

Town Council Meeting
April 6, 2015

WORK SESSION- 6 p.m.

Present: Vice-President Carlson, Councilman McGee, President Shibley, Councilwoman Duxbury, Councilman Laboissonniere, Town Manager Thomas Hoover, Town Solicitor Nicholas Gorham.

Pledge of Allegiance
Invocation by President Shibley
Review of Emergency Evacuation Plan

Finance Director Bob Thibeault advised that he is going to make a budget revision as the proposed budget does not include the approximate 1% that you would take off for taxes that you cannot collect. The budget will be resubmitted and non-collection will be taken into consideration. It will have a bit of an impact on the budget and the hope is that any small increase in the levy would be offset by an increase in assessed value.

In addition Mr. Thibeault composed pie charts reflecting a debt service increase due to the approval of a bond issue caused by voter approval of the road energy bonds.

POLICE DEPT

Chief Volpe stated that there are four recruits in the academy who are due out in May, which will bring us to the authorized 57 officers. Councilman McGee asked about overtime and Chief Volpe responded it is to offset shortages for numerous reasons such as storms, bike path patrol, and the need for the police boat on the pond in the summer, a school resource officer, SWAT training (which is mandatory), canine training since our police dog may be retiring and we would need to train a new dog), and lastly on the midnight shift the minimum number of officers are only three. However, we are spread thin most evenings especially with all the calls from Walmart and the Center of New England and it becomes a safety issue.

Councilwoman Duxbury asked why patrol officers on the bike path and at the Centre of New England are considered overtime and Chief Volpe replied that the only other option is to put it out as a detail. It's a contractual issue.

She asked about SWAT training, the fact that we have a joint team with West Warwick and how frequently we use that team. Chief Volpe said usually once or twice at year at this point, but there is no crystal ball with that team. They train eight hours a month at the firing range, then another four hours in drills. The team has great skills and tools to mediate situations. When asked about cost, he answered that if we call out the SWAT team, it is expensive, but it's difficult to put a price tag on it when you're dealing with hostages and life and death situations. If we didn't have that staff available in town, we would probably have to call the state police, then you run into a time frame, we would still be there but would lose control somewhat as they would hold the reins.

Councilwoman Duxbury questioned the supplemental amount of \$53,573. Chief Volpe explained that represents 10% of the previous year's fund balance that goes toward pension liability. When asked about the big increase in group insurance and what that percentage is, Finance Director Thibeault noted an increase of 10.2% in group insurance.

Chief Volpe further explained that \$8,000 in professional services is used to employ stenographer services, transcription or videotaping.

When asked if he plans to replace a couple of vehicles, he replied that funds have been put in the budget for replacement vehicles. On average we put over 40,000 miles a year on a car, and they are running almost 24/7. The lifespan is relatively short.

Councilwoman Carlson asked about revenue and grants; Chief Volpe replied that most grants are small, legislative grants totaling about \$2,500.00. He does receive the Byrne Grant for about \$15,000, and this year that will be put toward the purchase of a canine.

Councilwoman Carlson asked if, without the new police station, whether he will be able to do any modifications to the current station. He answered that there is only so much that can be done with that building, but there is a proposal in the capital budget for \$75,000 for communications, other than that, some paint, plaster, and repair of a hand rail.

When asked about the budget line for retirement coverage, he explained that is for post employment medical for some retired chiefs, things that that were agreed to outside of the regular bargaining agreements. The reason the amount has jumped so high is because we are trying to look ahead and figure how many people might retire so we can be prepared. Retirees receive lump sum payouts, depending on what they have accrued. Manager Hoover added that in general, we do not provide retiree healthcare. However, if there were agreements in the past, that would allow for coverage of retirement health benefits, something that a previous council had committed to, then we remain obligated. It includes medical for six or seven retirees.

Chief Volpe also explained that in that increase of \$105,912 to \$200,000, is for two potential retirees in 2016, and there are three others that could also possibly leave. The amounts depend on the rank, what they have accrued, payouts, it is all contractual. Manager Hoover also stated that after 1994, officers don't get near as much when they leave, the pension is substantially different.

