

TOWN COUNCIL WORK SESSION
June 2, 2014

I. CALL TO ORDER

President Trocki called the work session to order at 5:05 p.m. on Monday, June 2, 2014 in the Rosamond A. Tefft Council Chambers of the Jamestown Town Hall at 93 Narragansett Avenue.

II. ROLL CALL

Council Members present:

Kristine S. Trocki, President
Mary E. Meagher, Vice President
Thomas P. Tighe
Eugene B. Mihaly
Blake A. Dickinson

Also in Attendance:

Andrew E. Nota, Town Administrator
Christina D. Collins, Finance Director
Lisa Bryer, Town Planner
John Murphy, Town Moderator
Wyatt A. Brochu, Town Solicitor
David A. Petrarca, Jr., Assistant Town Solicitor
Cheryl A. Fernstrom, Town Clerk

**III. GENERAL DISCUSSION REGARDING FINANCIAL TOWN
MEETING RESOLUTIONS**

Town Administrator Nota stated it is important to review the Resolutions to be sure everyone is on the same page and to clear up any questions on the five Resolutions. Councilor Dickinson commented on Resolution Number 5 for Affordable Housing and the revised version.

President Trocki referenced the revised version of proposed Resolution Number 5 distributed by the Town Administrator. Councilor Dickinson explained the language clarifications and changes he requested and stated this document is consistent with his understanding. Councilor Dickinson commented there were two issues; one to insure we didn't confuse the existing \$75,000 which is available for affordable housing, including grants or other related uses.

Finance Director Collins explained the separate line item allocation for \$75,000 in the capital budget for affordable housing, different from the \$400,000 proposed, that is part of the capital budget being voted on tonight, that can be used however the council sees fit, including grants.

Councilor Dickinson asked for the change to remove the word grant from the Resolution and proposes to do so this evening, as going forward on a loan basis would be more palatable. After discussion with the Town Administrator and Finance Director, the word grant was struck in the Resolution, and we will be asking the voters for a \$400,000 appropriation that we can designate for eligible loans for affordable housing opportunities.

President Trocki referenced prior conversations at meetings and that it was voted previously to adopt the language as presented. Discussion ensued of the possibility to amend the Resolution this evening at the FTM. As this is a work session, the language cannot be voted on in this forum. The current discussion is so that we can all have the same understanding of the proposed changes and to open this to the public to answer any questions or comments. Councilor Dickinson would like to make the proposed change this evening when we reach this Resolution at the FTM. This proposed change would strike the word grant wherever it appears from Resolution Number 5 and what has been printed and published to date, as he feels the \$75,000 allocated in the capital budget could be used toward any grant project.

Vice President Meagher recognized that bond counsel wrote a comprehensive and broad Resolution, but she shares Councilor Dickinson's concerns, and this seems almost like an open-ended checkbook. What Resolution Number 5 intended is that the Affordable Housing Fund will be there when an opportunity presents itself to buy a property to be able to borrow from the surplus so that the Town can immediately buy that property. In the last year the Town missed out on three properties that would have been wonderful opportunities for affordable housing. This gives us a timeliness and opportunistic aspect we haven't had with our current fund. Vice President Meagher stated she recognized Councilor Dickinson's concerns and out of respect for that she would second that motion this evening. We were elected to serve together, and when we share the same goals, we should do that. Councilor Dickinson stated it seems we are comfortable with the language.

Councilor Mihaly stated he is in complete agreement with the amendment as it is here taking the word grants out. He would like to see the word revolving fund in there somewhere as this is what this is. He is unsure if it should be in there or if it would be difficult to do; people should understand that it what it was meant to be. President Trocki reviewed how the fund would work, money going out and then coming back in. There will be a list of rules and regulations and a committee to oversee everything involved with this process. President Trocki stated her appreciation for the efforts of our Town Planner and others on this and the brochures distributed with clear descriptions of the intent of and purposes of this affordable housing fund.

Derek Hansen of Bell Lane, Chair of the Affordable Housing Committee, stated the Committee is very supportive of the fund in general and nothing in the proposed amendments changes how the committee feels about the intention of the fund. As Gene Town Council Work Session 06.02.2014

described this was meant to be a revolving fund that would merely be in place to provide the bridge financing that would help accelerate the purchase of affordable housing properties in a way that was timely, and in the long run save the town money, as we could pick up the economically priced properties when they become available.

Sav Rebecchi of Sail Street asked about the sentence that reads “Unexpected balances and any earnings thereon shall not revert to the town general fund but shall remain in the Jamestown Housing Fund for use as provided in this Resolution.” How long is that? Town Administrator Nota stated there is no expiration in the Resolution. The subsequent rules and regulations to be developed could govern this. Ultimately a future Council could decide to disband this. There may be a period of time when no action is taken or a new resolution is put in place that supersedes this one. It depends on what future councils choose as their course of action.

Councilor Mihaly asked if in the future we may be in a high interest environment and fund may grow beyond \$400,000. Mr. Rebecchi answered yes.

Vice President Meagher noted there is a limit to what can be borrowed from surplus funds. Councilor Dickinson commented he believes the question is what do we do with monies earned. Vice President Meagher explained this is used to opportunistically buy a specific property, so there would be no money left over. However, there may be money left over from the \$75,000 in the Jamestown Affordable Housing Fund capital account. This is a revolving affordable housing fund. Last year our capital fund allocation was depleted and we could not take advantage of opportunities. If the capital fund amount grew to higher amount than the \$75,000 to perhaps \$400,000, we probably wouldn't need to use the affordable housing revolving fund. Sav was thanked for his question.

John Murphy suggested not putting in a word that may not mean what the original intent of the Resolution was, and revolving fund may have one meaning, but legally another meaning, as defined in state law, and should not put in. Bond counsel was retained to prepare the proposed language, and we should not put in language that means something to Council but might mean something entirely different. Councilor Mihaly stated he would withdraw his suggested language and President Trocki agreed. We are all clear that the funding was for loans to be paid back. The grant language put in was to give the broadest options available. What we are hearing from Council and the public is concern that language may put people off to the concept. We have another vehicle for grant money and the Council can determine when that outlet in the capital budget should be used. We will be working on the necessary language for the rules, regulations and restrictions if this Resolution is passed this evening. Affordable Housing is important to this Council. Discussion continued.

Town Administrator Nota stated procedurally the Moderator should be prepared for an amendment. Moderator Murphy noted that everyone should have a copy of the proposed

language amendment, and he will entertain a motion to adopt Resolution Number 5 with the following proposed changes. After a second, there would be public discussion.

Sav Rebecchi of Sail Street asked if there is language in the Warrant to approve the budget. Finance Director Collins informed him the language is there and showed him where it appears in the Warrant.

Councilor Tighe stated he is also on board with the amended Resolution Number 5.

President Trocki thanked everyone for coming.

IV. ADJOURNMENT

There being no further business to discuss, the work session was adjourned at 5:27 p.m.

Attest:

Cheryl A. Fernstrom, CMC, Town Clerk

Copies to: Town Council (5)\\
 Town Administrator
 Finance Director
 Town Solicitor