

Town Council Meeting  
March 25, 2013

WORK SESSION

Presentation and Discussion of Fiscal Year 2013/2014 Budget

Present at work session were Councilwoman Carlson, Vice-President Kerry McGee, Councilman Ted Jendzejec, President Gary Cote, Solicitor Tobin and Manager Hoover. Councilman Laboissonniere was absent.

Manager Hoover's budget message is included in the minutes as follows: I am pleased to present to you the Budget for fiscal year 2013/2014. We have seen a slight upswing of the economy lately. Recent housing projects and rehabilitation of old mill properties in Coventry has sparked exciting future expectations. Governor Chafee has again proposed several initiatives in an attempt to stabilize local budgets. It remains to be seen if the General Assembly will accept the Governor's proposals. 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.

Lower property values appear to be the expected continuing result of our current property revaluation. The total valuation of the Town has increased from \$3,525,429,663 to \$3,556,226,972 which is a total gain in value of \$30,797,309. At our current tax rates, this will produce \$62,864,528 in tax levy. I am recommending that the residential tax rate be set at \$18.47 per thousand in valuation and the commercial tax at \$22.25 per thousand in valuation in order to maintain Town services. This represents a proposed tax rate increase of 2.25% for this coming fiscal year.

The largest impact to expenditures has been the growing pension liabilities. The cities and towns in Rhode Island that administer independent municipal pension plans, such as Coventry, were required to submit an experience study performed by our actuaries to the State Locally Administered Pension Plans Study Commission by April 1, 2012. This is the result of last year's Retirement Security Act approved by the General Assembly. The Commission determined which of these plans were in "critical status". Plans that are in critical status were those that are under 60% funded. Both the Coventry Police Officers Retirement Plan and the Coventry Municipal Employees Retirement Plan are in this "critical status" category. Plans in "critical status" were required to submit a plan by November of 2012 that projected the payment of the Annual Required Contribution (ARC) within five (5) years. The Town of Coventry's Financial Improvement Plan that was submitted last November projects the payment of the full ARC within (4) years, moving from critical status within nineteen (19) years for both plans, reaching 80% funding in the Police Officers' Retirement Plan in twenty-four (24) years and the Municipal Employees Retirement Plan in twenty-six (26) years. This requirement will exert a great burden on the municipal budget, with increased ARC payments over these periods of time. I am recommending increasing our ARC payment in fiscal year 2013/2014 to \$3,743,810, a 25% increase over last year, ahead of the Financial Improvement Plan schedule, due to the uncertainty of Police arbitration and a need to maintain or improve our bond rating. It is also necessary to continue to discuss Pension Reform at the bargaining tables with our unions and retirees.

We also must address cooperative solutions to rising health care costs. Only with cooperation in these important areas will we be able to continue the level of services we now provide to our citizens. Health care costs are expected to increase by 3% on average. The escalation of fuel prices has also adversely affected expenditures as well.

The School Department has requested an increase in their overall general fund budget of \$400,000. This is the result of state mandates placed upon them this year; \$300,000 for technology and \$100,000 to reopen Oak Haven School. I recommend that only the additional \$300,000 be part of "maintenance of effort", while the \$100,000 for Oak Haven is non-reoccurring. The debt issuance and initial debt retirement cost of their School Improvement Bonds approved by the citizens of the community in November 2012 is \$386,000 for FY 2013/2014.

Between these costs, the necessary pension Financial Improvement Plans' cost and less major adjustments, a tax increase of 2.25% allowable limit will be necessary. The recommended tax increase considers assistance of applying property value growth to the equation to maintain existing services.

The subsequent amount of tax levy for next year is capped at \$64,820,717 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. 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 \$105,000.

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

In the Department of Public Works, 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. In the past, these represented higher disposal costs to the Town.

Adjustments to fees in the Parks and Recreation Department have helped to maintain the services they provide to the public. Youth summer camp is maintained for seven (7) weeks at five (5) days per week.

