

Town Council Meeting
March 23, 2015

WORK SESSION – 6:00 PM

Manager Hoover's presentation follows: I am pleased to present to you the Budget for fiscal year 2015/2016. This is my sixth budget with the Town of Coventry. The budget message follows the same basic format of previous years and is meant to provide a general overview of my proposal. Rhode Island continues to lag behind the rest of the country in economic recovery and job creation. With the second of two housing projects completed this past year in the rehabilitation of the Harris Mill, our two largest old mills will continue to grow in property value over the next several years. These two projects along with a major housing project on New London Turnpike, which is expected to start this year, continue to spark exciting future expectations. Some encouragement is coming to cities and towns from Governor Raimondo's budget. The proposal does not contain Draconian local aid cuts that some were expecting. It remains to be seen what affect the General Assembly's actions this session will have on local communities. Once again the Town's operating budget has been prepared with anticipation that the General Assembly's review and approval of the State budget will not have a negative impact on our proposal.

Property values have increased since last year's drop due to the three year evaluation. The total valuation of the Town has increased from \$3,341,973,076 to \$3,355,783,246 which is a total gain in value of \$13,810,170. At our current tax rates, this will produce \$357,765 without an increase in the tax levy. I am recommending that the residential tax rate be set at \$20.858 per thousand in valuation and the commercial tax at \$25.141 per thousand in valuation in order to maintain Town services. This represents a proposed tax rate increase 2.272% for this coming fiscal year.

The largest impact to expenditures continues to be pension liabilities and the corresponding annual required contributions (ARCS). As you know, the cities and towns in Rhode Island that administer independent municipal pension plans, such as Coventry, that are less than 60% funded must follow a Funding Improvement Plan (FIP) required by the 2011 Retirement Security Act approved by the General Assembly. For the first time in recent memory both the Coventry Police Officers Retirement Plan and the Coventry Municipal Employees Retirement Plan will be meeting 100% of the ARCS with this proposed budget and as required by the Pension Act. Consequently, I am increasing our ARC payment in fiscal year 2015/2016 by \$706,348, a 14.99% increase over last year. This required payment is very important to maintaining and improving our bond rating. In addition, we are very close to recommending a solution to the underfunded Coventry Teachers Alliance School Related Personnel (CTASRP) Pension Fund as of the submittal of this budget. If the Town Council, the School Committee and the CTASRP employees and pensioners can approve a tentative agreement with a FIP by May 1, 2015, the Town will receive its withheld \$166,126 in Incentive Aid for both FY 2014 and FY 2015 from the State. This will require an increase in that Pension Plan's ARC, which is projected in this proposed budget.

The School Department has requested an increase in their overall General Fund budget of \$722,000. At a presentation in December and several monthly reports to the Town Council, the School Department had projected no increase in their General Fund request this year. However, a recent vote of the School Committee instructed the Superintendent to request that which is shown in their submittal. I am unable to recommend all of those increases in the school funding request for FY 2016. I am only recommending the aforementioned increase in the CTASRP Pension Fund ARC of \$212,500, which is recommended to be paid from the Town budget, and a \$175,000 payment of their Workers' Compensation premium in their "Maintenance of Effort". Their Workers' Compensation premium payment has been paid the past several years by the remaining proceeds of the former Self Insurance Fund, as has the Town's premium. Please note that this \$175,000 is not part of its \$722,000 request. In total this is \$387,500 that is recommended to be increased to the benefit of the School Department in FY 2016.

Health care costs are also an impact to expenditures. They continue to increase by nearly 10%. We have addressed some solutions to these rising costs, in that we switched from WB Community Health to the Rhode Island Interlocal Risk Management Trust this past year, saving \$72,415. In addition, WB will be returning to us approximately \$535,000 in holdings in FY 2016. This one time return is recommended to cover one time capital expenditures in FY 2016.

Because of the above cost drivers, a Levy increase of 2.17% will be necessary. With this recommended increase we will be able to continue the level of services we now provide to our citizens.

