

At a Special meeting of the Town Council holden in and for the Town of Gloucester on August 23, 2022

I. Call to Order

The meeting was Called to Order at 7:00 P.M.

II. Roll Call

Members present: William E. Reichert , President; Walter M. O. Steere, III, Vice President; William A. Worthy, Jr.; Stephen W. Arnold ; David Laplante

Also Present: Jean Fecteau, Town Clerk; David Igliozzi, Town Solicitor; Christine Mathieu, Deputy Town Clerk; Adam Muccino, Finance Director; Chief Delprete; and Jane Steere, Tax Collector

III. Pledge of Allegiance

All stood for the Pledge of Allegiance

Councilor Reichert requested a motion to move Executive Session to the next item on the agenda.

MOTION was made by Councilor Steere to move agenda item #5 to agenda item # 4; seconded by Councilor Arnold

Discussion: None

VOTE: AYES- Reichert , Steere , Arnold, Worthy, and Laplante
NAYS-0

MOTION PASSED

Councilor Reichert asked all who are not involved in Executive Session to please exit the room and further stated after Executive Session all will be invited back into the room.

EXECUTIVE SESSION

Additional Attendees: A. Muccino, Finance Director and J. Steere, Tax Collector

V. Seek to Convene to Executive Session Pursuant to:

- A. R.I.G.L. 42-46-5(a)(1) Sessions pertaining to discussions of job performance and interviews of prospective candidates for the appraisal of any and all property/assets for town assessment purposes
 - 1. Discussion by Town Council, Vote, or Other Action

- B. R.I.G.L. 42-46-5(a)(2) Sessions pertaining to collective bargaining or litigation or work sessions pertaining to collective bargaining or litigation :
 - 1. Discussion by Town Council, Vote, or Other Action: Tax Assessment

RETURN TO REGULAR AGENDA

MOTION was made by Councilor Steere to Reconvene Open Session; Disclosure zero (0) votes were taken in Executive Session & to Seal the Minutes of Closed Session; seconded by Councilor Worthy

Discussion: None

VOTE: AYES- Reichert , Steere , Arnold, Worthy, and Laplante
NAYS-0

MOTION PASSED

IV. FY2022-23 Budget- Discussion and/or Action

Resolution to Budget Referendum Results

Discussion: Councilor Steere stated the Referendum vote for the proposed 2022/2023 budget was defeated and he described what he believed to be the two options for the town: continue forward working off last year's budget or to re-work the budget and present it to the voters at another financial town referendum.

A. Muccino, Finance Director, explained that Council has a proposed budget before them tonight with revisions he has made but he was not clear on how to handle the matters that Council had previously approved. A. Muccino stated that the budget before Council tonight when compared to FY 2022 budget is off by about \$100,000.00. Councilor Arnold stated he voted in favor of the budget and expressed concern about presenting a new budget that could also be voted down. Councilor Arnold stated the Council had some tough decisions to make. Councilor Worthy asked for a show of hands of the people in the audience who voted "no" on the budget.

Councilor Steere explained the three reasons the budget was short: 1) the car tax is going to be funded this year as the last year but it is not as much as the town would normally receive; 2) the PILOT program ended with FM Global ; and, 3) there was a loss in solar revenue due to a state change in how solar projects are to be taxed. A. Muccino explained that the amount to be raised by taxes will be different because there is no bill for FM Global. A. Muccino stated that proposed increase to the residential tax rate for FY 2023 was the same for FY 2022 budget due to including the tax assessor's valuation of FM Global. Councilor Steere stated that the question before the Council is whether to use the FY 2022 numbers or re-work the proposed FY 2023 and present to taxpayers again for a vote. Councilor Laplante explained his opinion as to the reasons the budget failed as being attributed to Facebook, social media, phone calls and the Council not explaining the budget. Councilor Laplante stated his opinion to use the FY 2022 budget rather than going through the process again . Councilor Steere stated that the Council needs to do a better job explaining the budget. Councilor Steere stated that the proposed FY 2023 budget included increases to departments that run very lean but because of increases in facilities and responsibilities there is a need for more staff. Councilor Steere commended all town employees and stated that the voters have spoken so now we need to respect their wishes.