An increase of \$125,000 in the Information Services budget will provide a necessary replacement of outdated and obsolete computer servers currently in use by the various Town departments. It also provides necessary help by extending a part time IS person in the Library to full time, assisting the IS Director on a half time basis. Half of the full time salary is paid by the Library State Assistance Grant.

Important to the FY2013/2014 budget and beyond is collective bargaining with our two Town unions; the International Brotherhood of Police Officers, Local 306 and the American Federation of State, County and Municipal Employees Council 94, Local 3484. We are close to

achieving a new contract with AFSCME – Council 94 and are in interest arbitration with IBPO over their agreement.

I am recommending no capital improvements on the Town side of the budget this coming fiscal year. The School Department has requested a capital improvement budget of \$156,000 for fiscal year 2013/2014. I recommend that noted fire code upgrades be financed by their new bond proceeds or their share of impact fees and that school security and technology infrastructure be funded within their share of impact fees.

With the funding of this budget I am again recommending that all remaining general fund balance in excess of 10% be proportionately dedicated to our pension liability for our municipal and police pension funds.

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. It is 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 work sessions, public hearings, and financial town meeting, as shown on our budget schedule.

Superintendent Michael Almeida gave overview of the School Committee's recommended operating and capital budget. He was happy to report that their previous request of a \$900,000 increase has been reduced to \$400,000 and they are working diligently to make this as accurate as possible. He pointed out reductions in supplies, dues and fees, with a projected increase in State Aid of approximately \$786,000. In the end there is a \$400,000 additional request due to the need to integrate technology in the classrooms.

Dr. Almeida stated that Coventry will be getting funding to help with the wireless, but that does not put individual technology in the children's' hands. Vice-President McGee believes this is another unfunded mandate.

Councilwoman Carlson asked if this affects all grade levels and Dr. Almeida replied basically grades 3 through 11 in reading and math but is expected to eventually include science and social studies too. Councilwoman Carlson also asked if there are plans to go "bookless" and if that expense was included in the budget. Dr. Almeida responded that rather than spend money on textbooks, we would spend it on licenses. Some districts are moving away from textbooks and using technology. You will probably see a combination of on-line usage and textbooks, trying to find a balance. Teachers will also have to be retrained.

Dr. Almeida noted the over crowdedness in some elementary schools and that reopening Oak Haven and moving pre-K there would create space in three other schools. The following year kindergarten would follow to Oak Haven. This plan would allow construction of computer labs in schools, creating a better learning environment. Although enrollment is pretty stagnant now, you have to remember that we have closed a middle school as well as Oak Haven in recent years. President Cote commented that although he doesn't think the mill projects would add a lot of students to the schools, there is a development of 167 low to moderate income units proposed at Tiffany Village, which could result in a huge impact on the school system. Dr. Almeida indicated that he is especially concerned about Hopkins Hill, as they struggle for space now. In addition, federal funding is dropping and due to sequestration, we are not positive what the fallout will be.

School capital requests include fire code upgrades at Oak Haven of \$50,000; school security issues of \$56,000 and \$50,000 for technology infrastructure, totaling \$156,000.

At this point, work session concluded.

### TOWN COUNCIL MEETING

Present: President Gary Cote, Vice-President Kerry McGee, Councilman Jendzejec, Councilwoman Carlson

Town Manager Thomas Hoover, Town Solicitor Frederick Tobin

Absent: Greg Laboissoniere

Pledge of Allegiance  
Invocation by President Cote  
Review of Emergency Evacuation Plan

### President's Comments

President Cote predicted a long and frequently changing budget process. Input from the public is welcome. He also announced that of the 39 cities and towns in Rhode Island, Coventry has placed 4<sup>th</sup> as a desirable place to do business in the future. Hopefully we will continue to invite and entice business into this town.

### Approval of Town Council Minutes for March 11, 2013

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

### PROCLAMATION

Recognizing the Town of Coventry as being named Rhode Island's fifth HEARTsafe Community

President Cote presented a certificate of recognition to the "Coventry Wellness Community" representing the town's preparedness to respond to heart related emergencies.