The subsequent amount of tax levy for next year is capped at \$68,445,074 by statute. The motor vehicle exemption is recommended to remain at \$500 per vehicle. I continue to project a 99% collection rate on our property taxes. This goal continues to be achieved during the current fiscal year.

In addition to providing the spreadsheets and breakdowns for each Town department in this proposed budget, I continue to provide narratives for all departments for your information. Position listings are also part of each department. The School Department's proposed operating budget is also shown within this document.

The recommendations in this proposed budget will maintain all permanent positions within the Town budget. The Town's contingency fund is proposed to be \$200,000.

The recommendations maintain the current level of authorized strength within the Police Department and their supporting costs.

In an effort to better support existing local businesses, entice new business and generate economic growth in the Town, I am proposing a new position of Economic Development Expediter, working within the budget of the Town Manager's Office and directly under my supervision. The cost of this new position with benefits is estimated to be \$75,000. I have attached a copy of the job description for this position.

The nine year full Property Revaluation begins this next fiscal year. Sixty percent of the cost of this revaluation is budgeted in FY 2016. The other 40% will be budgeted in FY 2017. Finance Director Thibeault estimated costs of \$426,500 for the full revaluation, 60% of that is \$255,900 and anticipating reimbursement from the state at \$97,200 to partially offset FY16 costs. Manager Hoover stated this is subject to competitive bidding.

In the Department of Public Works, with the support of the electorate, we are instituting a full Automated Refuse and Recycling Collection Program in FY 2016. The cost of this new program is totally covered by savings realized by the elimination of the prior collection methodology. Also with the help of the electorate, DPW has begun to embark on an infrastructure program to improve our streets, sidewalks, curbs, drainage and equipment through the next two fiscal years. Costs to the department continue to be assisted by charging residents for the disposal of such items as mattresses, box springs, white goods, and tires.

The Parks and Recreation Department is proposed to maintain the services and programs they provide to the public over the next fiscal year. The very popular Youth Summer Camp is proposed to be maintained for seven (7) weeks at five (5) days per week this coming summer.

We are continuing to administer our Collective Bargaining Agreements with our two Town unions; the International Brotherhood of Police Officers (IBPO), Local 306 and the American Federation of State, County and Municipal Employees (AFSCME) Council 94, Local 3484 remains an important priority. The three year contract with AFSCME extends through FY 2016 to June 30, 2016. A 2% wage increase is scheduled in this last year of the Collective Bargaining Agreement. Negotiation on a successor contract for succeeding years will begin later this calendar year. Since the completion of the interest arbitration with the IBPO, we have recently agreed on the language from the Arbitrator on the Collective Bargaining Agreement which expired on June 30, 2013. These arbitration decisions only cover one (1) year under Rhode Island General Law. Negotiations on a successor years' contract has already started with one meeting. As negotiations continue, we are hopeful for a multiyear contract which will more than likely require further adjustments to the budget.

Several small adjustments are shown in the budget proposal. They include annual maintenance costs for the Town Hall Annex, which was not budgeted in prior years; a nonrecurring IT upgrade to the Police server and demolition of a building on Tiogue Avenue. We have been unsuccessful in receiving any grant money for this demolition.

I am recommending a small capital improvements budget outside of the operating budget this coming fiscal year. It will cover necessary fire safety improvements for the Town Hall Annex and an emergency generator for the Senior Center/Human Resources building. I am also showing in the budget document a listing of capital requests from departments, which, although unfunded, allows you to see the needs that exist. The needs are many and future bond issue requests may have to continue to be presented to the voters to determine if there is support for providing the necessary equipment and facilities necessary to continue to provide essential services to them. Previously approved capital improvements will continue to be completed within the Town General Fund. School Department Capital Improvements are not recommended next fiscal year. However, both the Schools and the Town will be expending the

2012 Energy Bond proceeds over the next year to complete money saving energy improvements in most Town and School buildings. Fair Share Impact Fees will also continue to be used, as available, in pertinent Town Departments and the School Department.

With the funding of this budget I am continuing to recommend that all remaining General Fund balance in excess of 10% be proportionately dedicated to our pension liability for our Municipal and Police pension funds. This only amounts to \$66,140 this year.

