



Portsmouth Concerned Citizens

NEWSLETTER

“Information is the currency of Democracy”

- Thomas Jefferson

www.portsmouthconcernedcitizens.org

Editor: Susan Fitzmorris

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From the President -- Larry Fitzmorris

Portsmouth government spends approximately \$60 million a year. Our choices in November will determine who gets to spend the money and how it is spent. Portsmouth local elections are always competitive and once again two choices will be presented to the electors. While the recent Council decisions have restrained and restructured our Town government, a number of challengers in this election offer the option of a return to the old practices of funding special interest groups and supporting the property tax increases that always follow.

I encourage everyone to cast an informed vote and to vote all the way to the bottom of the ballot. This year there are also eight proposed changes to the Portsmouth Charter to consider. As local, state and Federal governments have grown in size, so too have what is at stake in our elections. We have arrived at the point where all elections, at all levels, are important.

The Sakonnet Tolls. The members of the PCC voted in August to adopt a formal policy opposing the tolls on the new Sakonnet Bridge. This action contributed to the formation of the Sakonnet Tolls Opposition Panel Committee (STOP). We in the PCC helped to get it started and are fully engaged in the actions we hope will reverse this decision.

In This Issue:

PCC Endorsements – The members of the PCC are close to the action at both Council and School Committee meetings and routinely engage both bodies on initiatives we believe merit attention. We also participated in the Charter Review Committee and joined in the discussions before the Council during consideration of the proposals. We present our endorsements as an assessment of who will provide limited or flat tax increases while exercising policy management in the interests of the taxpayers of Portsmouth.

Tolling the Sakonnet – The Governor recommended to the Assembly that the new bridge be tolled. The impact on the East Bay is expected to be substantial. This article addresses the elements of this decision and the path to its reversal.

The Wind Turbine Dies – There is hardly anyone in Portsmouth, much less the rest of the State, that has not noticed the wind turbine turns no more. We provide the background on this very visible and complex issue.

PCC Endorsements

This Council's majority has made great strides in the direction of reasonable and well-managed government. As a result, the members of the PCC have endorsed once again the core majority, Kesson, Pedro, Robicheau and Staven, once again. Many of their achievements are subtle, but constitute a major change of direction for Portsmouth. The executive search firm process used to select the new town administrator was a new and revolutionary change for Portsmouth, and the selection of senior administrative personnel that will continue into the future. In turn, the Council's majority has adopted a number of suggestions from the new town administrator which have led to the refocusing of the Town budget, correction of the intractable and long standing Fund Balance shortfall and began the paving of streets once again. This Council also held DEM at bay on the sewers and organized a highly professional assessment of our local pension problems.

The following endorsements for local and State office were approved by the PCC's members. We also present our recommendations on the proposed Portsmouth Charter amendments.

Portsmouth Council

**Fred Faerber
Paul Kesson
Elizabeth Pedro
Joseph Robicheau
Allen Shers
Judith Staven**

Portsmouth School Committee

**Emily Copeland
Norbert Rattay
Two-year Seat:
Michael Daly**

Recommendations on Charter Change Proposals

In this election there will be nine proposed changes to the Portsmouth Town Charter on the ballot for voter approval. They were produced by the Charter Review Committee and approved and or modified by the Council. They are listed as local ballot questions number eight thru sixteen. The first of these, Question 8, is the only one to survive of the four

submitted by the PCC some two years ago. That question is the proposal to appoint Charter Review Committees every eight years. On questions fourteen and fifteen the PCC members make no recommendation.

Question 8: Appointment of Charter Review Committees every eight years. – **YES**

Question 9: Elimination of the current requirement for the Council to take all votes in public. This will increase the secrecy of the Council proceedings, which is already a problem. – **NO**

Question 10: Proposal to require an annual report to be published by the Town Administrator. – **YES**

Question 11: Re-establishes the position of Town Engineer. – **YES**

Question 12: Eliminates the requirement for the Director of Public Works to be a resident of Portsmouth. – **YES**

Question 13: Establishes a Department of Parks, Recreation, Arts and Activities. – **NO**

Question 14: Will apply the personnel system to union as well as non-union employees, exempting those governed by labor contracts. – **NONE**