### SCHOOL DEPARTMENT MONTHLY REPORT

School Committee member Ann Dickson reported on initiatives, updates and successes of the school department for the month of March. Highlights included the need to integrate technology into the curriculum for students and develop a technology plan, such as a wireless environment in schools and classrooms; selection of a software program which is in sync with the Common Core Curriculum, provide opportunities for distance learning, fill the need for computer labs in elementary schools, prepare for the state mandated testing with the PARCC assessment, which requires all testing to be done on a computer.

We have experienced success with the task force that was formed following the Sandy Hook incident on December 14. Many projects have been completed such as front door construction, wireless panic buttons in eight schools, employee ID badges, surveillance

monitors, door locks installed, and policies and procedures being reviewed and rewritten.

In addition, an award was received from the RI Interlocal Trust for Public Safety, recognizing the work of the school department's Safety and Security Committee for their work.

### CONSENT AGENDA

1. Approving the Tax Abatements and Additions for February, 2013

Motion was made by Vice-President McGee seconded by Councilman Jendzejec to approve consent agenda. All voted Aye.

### LICENSES

1. Application by S & T's Fireworks for Temporary Hawker's License to sell fireworks at 792 Tiogue Avenue between June 24 and July 6, 2013

Motion was made by Councilman Jendzejec seconded by Vice-President McGee to approve temporary fireworks license. All voted Aye.

2. Application by Alex Arteaga dba Palagis Ice Cream for 90 day seasonal Peddler's license between April 1, 2013 through June 30, 2013

Motion was made by Vice-President McGee seconded by Councilman Jendzejec to approve license. All voted aye.

3. Application by Thomas Bianco for new victualling license for Holy Bagel and Deli, 435 Washington Street

Motion was made by Vice-President McGee seconded by Councilman Jendzejec to approve license subject to Board of Health approval. All voted Aye.

4. Application by Nayan Patel for new victualling license for Jiten Hotel Management dba Fairfield Inn and Suites, 4 Universal Blvd.

Hotel manager Brad Craig, of Charlestown, RI was present representing Fairfield Inn and Suites.

Motion was made by Councilman Jendzejec seconded by Vice-President McGee to approve victualling license subject to Board of Health approval. All voted Aye.

5. Application by Janice Olivier for new victualling license for The Party Bee dba Honey Cone, 85 Sandy Bottom Road

Proprietor Janice Olivier of 177 Hope Furnace Road was present. She stated that she proposes to operate a frozen yogurt shop at this location. Motion was made by Councilwoman Carlson seconded by Vice-President McGee to approve license subject to Board of Health approval. All voted Aye.

## LIQUOR CONTROL BOARD

### The Town Council acting as the Liquor Control Board to consider a violation of Bella's Sports Bar, 1152 Main Street, Coventry, RI

Proprietor Dave Thomas, 70 Leuba Road, was present. Solicitor Tobin explained that this is an informal meeting relating to a recent incident at Bella's. Mr. Thomas was informed that he is entitled to a formal hearing, but he has indicated that he is here tonight for an informal meeting on this incident.

Solicitor Tobin asked Police Chief Volpe to come forward and indicate what information he has with respect to this incident. Chief Volpe explained that on March 14 at approximately 3:00 a.m. police officers noticed vehicles parked in front of Bella's. The officers observed people inside the building drinking, including the bartender. The officers went in, spoke with them, shut them down and took a patron home. The matter was referred to our legal department.

President Cote asked about the more than two hour time frame between the initiation of the call and the officers clearing from the call. Chief Volpe explained that when an investigation takes place, all parties are spoken to, in this case someone was driven home, a narrative is written and then closed out. Two or three officers did not spend two or three hours at the establishment, but the process of investigation can take that long.