Councilor Worthy stated that some of the expected services may not be there due to this vote . Councilor Reichert stated that he received some phone calls today from voters who expressed they

do not want another budget and to go with this one. A. Muccino stated that there are some tough choices for Council to make and he is working on presenting a new budget that aligns with FY 2022 but still includes items that can't be cut. A. Muccino stated he would look at the ARPA funding and make some changes. A. Muccino informed Councilor Worthy that there is money set aside for state programs and he has made re-allocations in order to not cut those programs. Councilor Laplante made some suggestions as to cuts being "musts" or not. Chief Delprete stated that the budget failure set his department back a few years as he is anticipating having to cut training programs. Councilor Worthy and, resident, Melissa Worthy asked for the same budget to be presented at another referendum with an explanation. Councilor Reichert explained that the Charter dictates the time line for a FTR. C. Mathieu stated that proper procedures for FTR were followed, that two public hearings were held; that the voters spoke ; and, gave the estimated cost for putting on another FTR including a mailing to all registered voters for information purposes to the Council. D. Steere gave his opinion that the budget appears to show a 15% increase because there was no notation or explanation about FM not paying the amount it always did under the PILOT which amounted to 14% of the increase. D. Steere stated that more cuts in the budget could be made but it would be hard to find \$100,000; and that the amount from surplus is too high as it would have left only 2% above the amount required in the Charter.

V. Lepore, resident, expressed his concern that people may lose trust in local government if something is not done ; money needs to come in by taxes; if cuts are made it should be even across the departments; and keep the taxes where they are and consider sending out supplemental bill if need. V. Lepore felt it was a failure from beginning to end and it needs to be corrected to keep the town moving forward with services .

Councilor Steere asked for clarification that the reason for the cuts is due to the loss in revenue and that ARPA funds could be used for one time expenses. A. Muccino stated it was reallocating to get back to FY 2022 numbers and that ARPA could be used for one time per year. Councilor Worthy asked if FM Global could be sent a tax bill. D. Igliazzi stated that FM was tax exempt but can be sent a tax bill for whatever their valuation is this year. D. Igliazzi stated that a bill can be sent once they are assessed and they have not been assessed at full and fair value because they were under a PILOT agreement and not an assessment. A. Muccino stated that there is no valuation that has been done to assess FM at this point.

G. "Buster" Steere suggested re-work with reallocations and do a better job informing the public to sell the budget.

Councilor Laplante asked for the process for sending out tax bills. D. Igliazzi stated that the tax bills are based on the levy and the levy failed so tax bills can't be sent out until a levy is passed by the voters. D. Igliazzi stated that the Charter states to operate at 1/12 of last year's budget until a new budget is passed. D. Igliazzi stated that more research was needed to determine if and how a tax bill might be sent out without having a levy. D. Igliazzi stated that the power to send out tax bills is the levy being approved in the budget by the voters and the budget failed. D. Igliazzi stated sending out tax bills is based on the charter and it is written in anticipation of a new budget being passed so suggests having to do the FTR again. A. Muccino stated he was waiting for a call back from the Dept. of Municipal Finance as to how tax bills could be sent out based on last year's levy. D. Igliazzi described the process for a new budget to be considered and then a referendum. D. Igliazzi strongly recommends that Council follow the proper procedure to get a budget passed as that is how the charter reads and then a levy is imposed and tax bills can go out. D. Igliazzi stated that the finance director and he are working on trying to determine if tax bills can go out at the FY 22 rate without passing a levy. D. Igliazzi also explained that state law does allow for a

Council to pass a budget with a levy without following the referendum process only in case of an emergency. A. Muccino stated that the Dept. of Municipal Finance will let them know about the ability to send out tax bills without a budget or levy. Council decided by consensus to call an emergency meeting this coming Friday night in the hopes of learning the answer from the Dept. of Municipal Finance .

VI. Adjourn

MOTION was made by Councilor Worthy to ADJOURN at 9:30 pm; seconded by Councilor Arnold

Discussion: None

VOTE: AYES- Reichert , Steere , Arnold, Worthy, and Laplante

NAYS-0

MOTION PASSED