I must continue to remind you that this budget document is a start, not an end. The annual budget is a plan that is adjusted throughout the year and meant to be a flexible document. I look forward to discussing this proposed budget with the Town Council, the School Committee and the citizens of Coventry in the upcoming public hearings and at the Financial Town Meeting, as shown on our budget schedule.

Councilman McGee said although he has not had a chance to go through the whole budget, the money going to building maintenance at the annex across the road concerns him. The Fire Marshal indicated these are needed repairs. Have we decided to charge rent to Central Coventry since they are there, to help defer that cost? Manager Hoover replied that Central Coventry has made a commitment to pay rent, however, they would like to start at the beginning of their fiscal year, although Manager Hoover would like to begin sooner, Councilman McGee agrees and since this is a town building, we should be able to say when payment starts, especially when we have to make the repairs. Manager Hoover has been talking with interim Chief Murray and he has been very cooperative in working with us.

With regard to the economic development expeditor, Councilman McGee isn't sure that the town needs a full time position. Although at present there is no reason why any businessman would want to locate to Coventry, there are things the town should be able to do, such as maybe tax incentives, but don't think that by spending \$75,000 for an expeditor is going to change the system. You eliminated the Economic Development Commission and gave that remaining \$4,000 to the Celebrate Coventry Committee, so we basically eliminated that money, and now want to turn around and create a position.

Councilwoman Carlson stated that as far as the EDC money, it was Judge Capaldi's idea for seed money to start the 275th anniversary committee.

Councilwoman Duxbury questioned whether we actually have a 99% collection rate on taxes and Manager Hoover said that we do, and even exceeded that with one year at 101.5% due to collection of some back taxes.

Councilwoman Duxbury agreed about adding a full time expeditor position, we need to be able to feel that we can get a return on the investment, perhaps a full time person could assist the zoning department with enforcement. It may be difficult to find someone qualified and only hold a part time position. However, we do need a tax incentive program. To draw business, we need Coventry to be an attractive place for business. We have a lot of small businesses here that are struggling and we should be able to assist them. There are too many open storefronts and no one is interested in coming here unless we have incentives.

Manager Hoover said that first and foremost, he hopes to be able to prove to the council and community that there is a multiple return on the costs of this individual, once you can entice and bring business into town and improve existing businesses and thinks it requires full time dedication.

Ms. Duxbury would like to know how much we spend each year operating and maintaining the annex and questions whether it makes sense to throw another \$200,000 into it. There are eight people over there, does the school pay any costs for maintenance? Manager Hoover responded that they maintain what they use. If we charge them rent, one of their budget requests would be an increase of funding so they can pay us rent, and that doesn't make sense. He will work with DPW Director McGee on the operating and maintenance numbers. However, there is a great deal of energy bond money scheduled for that building. It will probably cover the roof and boiler work. Mr. McGee agreed that the annex is a problem. The energy costs through National Grid are very high, but part of the energy improvements that we do will reduce those expenses dramatically, possibly by 54% electric and 71% gas.

Ms. Duxbury asked about the roof and what it cost to clear the roof of snow this winter. She also requested a cost benefit analysis of that whole building as she thinks we are spending a lot of money on a building with a lot of problems. Mr. McGee replied that it cost about \$75,000 to clear the roofs, but we did testing and the load tests were at maximum. There are roof problems and we have to get the repairs completed. For the next three years it will be addressed in my capital requests, however, the roof assessment hasn't been completed yet.

Councilman McGee feels there is a lot of potential at the annex and it should be maintained. As far as the expeditor position, the town could just give an incentive plan and put that money back into their own business. We currently offer businesses nothing and have to fix that.

President Shibley thinks there is a real need for an EDC expeditor, it's someone with a face that people can talk to, and that individual would be under the management of the Town Manager. It is a meager amount of money and just bringing in one business would pay for his position for the year. Everyone here is busy from the zoning officer to the town manager, and the expeditor would have one priority and that is to help bring in more business, be the "go to" person, and help the businesses we already have. This person could welcome people to Coventry and \$50,000 is not too extravagant an amount of money for a person to try to get us on the right track and work directly under the Town Manager.