President Cote asked Chief Volpe what his recommendation would be in this case. Chief Volpe replied that he knows Mr. Thomas and how well he conducts his business. In addition, Mr. Thomas wasn't at the establishment when the incident occurred and the Chief would recommend only a warning at this point.

Vice-President McGee agreed that this was an unfortunate incident and hopes that the bartender involved receives proper training. President Cote added that a more severe penalty would be put in place if this had to be addressed again in the future. Mr. Thomas responded that he suspended the bartender and assured Council that this will not happen again.

Vice-President McGee made motion seconded by Councilwoman Carlson that a warning be issued. All voted Aye.

## RESOLUTIONS

1. Requesting the Rhode Island General Assembly to oppose and reject any and all mandatory binding arbitration legislation currently being considered for teacher and other school employee and municipal employee contracts
2. Requesting the Rhode Island General Assembly to oppose and reject any and all mandatory contract continuation legislation currently being considered for teacher and other school employee and municipal employee contracts

A motion was made by Councilman Jendzejec to table Resolutions 1 and 2 as he received the agenda late and hasn't had time to review those items. Motion was made by Vice-President McGee seconded by Councilwoman Carlson to table resolutions. All voted aye.

3. Requesting the Rhode Island General Assembly to oppose and reject House Bill 5791 that mandates that a town provide fire protection services previously provided by a fire district that has been liquidated

Motion made by Vice-President McGee seconded by Councilwoman Carlson to approve resolution. All voted Aye.

4. Requesting the Rhode Island General Assembly to support the passage of Senate Bill S 0283, regulating the location and use of asphalt batching or continuous mixing facilities in the Town of Coventry

Senator Raptakis asked the Council's support. President Cote's opinion is that a distance of 4,000 feet is not necessary and a change was recommended. However, he understands the bill was already in committee at the time of that conversation. Other asphalt owners have not objected to this because it will eliminate any competition they might get in the Town of Coventry. Vice-President McGee also feels that 4,000 feet is excessive. Councilman Jendzejec added that it can be changed while it is in committee.

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

5. Authorizing the Town Manager to file an application for the amount of \$300,000, to execute an agreement and to implement the activities set forth in the proposed FY2013 Community Development Block Grant program with the State Office of Housing and Community Development

Program Administrator Gail Hardink, was present and stated that last year the town applied for \$700,000 and received \$450,000. This year our cap is \$300,000 and we are applying for that amount. Planning Director Paul Sprague advised that this plan was already approved by the Planning Department.

Motion was made by Councilman Jendzejec seconded by Vice-President McGee to approve resolution. All voted aye.

6. Amending the Budget Calendar for review of the 2013/2014 fiscal year budget by moving the following Work Sessions and Public Hearings on the Capital Budget and Municipal Budget: Work Session, Thursday, April 4, 2013 to Monday, April 8, 2013; Public Hearing Thursday, April 18, 2013 to Thursday, April 25, 2013

A motion was made by Vice-President McGee seconded by Councilman Jendzejec to approve resolution. All voted aye.

7. Authorizing the Town Manager to execute Amendment # 3 to the project for improvement to the Coventry Greenway as required by the Rhode Island Department of Transportation (RIDOT). The entire project is funded by 80% Federal funds and 20% State funds.

Manager Hoover explained that this amendment represents an ongoing project for greenway renovation which will be under construction this whole year. RIDOT has made it a requirement that whenever we do amendments, we need a resolution of approval from the

Town Council. It is just one extra step, a mandate, and we have no choice but to bring this resolution forward for approval.

Vice-President McGee asked Parks and Recreation Director Guy Lefebvre if he will have any problem maintaining the extension of greenway. President Cote added that so far he has maintained the greenway with no personnel increase and the Town Council doesn't plan to increase the budget to hire personnel. Mr. Lefebvre stated that the five mile corridor will be a challenge, but we have maintained it to this point.

Vice-President McGee responded that Parks and Recreation has done a great job maintaining it, but want to be sure that you are able to keep up the reputation and maintenance. I really don't know how you do it with the staff you have now.

