

TOWN COUNCIL MEETING

March 28, 2011

WORK SESSION

- Coventry 2010 Statistical Revaluation

Mr. Richard Nagel and Mr. Robert Battey, representatives from Appraisal Resource, reviewed Coventry's recent revaluation process involving analysis of recent selling prices to analysis of properties values. Results indicated that single family and multi family homes have dropped on the average of 15-20%, condos about 10-12%.

They discussed trends in Coventry since 2007 regarding sales, methods of verifying accuracy of values by using statistical testing, and various types of data collected to make an analysis. (See entire presentation in council folder and on Town website)

Rhode Island law requires a revaluation every three years and in doing so, assessments are brought into line in a timely manner, resulting in a fair distribution of the tax burden.

Land values were discussed in relation to differing values due to location, topography, wetlands, and zoning. Other topics included market values, whether foreclosures may or may not be used in the valuation process and finally the appeals process.

Work Session presentation of the 2011/2012 Town Budget

Town Manager Hoover presented his proposed operating and capital improvement budget to the Town Council for fiscal year 2011/2012.

As our economy continues to be in poor shape, a lesser amount of assistance continues to be received from the State. Our new Governor has proposed several initiatives in an attempt to stabilize local budgets but it remains to be seen if the General Assembly will accept the Governor's proposals. The Town's operating budget has been prepared with anticipation that the General Assembly's review and approval of the State budget will not otherwise impact our proposal.

The largest impact to our revenue stream has been the three (3) year statistical re-valuation results and the loss of State reimbursement for the motor vehicle excise tax exemption. The statistical re-valuation has reduced the property values within the Town of Coventry from \$4,004,775,548 to \$3,376,803,162 which is a total loss in value of \$627,972,386. At our current tax rates, this will only produce \$53,456,649.95 in tax levy. It is required that the residential tax rate increase from \$15.46 per thousand in valuation to \$17.47 per thousand in valuation and the commercial tax rate to increase from \$18.63 per thousand in valuation to \$21.05 per thousand in valuation in order to achieve the same tax levy as this fiscal year 2011. This represents a 13% increase to real property tax rates to achieve the same tax levy as this year. On average, this should maintain property owner's taxes at the same level, with some being slightly more and others being less than what was paid this current year. In addition however, the State cut the reimbursement to cities and towns last year for the motor vehicle excise tax exemption. This has reduced the reimbursement to the Town of Coventry by some \$2.7 million. Considering this and contractual increases on both the Town and School side budget, loss of federal stabilization funds to the School Department and other smaller reductions in revenue categories, it was determined that approximately \$6.0 million dollars needed

to be cut from this year's budget proposals from Town departments and the School Department.

In order to address this deficit it is recommended that the Town increase its revenue to the cap allowable by Senate Bill 3050 or 4.25% of the previous tax levy. This would set the new cap for the Town of Coventry at \$62,094,254.98. In order to increase to this cap, it is recommended that the current \$6,000 motor vehicle exemption be reduced to the State minimum of a \$500 exemption per vehicle. In addition, it is recommended that the residential tax rate be set at \$17.64 per thousand of valuation and the commercial rate be set at \$21.26 per thousand of valuation. This action would represent a 14.1% increase to real property tax rates but still leave the deficit at about \$3.4 million dollars. In order to address this remaining deficit, it is recommended that the School Department be level funded for fiscal year 2011/2012 reducing their \$1.6 million dollar proposed increase over this current fiscal year and level fund the current maintenance of effort. This would leave a \$1.8 million dollar deficit that would have to be reduced on the Town's side. After going through the requests from each Town department, I am recommending reducing these requests by nearly \$800,000 dollars. I am also projecting a 99% collection rate on our property taxes. This goal is just about being achieved during this fiscal year. With these last considerations, the deficit can be reduced to about \$300,000, which I recommend be taken from our current fund balance.