TOWN COUNCIL MEETING – 7:00 PM

Present: Councilman Kerry McGee, Councilwoman Carlson, Councilwoman Duxbury, President Shibley, Town Manager Thomas Hoover, Town Solicitor Nicholas Gorham. Councilman Laboissonniere was absent.

Pledge of Allegiance led by members of Boy Scout Troop 31 Crompton
Invocation by Manager Hoover
Review of Emergency Evacuation Plan

President's Comments

President Shibley announced that the Senior Center will be serving breakfast on March 27 at the center between 7:30 a.m. and 9:00 a.m. at a cost of \$3.00. The Parks and Recreation Department will hold an Easter egg hunt at the Town Hall annex on Saturday, March 28, at 9:00 a.m., participants need to arrive by 8:45 am. The hunt is for children ten years old and younger. There will be bunnies to pet and opportunities for photos with the Easter Bunny.

Dog licenses are now available for 2015-2016 and may be obtained at the Town Clerk's Office during the month of April. And lastly, several positions are available on boards and commissions, and those boards are Friends of Human Services, Coventry Housing Authority, Library Board of Trustees, Planning Board and Zoning Board of Review.

Approval of Town Council minutes from March 2 and March 9, 2015

A motion was made by Councilwoman Duxbury seconded by Councilman McGee to approve minutes from March 2, 2015. All voted aye.

A motion was made by Councilwoman Carlson seconded by Councilwoman Duxbury to approve minutes from March 9, 2015. Vote taken: 3 Aye; Councilman McGee abstained as he was absent from the March 9 meeting. Motion passes.

COUNCIL DISTRICT UPDATES

Districts 3, 4, and 5 had no news this evening. Councilwoman Carlson, District 1, gave an updated on the wind turbines in Western Coventry. She advised that she recently attended a meeting with the State Properties Committee for preliminary conceptual approval to negotiate an easement with WED on the equestrian side of trestle trail. The new trail will be divided between the equestrian side and biker/walker side, is owned by DEM and RIDOT is doing the work. What Mr. DePasquale of WED is proposing is to dig up the equestrian side in 500 foot sections for five miles in order to take the connectors from the turbines, hook up behind Skalings General store at Log Bridge Road, bring it up and connect to the Indian Trail substation. He has been in talks and negotiations with National Grid as the substation needs to be upgraded. The schedule for this construction should begin this summer and be completed by August of 2015 hopefully. There should be no greater than 500 feet of trail disrupted at any given time. DEM will inspect for compliance and the trail will be put back to its original condition.

In addition, there will be a visitor center located at Phillips Hill Rd. and Hill Farm Rd. along with a restroom and maintenance equipment storage area. The final easement agreement will be presented in the next few months. If you have any questions feel free to e mail me; any updates will be on my facebook page.

Councilman McGee asked if the town has any say in this and Mr. Lefebvre said that from Suburban Propane through the remaining nine miles is state owned by DEM.

SCHOOL COMMITTEE REPORT

School Committee member James Pierson reported to Council on recent issues:

The School Committee approved a budget for FY 2016 on March 3. They also voted to retain control of the former Oak Haven Elementary School building along with the responsibility for the associated maintenance and upkeep costs.

A revision was adopted to the School Committee's bylaws, making the by-laws more in alignment with current governance practices. In addition, recommendations were made to update the current proficiency based graduation requirements.

Students began taking the PARCC assessments using Chromebooks. The School Committee is exploring cost-effective ways to record and televise meetings and lastly, two weeks ago students of the Feinstein Middle School put on performances of Beauty and the Beast and did a remarkable job.

PUBLIC COMMENT

Stacy O'Gorman, 31 Elton Street, talked about the newly formed Tiogue Lake Shores Homeowners Association and handed out informational flyers.

Kenneth Jackson, 2799 Harkney Hill Road, asked when the proposed budget would be on the website. Manager Hoover replied that it could probably be put up tomorrow.

Richard Reynolds, Village Green, requested that residents of Village Green, who pay taxes like everyone else in town, should receive the same services as everyone else. Currently Village Green residents do not receive services such as snow plowing and trash pickup. Manager Hoover will respond to Mr. Reynolds by letter this week.

