

A special meeting of the Town Council held on Thursday, March 22, 2007 for the Town at Town Council Chambers and was called to order at 7:48 PM. Council President Budway presiding.

After pledging allegiance to the flag of our country, Town Clerk Long called the roll:

Councilman Collins-present	Councilman Salisbury - present
Councilwoman Knowlton-absent	Councilman D'Agostino - present
Councilman Winfield - present	Council Vice-President Farrar - present
Council President Budway – present	

Town Treasurer Przybyla introduced Mr. Thomas Bacon, from Bacon and Company, our present auditing firm, to give a brief overview of the types of audits and their firms qualifications to perform our audit.

Mr. Bacon explained various types of audits and explained that his firm performs a Single Audit with the Yellow Book standards for the Town. The reason an audit has to be performed is because the federal government requires a single audit because the Town expends specific amounts of federal awards. He further explained that the way that his firm conducts the audit has to have a standard set of controls. He also said that once the audit is performed, it has to be accepted by the State of Rhode Island Auditor General.

Councilman Winfield stated that he has some reservations with the staff of Bacon and Company. He explained that he has approached different auditors on several occasions over the past few years in regards to a concern he has with the School department. He feels that many teachers do not report to their department night, thus actually getting paid for time that they did not work. He feels that this should be mentioned in the audit because of its financial ramifications.

Mr. Bacon said that he understands how Councilman Winfield feels, but since the audit staff did not observe this situation, they could not mention it in their report. He also said that this would have no measurable effect on the financial strength of the Town as a whole. He said that it would have to be mentioned on a performance audit instead of a financial audit.

Council President Budway said that he has spoken with Dr. Paul Lescault, Superintendent of Schools, in regards to Councilman Winfield's concerns. He told Council President Budway that he has implemented a new system to track if the teachers show up for department night.

Council President Budway asked Mr. Bacon how much of the time is spent doing the audit at Town Hall and how much at their Office.

Mr. Bacon said that about 2/3 of the time is spent at Town Hall and the rest at the Office. He also explained that about 20 % of the audit is done between the time the books are closed and June when the auditors actually are at Town Hall testing the numbers.

Town Treasurer Przybyla said that the way they rotate their staff who is performing our audit will insure that a new set of eyes are always looking at the books. It doesn't allow them to become too accustomed to our system.

Mr. Bacon said that it is hard to always have a new firm perform the audit because there are only 4 firms in the State that perform 85-90% of the audits for the State.

Council President Budway thanked Mr. Bacon for coming and suggested to the Council that once the audit is completed, they might like to schedule a work session to review the numbers with Mr. Bacon.

Motion made by Councilman Collins, seconded by Council Vice-President Farrar and voted by consent agreement to approve resolution 07-06 for the borrowing of \$734,750 in general obligation bonds.

Council President Budway wanted to explain for the record that there is no resolution 07-05 and that resolution 07-06 contains \$188,750 for maintenance and repairs of school buildings. He also explained that this bond contains monies to replace the fire alarm system.

Karen Beattie, Tax Assessor explained about the tax rate and the different tax classifications. She said that the tax rate has actually decreased because of the recent revaluation. She said that she has kept the percentage between the different tax classifications the same as in previous years. She said that this doesn't mean that the residents tax bills will not increase, they will because the valuation went up even though the tax rate went down.

Motion made by Council Vice-President Farrar, seconded by Councilman Collins and voted by consent agreement to approve the tax rate not to exceed \$21.42 per thousand for resident real estate, \$28.92 per thousand for commercial, industrial, mixed use real estate and \$32.13 per thousand for tangible personal property.

Council President Budway told the Council that he has met with administrators from the School Department in regards to the High/Middle School complex. They are all in agreement that something has to be done and they looked over the original proposal that was defeated last year. He further explained that with the new tax cap and the pending litigation with the PWSB that a new school is not feasible at this time. He did say that there needs to be renovation to the complex. He explained that the school department was encouraged to make suggestions and then the architect quantified them. He said that the wish list of the school department will cost \$9,000,000.00. He said that they are seeing how this expenditure fits into the retirement of debt.

