

TOWN COUNCIL MEETING
March 26, 2012

6:00 p.m. Work session

Presentation and discussion of FY 2012/2013 proposed budget

The Town Manager's 2012-2013 fiscal year budget was presented by Manager Hoover. He pointed out that although the economy throughout the state and country remains in poor shape, there is an indication at the state level that some people are trying to provide assistance to the cities and towns. One example of this would be the governor's initiative that was submitted to the General Assembly, which would help cities and towns throughout RI, particularly in the pension plan area. The manager's budget was prepared without knowing if the General Assembly will accept any or all of the governor's recommendations.

The largest impact to our revenue stream currently continues to be low property values, but even though property values remain low, we did experience an increase in valuation of about \$19 million this past year, which would produce an additional \$437,000 to \$438,000 of revenue at the current tax rate. The most significant part of this budget is that it proposes no increases in the tax rate.

On the expenditure side, the biggest "elephant in the room" is the growing pension liability. We also anticipate an increase in health care costs across the board of about 5% town wide along with the escalation of fuel prices.

Finance Director Ted Przybyla stated that the \$433,000 of property tax revenue results from assessment growth, natural growth and assuming no tax increase.

Councilman Jendzejec questioned the tax increase regarding the tax incentive at Centre of New England and how much more revenue the town getting this year as opposed to last year. Mr. Przybyla will research and provide that information.

Remaining issues are the self insurance fund dropping off, and in this budget we are assuming that we will use \$347,000 of the fund balance to balance this budget. We are expecting revenue streams that are consistent with last year.

Manager Hoover explained that last year we decided to give the schools \$1.2 million extra, as a one-time expenditure, with an agreement where the school and Coventry Teacher's Alliance would ask for \$600,000 less this year. Since we have to come up with \$600,000 we decided to apply some of the growth toward that \$600,000 then use a small portion of the surplus to balance that. We do anticipate another surplus in this current fiscal year, but will not have that quantified until this year's audit. In addition, I am recommending that anything over 10% of our fund balance be applied toward the pension liability on a proportional basis between the police and the municipal employees.

In this budget we maintain all employee positions on the town side. However, there are some downfalls, as we have not been able to replace outdated and obsolete computer equipment. It's important to note that it's going to be important that as both collective bargaining agreements come to an end there is going to be a very important set of negotiations with both units.

As we are well under 60% funded, we expect that our pension plans will be put into critical status by the state and we will need to provide a five year plan as to how we will fund the plans. We will be looking for cooperation with regard to pension reform at the bargaining table along with rising health care costs.

Capital improvements are not recommended on the town side this year. The school department will pursue a referendum for their capital needs and it will be broken down into five categories. Superintendent Convery explained that currently the school department has a letter from last November from the Fire Code Appeal Board saying that they have to be fully up to code by September 1 or the high school will not be able to open. Since then he and Brian Steverman have met with Chief Seltzer and there is a plan in place. If we apply \$35,000 from the sale of the cell towers toward the fire updates, I do not know at this time if it will be enough to enable us to move forward, but if it does, it will buy us a year. If the bond does not go through in November we will be here again next year for the balance of just under \$400,000.

Mr. Convery added that back from 2003 approval was received from RIDE and we have a balance of \$900,000 left for improvements. Currently the state reimbursement is 50.26% for a project benefitting the health and safety of students and staff. If there is a gap in funding any given year, we run the risk of losing the \$900,000 approval, which is left from a bond referendum.

Manager Hoover advised that this budget is meant to be a beginning, a planning document. The levy this year has been certified at \$61,860,355 and with current growth the increase to the proposed levy will be \$62,297,901. We also propose the residential rate, commercial rate, motor vehicle and tangible property taxes remain at the same rate. Motor vehicle will stay at a \$500.00 limit on the motor vehicle exemption.

Vice-President McGee asked what percentage of the ARC payment was paid last year and is proposed for this year? He is concerned about the contribution and we have to do what we can to work on this issue.

Manager Hoover said about 65% was paid last year on municipal and about 70% on police last year, (which is this current year). President Cote added that under the governor's proposal, he has mandated that by November 1 we have to submit a plan to make 100% of our ARC payment over the next five years. The problem is that the only way to increase revenue is to increase taxes at this point. Ted Przybyla has stated that to make our full and current ARC payment this year we would have to exceed the 4% cap that the General Assembly has put on us per Senate Bill 3050.

Manager Hoover added that we can increase the ARC payment, either with increased taxes or by severely cutting services. Additionally through collective bargaining and pension reform, we can effect the liability. Believe we have to attack this from both ends.