Ron Gizzarelli, 55 Harrington Road, feels there are communication problems with the Kent County Times as far as advertisement of meetings; agrees that something has to be done about the empty storefronts in town, maybe tax incentives; and asked if the \$40,000 required to take down the building at 500 Tiogue Avenue includes getting rid of the foundation. Manager Hoover replied that it does.

CONSENT AGENDA

1. Discussion and resulting action on tax abatements and additions for February 2015

A motion was made by Councilman McGee seconded by Councilwoman Duxbury to approve abatements and additions. All voted aye.

RESOLUTIONS

Discussion and resulting action on appointing Karen Audette to the Tax Assessment Board of Review

A motion was made by Councilwoman Carlson seconded by Councilman McGee to approve appointment. All voted aye.

Discussion and resulting action on the reappointment of Tony Raposo to the Sewer Subcommittee

A motion was made by Councilwoman Carlson seconded by Councilman McGee to approve appointment. All voted aye.

Discussion and resulting action on the purchase of an Elgin Broom Bear Sweeper, financing it through an equipment lease purchase agreement, in a principal amount not to exceed \$260,000

Manager Hoover advised Council that this particular resolution was drawn up by our bond counsel, Karen Grande and is a way of obtaining a piece of equipment and still save money for the town.

DPW Director McGee added that currently we are operating a 1996 Elgin sweeper, with maintenance costs of \$8,000 to \$10,000 this year. It is truly not a safe machine, the operators have to wear double masks due to the particulate. The broom bear sweeper that we are asking to purchase is a truck sweeper, not the three wheel vehicle. It is a much safer vehicle and can be operated by anyone who operates a truck, with proper training. At the end of its life, the sweeper can be taken off and the truck and chassis can be utilized somewhere else. We would eliminate the

contract sweeper, averaging about \$35,000 a year plus the amount that we are spending just to maintain it. The Elgin trade in value is \$5,000; we are not looking to trade it in, but use as a backup. By leasing the broom bear over seven years, we will be able to own it at the end of the lease. This is based upon the National Joint Powers Alliance, a national contract in reference to public utility vehicles. Once approved, we take possession within 35-40 days.

Finance Director Thibeault agrees with Mr. McGee with regard to the savings from not having to contract it out and having the lease/purchase in place for seven years.

Manager Hoover asked for a comparison, as to what we have been getting each year in sweeping compared to what we are going to get. Mr. McGee responded that currently we can only cover a portion of town, mainly the eastern portion. However, by utilizing this sweeper we will be able to continue throughout the year, and reach the western end. As a result we will reduce the amount of sediment that gets into catch basins and drainage pipes and help to preserve pavement markings. It will become almost a year round process.

Mr. McGee added that this is through a national general bidding organization. These are national contracts, and the State of Rhode Island allows us to utilize that bidding process. Manager Hoover added that the resolution was written by bond counsel and follows the general laws of the State of Rhode Island.

Councilwoman Carlson asked how this process works and Mr. McGee replied that it is advertised online, has all the different bids from manufacturers nationally (this manufacturer happens to be Elgin) and they put the lowest price available out there. Manager Hoover again stated that under the RI General Laws, we are allowed to piggy back.

Councilman McGee is in favor of this idea, especially since it will be of no cost to the taxpayers; President Shibley agreed. Councilwoman Duxbury asked about the buyout and interest rate; Mr. Thibeault replied that the buyout is \$-0-, with a 3.29% interest rate. She then asked if this would have ordinarily been considered a capital item and DPW Director McGee replied that it would be. Councilwoman Duxbury commented that she has a problem running a capital item through as an operating expense. It seems like we are trying to maneuver around, and it is not completely transparent to the taxpayers. The taxpayers need to know that the town is buying a piece of equipment that would normally be in the capital budget.

Councilman McGee feels that the transparency is now, we are here letting the taxpayers know what we want to do and that we are trying to do what is best for the taxpayers.

Manager Hoover explained that it is a budgeted amount, although it has been as a contract and now we are going to do it in-house.

