favor, motion carried.

VP Todd moved to adjourn at 8:45pm, seconded by Councilor Deutsch. Voted 5-0 all in favor, motion carried.

Leigh A. Carney, CMC
Town Clerk

APPROVED BY TOWN COUNCIL JANUARY 23, 2017