Councilman Laboissonniere commented that this year we go to the full ARC payment, which comes to over \$4.5 million. Chief Volpe replied that with regard to the overall increase in the police budget of 7%, most of that is the full ARC payment. If you take out the ARC, the increase is about 1.3%.

DEPARTMENT OF PUBLIC WORKS

Public Works director Kevin McGee oversees a multidivisional department that includes Engineering, Inspection and Permits, Roads and Bridges, Snow Removal, Building Maintenance, Refuse Collection, Refuse Disposal and Vehicle Maintenance.

Councilman McGee questioned the \$6,500 in Temporary Employees in Engineering and DPW Director McGee said that a part time retired engineer is working three days a week, four hours a day as an intern helping in the engineering department.

INSPECTION AND PERMITS

Councilwoman Carlson commented on the \$20,000 increase in group insurance; Mr. McGee explained that those numbers had been understated because we didn't have anyone in one of those positions last year. This year we have a new Building Inspector and an assistant. In addition, one employee whose wife recently passed away, will be taking the group insurance. It makes a big difference.

ROADS AND BRIDGES

When asked about the \$100.00 safety incentive, Public Works Director McGee explained that it is contractual in every department.

The \$40,000 lease purchase is not in addition to the capital budget; that comes out of Temporary Services which would have been a contract sweeper. Mr. Gorham will prepare a legal opinion on this lease purchase.

There is an overtime line item in the snow budget and the roads and bridges employees also do the snow removal.

Temporary Services include the contract sweeper, catch basin cleaning, line straightening, and details for the police working with those departments on road projects. The contract sweeper was in Temporary Services, it is now in Lease Purchases. The contract is on a year to year basis. We're at approximately \$35,000 and only utilized \$9,000 in the last year's budget cycle. We don't see that because by the time we have the sweeping done, we're billed after June 30th. Temporary Services does not include the cost of contractual sweeping for next fiscal year.

If you look at the expenditures, in temporary sweeping, we expended that because we did not carry the street sweeping that was cut out of the budget. In our roads and bridges temporary services, currently as of this date, we've already spent \$50,000 and we haven't started sweeping.

Finance Director Thibeault explained the cost of the sweeper came out but he's adding additional items that weren't in there last year, such as line striping, so there was a deduction for the sweeper because it went to another line item and there was an increase for other temporary services that he wishes to purchase. Mr. McGee said the idea is to discontinue contractual street sweeping and do it in-house.

Asphalt products, concrete & materials, sand, stone & gravel went up and that is related to the bond work. This is in addition to what we are going to do to our roads and bridges. Most of the road and bridge work is done by contract.

The cemetery contract is something new that we just added to the budget this year. Mr. Hoover explained we had a contract and did not budget for it. It came out of this department and should have been \$40,000 in this current year's budget; it is a five year contract, it was an oversight and will be put in next year's budget. We used to have a perpetual care fund for the cemeteries. The contract calls for \$1,000 a week from April through October calling for the maintenance and care of close to 60 cemeteries.

SNOW REMOVAL

Manager Hoover stated we did get declared a state of emergency, which means about \$110,000 to the town. We can expect approximately 75% reimbursement which would mean we would take around \$86,000 off of the deficit.

Mr. McGee said we ended up moving snow at intersections, dead ends and cul de sacs. That's when additional loaders, tri-axle trucks, and ten wheelers were hired to haul snow to different locations, including snow removal from roofs.

BUILDING MAINTENANCE

Councilman McGee questioned the Annex Repair line item for \$ 30,000 and commented that we need to take in rent from Central Coventry Fire for office space in that building since we were forced to take care, maintain and repair the office space. Manager Hoover explained that Attorney Peter Furness is handling our Central Coventry bankruptcy situation. We are not receiving rent right now and Mr. Furness has filed a motion this past week to go back five years on back rent for the offices over in the annex.