Councilman Mattson asked since the ARC is 65% funded, what is the dollar amount that we are not putting in that would equal the 35%? Manager Hoover responded about \$2 million total. Vice-President McGee is also concerned that there is no capital involved at all in this budget.

Public Comment:

Ron Gizzarelli, 50 Harrington Road, is concerned about state unfunded mandates and he also believes the accrued unfunded pension liability formula is unrealistic.

Frank Hyde, 401 Fairview Ave., glad to see no tax increase planned for this budget.

President Cote again stated that this budget is a beginning with many issues yet to be discussed.

Work session closed.

7:00 PM – Town Council Meeting

Present: Councilman Jendzejec, Councilman Mattson, President Cote, Councilman Spear,
Vice-President McGee

Town Manager Hoover
Town Solicitor Tobin

Pledge of Allegiance led by Town Sergeant
Invocation by Reverend Bove of United Baptist Church
Review of Emergency Evacuation Plan

President's Comments

President Cote advised that he recently traveled to a meeting at Moody's Investment Services in New York (the firm responsible for Coventry's bond ratings). He is happy to report that Coventry will not receive a downgrade during the current review.

Approval of Town Council Minutes from March 5 and March 12, 2012

Motion made by Councilman Spear seconded by Councilman McGee to approve minutes. All voted aye.

PROCLAMATIONS

Recognizing the Alan Shawn Feinstein Middle School Wrestling Team on winning this year's State Championship

Recognizing the Coventry High School Boys Hockey Team on winning this year's State Championship

Vice-President McGee presented proclamations to both the Wrestling and Hockey teams.

PRESENTATION - The Indigo Dream Inc.

Brett Kunzman, Gillespie Court, Coventry, was represented Indigo Dream and explained that this is a non-profit organization with youth programs, giving back to the community. Indigo Dream tries to provide resources for today's youth to affect positive change in the community as

well as their own lives. Programs such as community clean-ups, animal shelter events, community gardens and an art program. We work closely with libraries, animal shelters, and work to give the kids some positive recognition.

Amy Jordan, 3 Gillespie Court, who is affiliated with the RI Juvenile Probation Program, RIDCYF and also with Indigo Dreams stated that they are looking for places in which to do community service within the Town of Coventry.

Councilman Spear suggested that they contact School Superintendent Convery. President Cote also suggested School Committee members Kathy Patenaude and Nancy Sprengelmeyer, Paul Sprague in the Planning Department, Bob Clarkin in DPW possibly with Earth Day in mind, Chief Volpe, Parks and Recreation Director Guy Lefebvre.

CONSENT AGENDA

Renewal of Peddler licenses:

- a. Papa's Hot dogs
- b. Palagis Ice Cream
- c. Victory Fruits and Vegetables
- d. S & T Fireworks

Motion made by Councilman Jendzejec seconded by Vice-President McGee to approve Consent Agenda. All voted Aye.

LICENSES

1. Application by David Thomas for transfer of Class B liquor license from Café Giannas Inc. to Café Gianna Italian Grill & Bar Inc, 915 Tiogue Avenue

Marlene Lanczynski, 26 Powhattan St., Warwick, was present representing Cafe Gianna and explained that this is simply a corporate name change.

Motion made by Councilman Spear seconded by Councilman Jendzejec to approve transfer. All voted Aye.

2. Application for new victualling license for Chocolate Dreams Candy LLC, dba Chocolate Dreams

New owners Anthony and Tracey Colucci, 5 Chloe Court stated that they purchased Chocolate Dreams and plan to do the same as the previous owners, retail sales and candy processing.

Motion made by Councilman Jendzejec seconded by Councilman Mattson to approve application. All voted aye.

3. Application for new victualling license for XongRittipa Corp. dba Luk Thai Cuisine, 433 Washington Street

New owner Zac Luangaphy was present. Motion made by Vice-President McGee seconded by Councilman Jendzejec to approve application. All voted Aye.

4. Application for new victualling license for Balaji Laxmi Inc., dba Veterans Market, 182 Arnold Road

Motion made by Councilman Spear seconded by Councilman Jendzejec to approve license. All voted aye.

5. Application for new 90 day Hawker's license for Charles Norris, 548 Tiogue Avenue for the sale of fireworks

Mr. Norris stated that he would be open from 8 a.m. to 8 or 9 p.m., have a 20 x 20 enclosed tent and keep the fireworks in chained containers at night for storage. He ran a very similar operation in Connecticut for seven years.

Motion made by Councilman Spear seconded by Councilman Jendzejec to approve application. All voted aye.

6. Application by Rockwell Amusements for an Exhibitions and Performances license to hold a carnival at 792 Tiogue Avenue

Harold Fera of Rockwell Amusements, 10 Red Oak Drive, Johnston was present.