Councilwoman Carlson asked about comments made where the town agrees to reimburse costs associated with Cardi regarding the greenway project. Manager Hoover explained that there will have to be a reimbursement by the town in order to have Cardi move materials. However, that situation may not happen and if it did, costs would be no more than \$7,500. Apparently Cardi has a staging area which was established last August. Cardi has been asked to move and work elsewhere so that the sewer project contractor can move into the area. The fact that Cardi is being asked to move requires them to move materials and equipment to a storage area elsewhere. The longer the sewer project is engaged in another area, the longer it takes them to move to Cardi's area, the better that is. Cardi feels if they have to move, they should be compensated and the state DOT agrees, but this may not happen at all. I recommend that the Council move forward with this resolution and I will do my best to neutralize the situation and minimize the costs.

Vice-President McGee has a problem if there does turn out to be a dispute and he does not feel the town should pay extra money to have one contractor appease the other one. Manager Hoover again said that he hopes there is no reimbursement.

A motion was made by Councilman Jendzejec seconded by Vice-President McGee to approve resolution. All voted Aye.

8. Approving a Resolution that verifies that the Town Council accepted the Town Manager's recommendation to designate Proposal #1 in both Financial Improvement Plans for the Municipal Employees and Police Officers Pension Funds on November 13, 2012 by Resolution 113-12-4306

Manager Hoover explained that essentially the council already approved the financial improvement plans back in November, as required by the state commission and clearly we indicated that we would recommend Proposal 1 of the pension plans. The State Department of Revenue wants it stated clearly in a resolution that we approved Proposal 1, so we needed to bring this forward to "officialize" this.

A motion was made by Councilman Jendzejec seconded by Vice-President McGee to open for discussion and approval. Councilman Jendzejec indicated that he will not vote in favor of the resolution, feels it is missing the SRP (school related personnel) component that the town refused to recognize as part of the pension system. We are banking too much on negotiations which may prove useless. Vote taken: Approve resolution 3; Councilman Jendzejec votes no. Motion passes.

## ORDINANCES

Amending sub-section 97-8 of the Coventry Code of Ordinances regarding animal nuisance due to animal trespassing, howling, yelping, barking or causing nuisance noise and the keeping of chicken hens and providing for enforcement of same

A motion was made by Councilwoman Carlson seconded by Councilman Jendzejec to advertise for public hearing. All vote aye.

## PUBLIC COMMENT

Attorney Michael Forte, Olenn & Penza, 530 Greenwich Ave., Warwick, RI, addressed the Council with regard to approval of a resolution that verifies that the Council accepted the Town Manager's recommendation to designate Proposal #1 in both Financial Improvement Plans for the Municipal Employees and Police Officers Pension Funds on November 13, 2012.

Choosing Pension Option 1 is neither cost effective nor a solution. Title 42 of US Code Section of 1988 allows prevailing parties to obtain attorney fees from governmental units. Contracts are ratified. Neither the state nor municipality has the right to take away bargained for rights. The prevailing party not only gets contract benefits back, but pays attorney fees and interest.

Mr. Forte represents police retirees Leo Fox, Michael Flanagan and Paul Koczwanski. The difficulty you face with your pension issues is not foreign to me. I understand the issues you face on both sides. However, there are certain rules and regulations that cannot be crossed. It baffles me that you are considering retirees rights. These rights are clear, with meager pensions and low colas, and you want to go after them for such a small percentage. I don't find this to be cost wise and cost effective. You have oversight from the state executive and judicial branches. You are still early in the process and I hope you will alter the course appropriately.

Manager Hoover advised that there is an informational meeting Wednesday night with police retirees. Attorney Forte stated that the earlier someone seeks to have input on this issue, the earlier it is taken into account as plans are made. I am not saying I have a law suit drafted, we are here early in the process. It is wise to recognize the risks that are allocated to each side.

Motion was made by Councilman Jendzejec seconded by Councilwoman Carlson to adjourn meeting. All voted aye.

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Town Clerk