Councilwoman Duxbury wanted to know if we have an itemized list for costs associated with maintaining and operating the annex over the last couple of years. Manager Hoover answered that we do not but he has requested one. However, there are going to be some major energy repairs on that building which include roofing, sky lights and the roof drains, and a new boiler as part of the energy contract. DPW Director McGee added that lighting will also be replaced as well as boilers and gas controls. We will have anticipated savings of about \$86,000 in gas and electric service.

There was some discussion on the annex, why we can't move the town hall into the annex, close the annex, where would you put everything that is there. However, there have been discussions with outside agencies for possible uses. Currently 40% of that building is sealed off and that also saved on energy.

President Shibley commented that putting money into a building is never easy. We're talking millions of dollars if we decided to take it down. It's probably best to keep it going, repair it, and try to get the maximum use out of it.

REFUSE COLLECTION

Mr. McGee gave an update on the automated trash collection program. Currently we have about 70% of the containers. There are nine trucks on order. We should be able to start the new program right after Labor Day. Two of the old trucks will be saved to assist with yard waste, the additional old trucks will be sold at auction.

REFUSE DISPOSAL

With the anticipated reduction in trash, there is a reduction in our budget for refuse disposal.

VEHICLE MAINTENANCE

DPW Director McGee complimented employees in the vehicle maintenance division as they do an amazing job with the equipment that they are dealing with right now. Repairs are down \$27,000.

PARKS AND RECREATION

Councilman McGee asked what is production and construction in line 91052700.

Recreation Director Guy Lefebvre replied that he is replacing some of the tables at the community center and purchasing an AED device.

Councilwoman Duxbury questioned how revenue is reported and Mr. Lefebvre explained that parks and recreation collects many fees and charges throughout the year. Some of it goes to the General Fund to offset expenditures and some to pilot programs that we have established to support programs not in the budget, allowing us some flexibility to bring in new programs. One basic rule that we follow is if we collect enough money to run the program, we will run it. If we do not collect enough, we will rebate the fees and not run the program. There is no risk of deficit. Other fees go directly to agency accounts, typically the largest share of fees to children's admissions to field trips that we take during the summer or school vacations. Those fees are collected and held in the agency account and then paid to the venues we visit.

Mrs. Duxbury understands what he is saying, but why wouldn't that \$320,114 amount be reflected somewhere in revenue and then show the expenses going out? Finance Director Thibeault stated that \$320,114 reflects the total amount of funds, most of it agency funds. What happens is that the money comes in, pays for a program and goes out. At the end of the season, any funds left over (profit he makes) from trips and activities get turned into the general fund. Mrs. Duxbury understands that this money comes in and pays for fees, but why are we not getting an accounting of that and Mr. Thibeault explained that it is an agency fund, not part of the general fund. Mrs. Duxbury feels that is a lot of money and wonders why we don't have something showing those funds in and out. Mr. Thibeault again stated that it is not part of the general fund, you will not see revenue recognized, nor will you see the expenses until programs are over, then retained earnings are recognized as general fund revenue.

Mr. Lefebvre said some of the programs are reflected in the budget, and those fees do go directly to general fund to offset the expenses of the program. Those fees under a pilot program, where there is no appropriation in the budget, are retained so we can apply directly to the program.

Mr. Thibeault said that at one point in time all revenue went through general fund, that was years ago. Mr. Lefebvre added that a former treasurer and town manager helped us establish the agency account, then everything was deposited in the agency account and we could go to a venue and not have to deal with cash payments, it was more secure. Often we would have to get tickets in advance, make deposits. Mr. Lefebvre and the finance director have authority at Centreville Bank. We report monthly and do an annual report.

When asked about bus rental, Mr. Lefebvre said it has been enhanced over the years and is used for summer camp

Mrs. Duxbury asked how much these programs are subsidized by the town and what families pay. Mr. Lefebvre answered that summer camp is the largest program and completely subsidized by fees paid. We have the potential to raise \$112,000 in camp revenue. Most other programs enhance revenue to the town, but some break even. Summer programs are completely subsidized by the fees. Other programs won't go forward unless we can break even. Mr. Lefebvre did say that there are a few programs that don't break even and the beach is one of those, due to staffing and the length of the season. We bring in about 1/3 of the expenses we incur. Those collections go directly to general fund.

