

JUNE 21, 2016

TOWN COUNCIL MEETING

The June 21, 2016 Town Council Meeting was called to order by John L. Lewis, Jr., President of the Foster Town Council, at the South Foster Fire Station, Foster, Rhode Island, at 7:03 p.m.

The following members were present

Also present were:

John Lewis, President
Denise DiFranco, Vice President
Cheryl Hawes,
Gordon Rogers,
and Jon Restivo.

Patti Moreau, Tax Assessor
Kelli Russ, Treasurer
Renee M. Bevilacqua, Town Solicitor
William Ziehl, Police Chief

I. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

II. ANNOUNCEMENTS

John L. Lewis, Jr., announced that the meeting had been properly posted on the Secretary of State's website.

III. NEW BUSINESS
a.) Bid Opening,
Recreation Field
Clearing,
Chipping,
Stumping and
Grading

John L. Lewis, Jr. opened and read three bids for this project, as follows:

- Premier Tree Service LLC
Clearing and chipping - \$6250.00
Stump removal - \$12,500.00
Grading and leveling - \$100,000.00
Entire Project - \$116,000.00
- Cassissi Tree Service, Johnston, RI
Clearing and chipping - \$20,500.00
Stump removal - \$16,750.00
Grading and leveling - \$185,000.00
Entire Project - \$226,000.00
- JR Vinagro, Johnston, RI
Clearing and chipping - \$16,000.00
Stump removal - \$9000.00
Grading and leveling - \$162,000.00
Entire project - \$187,000.00

Gordon Rogers moved, Jon Restivo seconded, to refer the bids to the DPW Director for determination.

John L. Lewis, Jr, aye; Denise DiFranco, aye; Cheryl Hawes, aye; Gordon Rogers, aye; and Jon Restivo, aye. Motion carried 5-0.

IV. INFORMATION SESSION

a.) Taxation Ordinance Amendments

Mr. Lewis stated that it is the responsibility of the Town Council to look after the financial health of the Town. He explained that based on the exploration of that, as well as advice from the Town Treasurer and Tax assessor, a couple of ordinances were being put forward in an attempt to maintain the Town's financial health.

1.) Tax Stabilization

The first ordinance that would be reviewed was the Tax Stabilization Ordinance. Mr. Lewis gave a brief overview of the ordinance and informed the audience that copies were available near the front door.

Councilman Restivo reviewed the Stabilization Ordinance. (Exhibit A.) He

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explained that the ordinance would give the Town Council the authority to grant certain commercial projects incentives to locate here or for existing businesses to expand. He went over the three different tiers that fall under the proposed ordinance, the dollar amounts associated with each and the process of phasing in the taxes over the time period allowed by each tier. He touched on other rules and restrictions and stated that there would be a limit on the number of projects that would be eligible. He also stated that the projects would have to be located within the Town's existing business districts.

Mr. Lewis added that he wanted to make it clear that the ordinance would not change the zoning of the town at all. It would not allow any businesses that are not currently allowed under our zoning code. It is just meant to attract some town appropriate businesses that would help stabilize the over all tax rate for everyone.

The Tax Assessor spoke to the fact that similar stabilizations are used in other cities and towns. She stated that it would be helpful to new and existing business owners and the Town.

There were a few concerns and questions from the audience that were addressed by the Council.

More discussion followed regarding vacant buildings that could be used for businesses and manufacturing.

2.) **Tax Relief
For Elderly
And Totally
Disabled
Persons
Amendment**

Mr. Lewis stated that although they were listed separately, the 2nd and 3rd proposals were linked, that they went hand in hand.

He went on to explain that the second proposal (Exhibit B.) stated that no new applicants would be accepted under the existing tax freeze after the 31st of December, 2016. Anyone on the existing tax freeze and anyone that would qualify before December 31, 2016 would be grandfathered in under the existing freeze. Anyone applying after December 31, 2016 would need to apply under the new criteria.