President Cote advised that he has been working with Rockwell Amusements to bring in a carnival for community pride and to benefit the Johnson Pond Civic Association. There has been an agreement made with Chief Volpe for police details and all other requirements will be met before the carnival opens.

Motion made by Councilman McGee seconded by Councilman Jendzejec to approve license. All voted Aye.

RESOLUTIONS

1. Authorizing the Town Manager to secure a Certificate of Approval from the Rhode Island Department of Environmental Management for Design Engineering and Construction Services for the Main Street/Industrial Drive Sewer Project, Main Street west from Industrial Drive to Walker Lane Sewer Extension, Woodland Sewer System Acquisition and Contract 8 Sewer Project

Manager Hoover explained that this approval is for four different projects: a grant for design engineering and construction of the Main Street/Industrial Drive sewer project; a possible extension of this project to the Town Hall and Annex; acquisition of the Woodland private sewer along Nooseneck Hill Road and Tiogue Ave and design work on Sewer Contract 8 in Quidnick Village. Funding would be from a \$2.4 million loan from RI Clean Water Finance Agency, which is covered by the Coventry Sewer Fund.

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

2. Authorizing a settlement of \$70,000 with Cox Communication on cancellation of their lease on two of the Town's communication towers

Coventry IT Director Ed Warzycha advised of the \$70,000 offer by Cox for the buyout of the remainder of leases on two towers. If we do let them out of the lease for \$70,000, we would be able to re-rent the top section of the towers and should be able to get about \$2,400 - \$2,500 a month. Cox has left about \$60,000 of equipment on the sites, which will give us more marketability.

Motion made by Councilman Spear seconded by Councilman Mattson to approve resolution. All voted aye.

3. Affirming the award of a contract to Ocean State Transit for Bus Transportation Services for the 2012 Summer Playground Program at a cost of \$47 per hour and \$.60 per mile, not to exceed \$45,000

Motion made by Councilman Spear seconded by Councilman Jendzejec to approve resolution. All voted aye.

4. Requesting the Rhode Island General Assembly to support 2012-S 2371 and 2012-H 7746 relating to Property Mortgage Foreclosure and Sale

Planning Director Paul Sprague recommended that the resolution be approved. It would be beneficial to the town as banks would have to record foreclosures within 30 days, resulting in the elimination of abandoned property, making it easier for the town to track down owners of abandoned property.

Motion made by Councilman Jendzejec seconded by Councilman McGee to approve resolution. All voted aye.

5. Authorizing the submittal of and affirming the 2012 Coventry Community Development Block Grant Program (CDBG)

Planning Director Sprague presented the PY 2012 Community Development Block Grant application, ranking the activities requested in the order most beneficial to low/moderate income residents. This is a federal HUD program, disbursing money to cities and towns to assist low and moderate income families and requires authorization to file the application for \$732,000. .

Ranking of proposed activities:

Cornerstone Adult Day Care	\$ 5,000
Housing Rehab/On-site wastewater	\$ 150,000
Mobile Home replacement	165,000
Coventry Housing Assoc. 1 st time buyer assistance	10,000

Motion made by Councilman McGee seconded by Councilman Spear to approve resolution. All voted Aye.

6. Establishing a revised fee policy for local and non-local leagues' recreational fields use

Parks and Recreation Director Guy Lefebvre explained that the first section of the resolution simply restates the current fee policy.

The second section addresses the benefits and consequences of complying with or failing to comply with the 80% residency rule. The third section addresses locally based and non-locally based commercial business groups, which is a small user group. A non-locally based commercial group is assessed at twice the rate.

Councilman Jendzejec wanted to clarify that this does not apply to or effect in-town leagues. Mr. Lefebvre stated there is no bearing on local youth sports program or local youth leagues.

Motion made by Councilman Spear seconded by Councilman Mattson to approve resolution. All voted Aye.

PUBLIC COMMENT

Sandy Wright of 11 Walnut Hill Road, complained about Upper Dam (part of Breezy Lake Shores), in particular patrons parking in front of her house, urinating on her property, broken glass on the beach, fires on the beach. She has called the police many times. It is a disgusting situation with no controls at the beach.

Councilman McGee indicated that although he understands the situation, he is not in favor of closing the beach because it is one of the only areas in town where the public has access.

Parks and Recreation Director Guy Lefebvre said this is an unmanned beach. Parking is in the street, there are no restrictions. Parks and Recreation picks up refuse and drags the beach on Mondays and Fridays. There have been campfires on the beach and late night activity, including alcohol. Outside of the 12 week summer season, we really have a diminished presence there.

Motion made by Councilman Spear seconded by Councilman Jendzejec to adjourn meeting. All voted aye.

Town Clerk