Councilwoman Carlson questioned \$194,000 in temporary employees. Mr. Lefebvre said that is the bottom line total, \$65,000 of that is for summer staff. There are fall, winter and spring programs and summer events. The total amount of seasonal employees is 112 people, 11 of them full time, 101 temporary. Overtime is for regular employees in case of emergency, such as water or septic problems.

Councilman Laboissonniere questioned electric and gas service funding going down. Manager Hoover explained that is due to the energy bond and the improvements being done under the bond. This will greatly reflect on departments in next year's budget.

President Shibley asked about the number of individuals serviced in Parks and Recreation. Mr. Lefebvre said there are 4,200 youth in the league programs, 500 in summer camp historically, 300 in the summer basketball league, 2,000 to 3,000 in the programs that we offer, then there are approximately 1,000 adult population in classes. President Shibley commented that this department services the town well, and is asking this year for an increase of \$24,000. Mr. Thibeault agreed, less than a 2% increase. Councilman McGee remarked that there should be a significant impact next year after the power purchase agreement is signed and up and running.

HUMAN SERVICES

Councilman McGee asked Human Services Director, Pat Shurtleff about the \$3,000 increase in repair and fix. Mrs. Shurtleff said that is for repairs to the building, such as the heating system. He asked if the increase in salaries was contractual and Mrs. Shurtleff replied that they are not under a contract, however, Mr. Thibeault explained that because the town dictates when the nurses work, they have to be considered regular employees per IRS guidelines, where this used to be under professional services.

Mr. Laboissonniere asked if she has hired the assistants for the social worker position and she replied yes, that Kathy Pendola is the social worker and now there are two assistants. We are trying to redirect some of the tasks that need to be done so that more effective and appropriate use is made of the social workers' time.

Manager Hoover asked how we are doing with the MacArthur Blvd. program and Mrs. Shurtleff said very well, we have the food and clothing banks there. CCAP would like to bring dental services into the town and are looking at ways they can renovate or create space so that they can do it. They would also like to start GED and job training programs. They are very successful with all their programs and are also planning to bring in Mental Health care and a behavioral unit.

LIBRARY

Councilman McGee asked what percentage of the \$987,00 library budget is subsidized and what percentage is grants. Library Director Lynn Blanchette said that even though the library receives State Grant in Aid, the budget does not include that amount. He questioned the data processing line and Ms. Blanchette responded that there is nothing that can be done about that, it is the membership to Ocean State Libraries, a consortium that we are all part of. A couple of years ago they changed the way they figured out membership fees and it is now according to town population. So unless Coventry loses population, it will at least stay the same.

Mr. McGee asked why there is an amount shown for sewer service. Mrs. Blanchette said that the State Grant in Aid is determined by a percentage of all the money the municipality spends on the library. Several years ago we realized that the library's budget did not include things like electricity, heat, water, etc., yet that was money the town was spending on library services and we should be reimbursed for it. So years ago we sat down with a former finance director to try to figure out as best we could how much the town spends on all these line items in addition to the library budget, and it was added as one large line item. This building was tied into the sewers this past year, there is a cost to running the sewer system and we have figured the cost at \$1,600.

Councilwoman Duxbury asked why there are so many part time librarians and Mrs. Blanchette replied that full time is much more expensive. The library is open seven days a week, 64 hours. Part time works very well for us and takes care of many night and weekend hours. They cover the department when the professional librarian is doing story hour or running programs. Part time is a real cost savings to us. Mrs. Carlson stated that on revenue, you collect about \$25,000 in fees, but you don't get to keep it, it goes to general fund. Mr. Thibeault said that a special fund could be set up but Manager Hoover would rather keep it in general fund.

Councilman Laboissonniere asked about reclassifying temporary employees to regular employees, and paying less money. Mrs. Blanchette said that a full time staff member retired and the new person started on lower level. Secondly, one of our full timers needed to take medical through the town, but we saved the stipend that was in that line.