Question 15: Will provide for all Planning Board vacancies to be properly advertised, as required by State Law. – **NONE**

Question 16: Will provide for the hiring and promotion of all town employees by the town administrator. – **NO**

Tolling the Sakonnet

The opportunity for new revenue focuses the mind of government more closely than any other public activity. Tolling the new Sakonnet Bridge is just such an opportunity for the Governor and the Assembly and they have acted to insure that the new bridge will generate a good deal of money. The bridge, however, lies at the economic and social heart of the East Bay community and the tolls will alter the path of our lives and deliver a substantial blow to businesses in our area. Those considerations were not a hindrance, however, when our government discovered an opportunity to impose what is nothing less than a regional tax on the East Bay. More and more, the East Bay is considered an ATM by Rhode Island Government.

The State Department of Transportation (DOT) has a large repair and maintenance backlog and little funding to accomplish the task. This is due to chronic underfunding by the Assembly, re-routing of State gasoline and diesel taxes to non-transportation purposes and by the now repudiated practice of bonding out the State's 20% matching funds used to obtain annual Federal highway funding. DOT receives \$90 million from State fuel taxes and spends \$50 million on payment of principal and interest on its bonds. So we get to pay a toll to correct the DOT's lack of forethought and the Assembly's mismanagement of the State budget. All of this, of course, should not surprise a resident of Rhode Island. What many in the Assembly do not realize is that they may have opened Pandora's Box. It is, after all, the TURNPIKE and Bridge Authority and any controlled access State highways, such as Routes 146, 6, 10, 1, can also be tolled.

We needed a new bridge because the Assembly and DOT allowed the old one to rust away. The old bridge, if properly maintained would have lasted a good deal longer. Simply put, the failure by the State to dedicate sufficient funds to maintain the structure led to its failure. We are paying a toll because the State Government intentionally let the old bridge fall apart. The Assembly passed Governor Chafee's tolling proposal without either setting the rates or conducting an economic impact study of the effect on East Bay. What has been proposed by the Bridge Authority, but not yet approved, is the toll presently in place on the Newport Bridge: \$4.00 each way for those without an EZ Pass system and for those who live out of state. For Rhode Island residents with an EZ Pass, the toll would be 83 cents. Using these rates and the DOT's estimate of 40,000 crossings a day, we calculate that the Bridge Authority would collect about \$39 million a year. The toll proposal is also a burden shifting scheme. The toll collections will exceed by far the \$5 million a year required to maintain the Sakonnet and Jamestown Bridges. The Governor and DOT Director have told us that they will use the surplus revenue on East Bay road projects. Obviously we will continue to pay the 33 cents a gallon State gas tax, but that will be used in other parts of the State.

The official purpose for the tolls is to pay for the maintenance of the new Sakonnet Bridge and the Jamestown Bridge. The idea put forward by many who voted for the tolls was that those that are using the bridge should pay for its replacement. That is false on its face as those who routinely use the Jamestown Bridge rarely use the Sakonnet Bridge. The reaction among the people of East Bay, with the exception of Newport, has been very strong. The informal petition presently being collected has 26,000 signatures to date. Those in the Assembly who forced this decision upon us without our consent were counting us as sheep, but they were wrong. The Sakonnet Tolls Opposition Panel (STOP) Committee was formed by East Bay taxpayer and business groups and also includes three State-wide reform groups. The Committee is made up of the leadership teams of these groups and is engaging State officials and East Bay Legislators on the issue. Our objective is to reverse this decision, not to reduce the level of tolling.

In a State budget that is nearing \$9 billion, there are always options. The \$4.2 million of State fuel taxes that goes to the general fund can be rerouted to bridge maintenance. The fines that were collected on the old Sakonnet Bridge from overweight trucks, which were north of \$6 million, should have especially been used, but were not. There are also the famous legislative grants which could be better used almost anywhere else.

This will be a very steep hill to climb. Our Legislators in East Bay must be willing to risk their relationships with the House and Senate leadership, and as a consequence their legislative grants and pet projects, and vote against the budget until this decision is reversed. They must also be willing put everything they have into the new bills intended to reverse the tolls decision.