President Shibley asked if the principal amount is \$260,000 and Finance Director Thibeault replied that is.

A motion was made by Councilman McGee seconded by Councilwoman Carlson to approve resolution. Vote taken: 3 Aye; 1 No (Councilwoman Duxbury votes no). Motion passes.

Discussion and resulting action on rescinding Resolution No. 111-13-4431 regarding the establishment of a Dog Park behind the Town Hall Annex, relocating a T-ball field from the front of the Town Hall Annex to this area behind the Town Hall Annex and establishing a Music and Entertainment Park at the front of the Town Hall Annex

Manager Hoover explained that this involves the fenced in area across the street adjacent to the community garden, currently used as a t ball diamond. There has been a suggestion made to turn this into a music and entertainment park. It is yet to be announced, but there will be a donation of a pavilion and we are trying to get some community service to construct it. The vision here is over and above some of things that parks and recreation does, and this would be to have a venue in town for concerts, events, etc., a positive thing for the community. The T ball field would have to be moved and put back behind the building; it is also important to note that by doing this, we will have to come up with an alternative location for the dog park, which was approved by the previous council. Manager Hoover did communicate with Lisa Finneran, President of the Coventry Dog Park Association. She understands that the land will have to be used for t ball and would appreciate the designation of another area for the dog park., Ms. Finneran is really not upset at losing that particular location and would be willing to work with the town on finding an alternate location of smaller size. Councilman McGee thinks that the dog park is a good idea and hopes that we can work at finding another location.

Councilwoman Carlson commented that we are fortunate to have a local business to donate

the pavilion. We will be looking for donations of time from electricians, contractors, etc., as we are working on a shoestring. We want to give the town a spot for concerts, craft shows, community events. She stated that it would be great if local businesses in town, the Boy Scouts and town residents got involved with this project. President Shibley agrees that it is a good idea, it is in a high visibility area and just a good thing to help celebrate Coventry.

A motion was made by Councilwoman Carlson seconded by Councilwoman Duxbury to approve resolution. All voted aye.

Discussion and resulting action on renaming the Town of Coventry 275th Anniversary Committee to the Celebrate Coventry Committee

Councilwoman Carlson explained that in 2016 the town will celebrate its 275th anniversary. The 275th Anniversary Committee was started last May/June. However, we got overambitious and thought that we could have events each month to raise funds for 2016. At the last meeting we discussed that rather than try to do 20-30 events, we should focus on two or three, and one of those is the music park. In addition, on August 8 we will hold an antique car show, but what we are looking for is to start events that could become annual events, maybe three or four a year rather than overtax ourselves. So, since we are not going to limit this just to the 275th Anniversary Committee, we would like to change our name to make this ongoing and annual.

A motion was made by Councilwoman Carlson seconded by Councilman McGee to approve resolution. All voted aye.

Discussion and resulting action on opposing House Bill H-5044 and H-5173, and Senate Bill S-559 from the Rhode Island General Assembly which cause a reduction of growth in assessed property valuations and a subsequent loss of revenue to cities and towns

Manager Hoover advised that this is an item that all members of the RI League of Cities and Towns has asked for every town to consider. Basically it allows for builders and developers not to pay taxes on properties until a Certificate of Occupancy is granted. Currently we are able to tax what is complete. It is estimated that statewide if this legislation is passed that there would be a loss of revenue of \$2 million statewide. Here in Coventry, the estimate slightly under \$60,000 on the average each year. The last two years, this legislation was passed by the General Assembly, but vetoed by Governor Chafee. I don't know what Governor Raimondo will do with it, but it is important for cities and towns to check in on this.

Councilwoman Duxbury asked if the bill also includes commercial property and President Shibley responded yes, but in two different bills. Either way, we are losing money, over \$2 million in the whole state. I am all for sending the General Assembly a message that we are against these bills.

A motion was made by Councilman McGee seconded by Councilwoman Duxbury to approve resolution. All voted aye.

A motion was made by Councilwoman Carlson seconded by Councilman McGee to adjourn meeting. All voted aye.

Town Clerk