PLANNING

Councilman McGee commended Mr. Sprague for the work they do in Planning with less employees. He questioned the professional services line and Planning Director Paul Sprague explained that it is for environmental review teams, if a subdivision project came in, if they need a traffic study, or if something involves wetlands or drainage, for drainage engineers, etc.

Councilwoman Duxbury referred to CDBG and asked how much the grant writer has brought in this year writing grants. Mr. Sprague said \$38,00 this year, but in the past it has been as much as \$200,000. It varies on how much the federal government is ready to disburse. The federal government has been cutting CDBG's incrementally. She would like to see the

CDBG grants on the revenue sheets. Mr. Thibeault said they are non-general fund grants. We really only show general fund in the budget. Solicitor Gorham asked if it is journaled out as a special account and Mr. Thibeault said yes, a special revenue fund, it is restricted and can't be used for anything else.

Manager Hoover asked Mr. Sprague to explain the status of the comprehensive plan. Mr. Sprague said state law provides that we have until June of 2016 to have the plans approved. We had hired an outside consultant to prepare a plan, it went to statewide planning, took them several years to review it. They then advised us they wanted to change the format of plans and said they were going to give communities a template for comprehensive plans, and that template has not been issued yet. However, when we submitted the land use element, they said it looked good.

We are working off of a draft and are pretty confident our staff will be able to provide a plan. We expect by June to have a drafted version of the plan barring anything unusual. During the review process the plan will be sent to departments for review, to statewide planning, the town council and also hold public hearings. When asked if our plan is overdue, Mr. Sprague responded that it is not.

Mrs. Duxbury asked if we have the expertise to do this in-house and Mr. Sprague said that it is done by planners. We previously hired someone and spent \$55,000 and got a product that didn't pass grade. At that time the council said to do it in-house and that was probably around 2009 or earlier. Mrs. Duxbury just wants to make sure that when we do this, that it doesn't get rejected. Councilwoman Carlson commented that the state website says the comprehensive plan has expired; Mr. Sprague said it has not and that we have until June of 2016. The state will issue a template as to how it should be written. This is the first time statewide planning has come up with a template. Mr. Sprague also stated that the town was told to hold off on the plan because the state decided to change everything from a five year cycle to a 20 year cycle, and this is part of what is required in the comprehensive plan.

Mrs. Duxbury feels it is important to move this along so that we know how to encourage development, how to grow the town.

Councilwoman Duxbury questioned stipends on boards and commissions, as the Town Council pays taxes. She mentioned several boards, such as Planning, Zoning, the Board of Canvassers and the Housing Authority. Looks like they are paid as independent contractors and not employees, yet the Council is paid as employees. She questioned whether that is correct. Manager Hoover said he would have to defer to the solicitor on that, however, the Town Council is elected and the boards are appointed.

Zoning Board, Planning Board, Conservation Commission, Land Trust – no discussion.

Manager Hoover did comment that the Land Trust does require some maintenance of their property and Parks and Recreation does that on an overtime basis on Saturdays.

The Economic Development Commission is "in flux" right now with only two remaining members. We will be restructuring that as part of the Small Business Forum.

Historic District Commission

Paul Sprague administers this commission and it takes a lot of time. Solicitor Gorham asked whether we have historic zoning in town and Mr. Sprague replied that we do in the area of the Paine House and fire dispatch. There are certain restrictions.

FINANCE DEPARTMENT, INCLUDING TAX COLLECTOR AND TAX ASSESSOR

Councilwoman Duxbury asked if this is the time of year when overtime is incurred and Mr. Thibeault replied that it is.

Town Clerk

Councilwoman Carlson asked for clarification of the Codification line and whether that represents the Charter. Town Clerk Cheryl George responded yes and that it also includes codification of all town ordinances.

Information Technology

Councilwoman Carlson asked about the computer equipment line item. IT Director Ed Warzycha replied that the \$40,000 is a one time expenditure to replace all services in the network at the Police Department. Mrs. Duxbury asked why he shows no group insurance in his budget and he replied that his insurance comes from former employment and his assistant is still on his parents' medical plan. Mrs. Duxbury asked whether he had room in his budget for an intern and Mr. Warzycha asked if an intern could work for credit. She will check into that and believes there is some scholarship money available through Bryant.