The Wind Turbine Dies

While the jury is still out, the Wind Turbine appears to be virtually irreparable, with the very real possibility that it will never turn again. It now stands as a monument to the abject

failure of Portsmouth government to select and operate technical enterprises.

We were all assured that we had planted a money tree. Whatever hopes we may have had began to come to an end with the first error code of "666" on February 6. The code was believed by the maintenance contractor to be signaling low gearbox lubrication oil pressure. By February 26 error code "666" was signaled five times in the course of a single hour. By June the gearbox had completely failed with metal shavings clogging the oil filter and chunks of gears loose in the gearbox. The wind turbine had come to a complete stop with \$2.4 million still owned on the bond.

Lets us not be confused; we the people approved this project. We all bear some responsibility for this; for our error of faith in a government that lacked the skills to find their way through the technical and financial evaluations necessary for this project to succeed. Once this project was approved by the voters, the Council was absolutely required to put up a wind turbine.

This is a double tragedy. The wind turbine failed financially before it failed mechanically. Even if it was turning today in complete mechanical health, it would be generating only the smallest of profits. Before the machine failed, the predicted income for the entire current fiscal year was \$48,961, after principal and interest were paid on the bond. The Portsmouth Economic Development team that advocated for this purchase made errors in their predictions of electricity rates. Electricity is a commodity, and like all commodities, it varies in price.

The evaluation team predicted flat or rising prices for electricity for the twenty year life of the machine. Instead, the price we are paid by National Grid for the electricity generated by the wind turbine declined from approximately 14 cents per kilowatt hour to 8.89 cents, including a 4 cents per kilowatt renewable energy credit. The cause was the decline in natural gas prices driven down by discoveries of large new deposits. On the mechanical side, the cause of the gearbox failure is unknown and will remain so until it can be removed from the tower and delivered to a facility for analysis. That is an expensive process. The cost of a gearbox replacement is at

least \$671,000. A simple replacement of the gearbox without any understanding of the cause of its failure is very risky. While the gears themselves have been damaged beyond repair, there could be any number of reasons for that failure and that cause must be understood to protect the taxpayers from further expenses. The course the Council must now take should be a cost mitigation process. The option that exposes Portsmouth taxpayers to the least combination of risk and cost must be taken. Otherwise we may follow one expensive mistake with another. The Town Administrator is presently conducting a study of the current condition of the turbine with the aid of experts.

Regardless of the recommendations of the EDC, the final wind turbine decision was the Council's to make. At a March 10, 2008 meeting Councilman James Seveney made the motion to purchase the AAER wind turbine from a company which had no record of successful production. Mr. Len Katzman seconded the motion. Council members Huck Little, Dennis Canario and William West voted in favor. Council members Pete McIntyre and Karen Gleason voted against the purchase. The Canadian company AAER produced four 1.5 megawatt machines, two of which completely failed and the remaining two have serious gearbox problems. Not surprisingly, AAER went bankrupt. While the turbine's major subsystems were operating in a large number of machines in Europe, those systems had never been integrated into a mount manufactured by AAER. In other words, the machine we purchased had never proven itself as an integrated system.

The PCC appeared before the Council on September 24 to ask for a review of the wind turbine evaluation process by the EDC and especially an ordinance defining a formal review process by unbiased experts of bond projects before they are submitted to the people for a vote. The Council passed both proposals unanimously.

Good intentions are not an adequate substitute for sound engineering. Governments may modify laws, but they cannot legislate the laws of physics and finance.

If you don't know what you are doing, don't vote 'yes.

PCC has a number of fundamental goals: limited and moderate property tax increases, open, efficient and responsive town government, access to decision makers and the deliberative process and superior public schools.

BECOME A PCC MEMBER TODAY!

PORTSMOUTH CONCERNED CITIZENS MEMBERSHIP APPLICATON FORM

NAME _____ DATE _____

ADDRESS _____ CITY/TOWN _____

HOME PHONE _____ OFFICE PHONE _____ E-MAIL _____

ANNUAL DUES: \$20 (Single) \$25 (Family) \$100+ (Founder's Club)

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