3.) **Tax Relief
For
Elderly And
Totally
Disabled
Persons,
Replacement
Ordinance**

Mr. Lewis reviewed the proposed changes to qualify for the tax freeze, to include an increase from 65 to 67 years of age; allow a person to run a business out of their home and still qualify for the tax freeze; and include a residency requirement of 10 years. There would also be prohibition that would prevent the freeze from being passed from generation to generation. It would still allow it to be passed from spouse to spouse. (Exhibit C.)

Councilman Restivo informed the audience that the original ordinance was enacted in 1974, when the median age in Foster was 29 and about 10.5% of the town's population was over 65. Today 20%, 1 out of every 5 households, are on the freeze. The median age is 45, the 7th highest in the state, which is 5 years above the states median age. He went on to say that Foster has the forth highest number of residents between the age of 45 and 65 in the state and that it has been estimated, based on census records, that over 40% of the town's households will be eligible for the tax freeze in the next 15 years. He stated that this was the reason for bringing this forward now, because it is reasonably clear based on census reports, we are headed to a point where up to 40% of the town's population will have their taxes frozen and the other

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60% will be responsible for shouldering all tax increases. He pointed out that last year the tax freeze cost the town a little over \$450,000.00 in revenue and that if the number of households on the freeze doubled, that figure may be expected to double as well. Currently there are 88 households that receive a benefit in excess of \$2000.00 which is over 60% of the cost to the town and is less than a quarter of the number of houses that are on the tax freeze. Because certain home owners have a very large benefit that they are receiving, the cost to the town goes up dramatically. With 40% receiving a benefit of less than \$500.00.

Mr. Restivo explained that under the new ordinance, there would be a cap on the amount of the benefit that a person could receive. He hit upon the key points and figures from the handout, (Exhibit B.) "Town of Foster, Ordinance Providing Tax Relief for Elderly and Totally Disabled Persons." He pointed out that Foster ranks 15th out of Rhode Islands 39 cities and towns, for the highest taxes and that with another 4% tax increase this year, that may go up. If the town continues to count on a little more than half of the tax payers to cover the tax increases, the number would go up, which could have an affect on the desirability of living here. If taxes continue to go up it could affect house values.

Town Treasurer Kelli Russ spoke about the increase in the levy of 3.4%, which will make the tax rate go up 5.23% because of Farm Forest and Open space properties, the town's growth overall and because of the tax freeze, which puts the tax burden on a smaller percentage of people. She stated that when she started 7 years ago, she was told by the tax assessor at that time, who had been in her position for the previous twenty years, that the tax freeze was one of the Town's biggest potential problems to the town and that she had tried to address it with no luck. Ms. Russ mentioned the Police Station, the 1.6 million dollar debt with Providence Water, and the Foster Glocester Regional School improvements, and stated that those things would not be paid by anyone that was on the freeze, but instead would have to be covered by the remaining residents. She pointed out issues in the state that were not addressed even after the writing was on the wall. Ms. Russ stated that she had received a document from the department of revenue that listed the Veterans, Elderly and Disabled tax programs in the State of RI, and that the tax credits that the Council were proposing, were very generous in comparison to what other cities and towns offer and that Foster would still be in the upper level. She also mentioned that the freeze the way it exists now, is the top! Like "driving a BMW, when everyone else is driving a Taurus."

John Lewis spoke to the benefits for all three segments of the Town's population, the people that are already on it; the people that were right on the cusp of getting the benefit, who will have to wait a little longer, but will know it will be there when it's their time; and the people that are still 30 years away, have the benefit of knowing that there will be some stabilization to the tax rate. He added that every one of us will benefit based on property value, as a higher tax rate, could lower property values.

Discussion followed: There were comments in favor of and against the Tax Relief for Elderly and Totally Disabled Persons Replacement Ordinance, several members of the audience spoke and were addressed.

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V. ADJOURNMENT Jon Restivo moved, Gordon Rogers seconded, and it was so moved to adjourn the meeting.

John L. Lewis, Jr, aye; Denise DiFranco, aye; Cheryl Hawes, aye; Gordon Rogers, aye; and Jon Restivo, aye. Motion carried 5-0.

Meeting adjourned at 9:30 p.m.

A digital sound file is made a part of the record for a complete account of the council meeting.

Submitted by

Susan E. Sprague
Deputy Town Clerk