In addition Mrs. Duxbury would like to see televised Town Council meetings. Mr. Warzycha responded that comes with a cost and the question is how much cost you want to incur. Do you want to have a company come in with cost of maybe \$45,000 - \$50,000 a year? Some communities are doing audio only. You could put just audio files out there for probably almost no cost. If you do video, you have to have people and equipment there.

Municipal Court and Probate Court are being held over to a future work session as neither Judge Capaldi nor Judge Boulanger were present this evening.

Town Solicitor Gorham explained that his budget is \$1,000 less than last year as he was asked to forego books and magazines. When asked how many solicitors the town employs, Mr. Gorham named Vincent Ragosta on mostly labor related issues; Richard Sherman, landfill issues; Karen Grande of Loch & Lorde (which used to be Edwards and Angel) for bond issues; Veronica Assalone for Planning, Zoning and Sewer Board on a stipend of \$1,500 a month; Diane Izzo for police prosecution, Jane Gurzenda, on tax assessment appeals; Peter Furness represents us in bankruptcy proceedings with Central Coventry Fire; Timothy Bliss, serves as an arbitrator as the town has to have a neutral arbitrator. His expenses are typically about \$800 to \$1500 a month to serve in that capacity. I recommended that the town manager use his services for the rewrite of the pension plan; David D'Agostino and Nicholas Gorham. Solicitor Gorham added that his firm accounts for most of the money that is spent on the solicitors, although you never know who is going to sue the town and some suits take more time than others. Mr. Hoover remarked that the per hour fee is much lower than it has been in previous years. Mrs. Duxbury thanked him for the lower hourly rates, there is a lot of work to be done.

Town Manager

Town Manager Hoover stated there is really nothing new in his budget except to add an expeditor into his budget. Councilman McGee said that he cannot support an economic expeditor at this time and feels that money can be better spent somewhere else in some kind of revolving fund to help businesses. Manager Hoover added that he has had success in other locations with an expeditor, a person who administers the Economic Development Commission and reaches out to the small business community.

Councilwoman Duxbury would prefer seeing a tax incentive program and enticements before investing in another employee. Sounds like it could be a good idea, but not sure if now is the time to do it. Manager Hoover feels we need to get the EDC up and running again, get small business owners involved, try to develop some kind of tax incentive program to make people want to come here and reward the businesses that are already here. We need to have someone administer all of that.

President Shibley agrees with Manager Hoover, that the town needs a "go to" person and an expeditor would be a great asset; that \$50,000 would be a good gamble. When you look at the entire budget, it works out to be pennies. Our town manager has about 40 years of experience. You can have all the tax incentives you want but you have to have someone bring the businesses in, a focal person that is a salesman. This is not even a thousand dollars a week, bringing in one business would pay for this person for a year. Mr. Sprague is too busy, Mr. Hoover is busy. It is shortsighted to think that volunteers on the Economic Development Commission are going to be the faces to bring in business. Tax incentives work, but after the business comes in.

Councilman McGee agrees in theory, but thinks the only way you are going to get business into town is to give a tax break. I don't think spending \$75,000 on an expeditor is going to work, you need to set up a program to get the business here. President Shibley doesn't think that the tax incentive is going to just be like bringing bees to a honeycomb. You can give all the tax incentives that you want, but in my opinion you need an individual, a salesman to bring in the business. I'm personally ready to gamble a little on this.

Councilwoman Carlson commented on a good debate, but we need to be realistic.

Rhode Island is at the bottom of the list for being business friendly. I would like to see this person as an advisor to the EDC. To me, the EDC can't do a lot. You can fund it all you want, but these are volunteers and I don't think that they are going to have the power to do what they need to do to get new business into town and retain the businesses that we have. Rhode Island has all kinds of taxes and we are at #47 in personal property taxes. We are still looking at somebody who can come in, be the face of the business development side of Coventry. We need to retain what we have and we are not accomplishing that.

Manager Hoover thinks you can do both. We have a history of giving tax incentives to four major projects in town, then you are going to start getting taxes and graduate into full taxation, but we need a person to generate businesses coming in.