He feels that the Town Council should take a consensus and see if everyone is in favor of the project. Once that can be determined, then the Council needs to go through the proposal and see what is actually needed and what is just wanted. He feels that the 9 million-dollar project is out of the question at this time. He would like to see a special vote in the fall for the renovation/addition project.

Councilman Salisbury said that he has inquired with the office of the Auditor General in regards to how you can go over the tax cap. He was told that if it is for debt service, it is much easier. He said that currently our debt service is approximately 1.5 million per year. He agrees with Town Council President Budway that the Town Council needs to take a vote to move forward with this project.

Council President Budway asked Councilman Salisbury if the Council gets permission to exceed the cap first or get approval for the bond from the voters.

Councilman Salisbury said that he did not ask that question, but would think you would get voter approval first so that the Auditor General knows that the Town is serious. He also said that we would have to get permission to exceed the cap for more than 1 year.

Town Treasurer Przybyla said that the Town Council should plan to have a vote on the project contingent upon getting approval from the Auditor General to exceed the cap for 3 years.

Councilman Salisbury said that another area that is needed is additional recreation fields. He feels that the Recreation Department and the School Department should work together to get more fields in this project and then use them jointly. He feels that we should get over this feeling that some of the School facilities are off limit to the Town. He also said that he has asked Town Treasurer Przybyla to determine how much the Town could afford to increase its debt service. He was told that the Town could afford an additional \$200,000 which translates into a payment on a 6 million dollar bond.

June Gugliemi said that if the recreation needs are addressed with this bond issue, the Town will be able to get the 30% reimbursement from the Department of Education.

Council President Budway said that he feels that an ad hoc committee should be formed consisting of members of the Town Council, School Committee, Mr. Gormley, Mr. Iverson and a member from the Treasurer's Office. This Committee can assess the current resources we have and what we need and can afford. He asked if Town Clerk Long could put the formation of this Committee on the next agenda.

General discussion followed with the questions asked about having to get approval again from the General Assembly and the Department of Education.

The general consensus of the Council is that they are in favor of an expansion/renovation project for the High/Middle School complex and that we should work on it now so we can present it to the voters in the fall.

Council President Budway said that he would like to sit down with the School Committee on April 12, 2007 and start the meeting at 5:30 to get this ball rolling.

Councilman Winfield asked if the Council could have the preliminary plans for the project in advance so that they can review before the meeting.

During audience participation, Mike Marcello, Chopmist Hill Road said that he agreed with Councilman Salisbury on the point of coordinating the town and school recreation facilities, and he feels that the Recreation Committee should be involved in the ad hoc committee. Mr. Marcello asked Council President Budway when the meetings with representatives from the school department were held in which the renovations/addition were discussed. He also asked Karen Beattie, Tax Assessor, what the average tax bill increased by and how much more is the PWSB paying.

Mrs. Beattie said that she doesn't know what the average bill went up by, but knows that the PWSB tax bill increased by \$275,000.

Council President Budway told Mr. Marcello that he does not remember the dates of the meeting off the top of his head.

Mr. Marcello also asked about the new server for the Town Hall, and said that he thought that \$25,000 is a lot of money for it.

Town Treasurer Przybyla said that it is not only a server but also software for the computers in the Treasurer's Office.

Motion made by Councilman Salisbury, seconded by Councilman Collins and voted by consent agreement to adjourn at 9:00PM and to keep the minutes of the meetings previously closed to the public; closed pursuant to RIGL 42-46-4 and 42-46-5 and to allow the Town Clerk 14 days to prepare the minutes of the meeting. For complete discussion, refer to audiotape.

Attest:

Margaret M. Long, Town Clerk