Councilman Laboissonniere asked what type of businesses you are visualizing. Manager Hoover said he is really gearing toward small business. Councilman Laboissonniere believes that you can fill up all existing commercial properties, but it won't get us anything extra because they are already paying commercial tax rates. Manager Hoover said we need somebody who will really pull up their sleeves and administer the EDC. Councilman McGee added that we have had many EDCs, but the businesses come and go because we offer them no reason to stay. They were never given a financial reason to stay in town. I respect your experience and maybe this would work, but believe that a tax incentive is what is going to get business here.

TOWN COUNCIL

Mr. Thibeault advised that there have been no changes in the Town Council. Current budget is \$24,841.

TOWN SERGEANT – No changes.

BOARD OF CANVASSERS

Mr. Thibeault said this budget is \$28,000+ as there won't be as many demands on the Board as there were in the current fiscal year. However, there are funds provided for a special election. Temporary services in a non-election year would be for the Presidential Preference Primary and the Financial Town Meeting.

The Housing Authority has no change, the \$3,780 are for board stipends.

TOWN GENERAL

Finance Director Thibeault explained line by line what was included in the General Fund. When questioned about professional services, he responded that would include actuarial services, agency fees, financial services, fire alarm dispatch services of \$365,000. Quidnick Reservoir and Johnsons Pond contracts make up \$45,718 and Tiogue Lake gatekeeping services at \$1,000.

With regard to the revaluation, 60% is included in the FY 16 budget; 40% in FY 17. We anticipate 60% completion in FY 16, estimating the total expense at \$426,500 over two years with \$255,900 in FY 16 and \$170,600 in FY 17. This is partially offset by state reimbursement of \$97,200; \$64,800 in FY 17. The cost is \$255,900 for budgeting in FY 16.

In addition we are making 100% of the ARC this year; supplemental is the 10% addition to the ARC, paying on the unfunded liability.

With regard to the municipal pension, this represents the town's share, what we match. There are nine people in the plan.

Councilman Laboissonniere asked about contingency and Manager Hoover remarked that we are in negotiations with the police right now. There is no schedule, but this is a contingency, not a promise. When asked if contingency should turn into surplus and if it would be included in the 10% that goes toward the unfunded liability pension and Manager Hoover replied that it is.

Mr. Thibeault went on to discuss debt service, landfill remediation (that we are doing well due to the money we are receiving in BUD revenue). This will pay toward the bond anticipation note, in lieu of issuing debt.

Principal and interest is due to the \$260,000 to \$877,000.00 increase, in tandem with that \$138,982 to \$621,495 and this is to pay the additional principal and interest bond that the taxpayers approved. Those figures come from PFM Management.

Capital Improvement

In the proposed capital budget the manager's recommended the amount for the fire system improvements at the annex at \$192,500 and \$100,000 for the generator at Human Services.

Councilman McGee feels we need a capital budget and the town had previously supported a capital budget for years. He doesn't understand how we cannot support a capital budget. Councilman Laboissonniere suggested that when we have a surplus, a portion should go into a capital fund.

Manager Hoover added that we are going to have to take the FY 12 funds and either transfer to a newer year or spend by June 30. The last time we had a capital program of any sort was when a prior Council liquidated the self insurance fund and we put about \$1.2 million toward capital equipment.

Councilman Laboissonniere asked how we are set with assessments with regard to the Harris and Anthony mills. Mr. Thibeault replied that Anthony is assessed at \$800,000 and was to remain that way for a couple of years, then would escalate. Manager Hoover believes the assessment is over \$1 million now and should go up to at least \$20 million. Harris is the same methodology. We also have the Tiffany Village project and expect to get started this season, no confirmation on that yet. Anthony Mill is about full; Harris is at about 50%. Mr. Laboissonniere remarked that he has spoken with a couple of businessmen in the Harris area and they are very happy with the increased number of customers.

No further discussion or questions. A motion was made by Councilman McGee seconded by Councilwoman Duxbury to adjourn work session. All voted aye.

Town Clerk.