I have reduced the Town department budget requests by the following amount in order to address a portion of the above stated deficit:

Town General	\$250,000
Police	\$ 244,950
Public Works	\$123,647
Parks & Recreation	\$73,327
Town Solicitor	\$46,100
Planning Department	\$13,781
Information Systems	\$28,752
Town Manager	<u>\$2,100</u>
Subtotal	\$782,857
Increase in Tax Collection (98% to 99%)	\$600,000
Initiate fees for disposal of items such as mattresses, box springs, white goods, and tires	\$100,000
Total	<u>\$1,382,857</u>

It is recommended that the approximate remaining amount to reduce the deficit of approximately \$300,000 be taken from the General Fund balance. The above recommendations will maintain all permanent positions within the Town budget. The reduction in the Town General account will reduce the Town's contingency fund to \$55,000.

The above action maintains the current level of authorized strength within the Police Department and their supporting costs. The purchase of patrol vehicles is added to the Police Department's operating budget.

Reductions in the Department of Public Works will have impact on street sweeping, catch basin cleaning, street line painting, tree removal, and asphalt repairs. It will also impact the purchase of some supplies and maintenance of department vehicles. The capital improvements purchases discussed later in this report may lessen the need for extended vehicle repairs. Costs to the department may be offset by charging residents for the disposal of such items as mattresses, box springs, white goods, and tires. These are currently direct disposal costs to the Town.

Reductions in the Parks & Recreation Department essentially eliminates some seasonal workers, affecting seasonal maintenance, park surveillance, litter pickup, adding any new youth and family programs, reduction of the summer camp from six (6) to five (5) weeks, and camp concerts and performances.

The reduction in Information Services will prevent beginning the process of replacing outdated and obsolete computers and servers currently in use by the various Town departments.

The Town Manager's office reductions would cut travel expenses in half.

In light of these necessary reductions I will formally ask our two bargaining units to consider forgoing contractual wage increases next fiscal year. This would ameliorate much of the above reductions.

In the area of capital improvements, it is recommended that the dedicated fund set aside by the previous Council be utilized strictly for Town capital improvements, with the exception of providing \$50,000 to the School Department for the installation of smoke detecting devices in the High School hallways. This has been discussed between the School Superintendent, the Central Coventry Fire District Chief, and me, allowing the school to open in September as a first step in a fire alarm upgrade to the High School. As for the remainder of the School Department's needs, it is recommended that the School Department consider a referendum to authorize the issuance of bonds to cover their overdue and much needed capital improvements.

On the Town side, it is recommended that the capital improvements program be provided to the Department of Public Works, the Police Department, and the Department of Parks & Recreation. This would include drainage line improvements, facility improvements, and replacement of vehicles within the Public Works Department. It would provide needed replacement of the gutters on the Police Station and provide a resource for the department to purchase two (2) detective vehicles and three (3) patrol cars out of their operating budget. In the Parks & Recreation Department it would provide for the purchase of one (1) vehicle, tractors and mowers, electric improvements

to Central Coventry Park and ADA accessibility corrections to playgrounds and buildings. Specifics of this program for these three departments are shown in the enclosed capital improvements program document.

Our fund balance is currently about 10% of our General Fund budget. I would recommend that the Town Council pass a Resolution indicating that any amount of fund balance that may develop at this year's end that would exceed the 10% balance be dedicated to our actuarial required contribution for our municipal and police pension funds.

While the preparation of these documents has been difficult in these trying times, I look forward to discussing this proposed budget and capital improvement program with the Town Council and School Committee in the upcoming work sessions, public hearings, and financial town meeting, as shown on our budget schedule.

Manager Hoover announced that public hearings would be held on the municipal budget on April 28 and the school budget on May 3. Adoption of the entire budget is scheduled for May 16, 2011.

TOWN COUNCIL MEETING

Present: President Gary Cote, Vice-President Kerry McGee, Ted Jendzejec,
Raymond Spear

Town Manager Thomas Hoover
Town Solicitor Frederick Tobin

Pledge of Allegiance
Invocation by Jon Juneau of Knotty Oak Baptist Church
Review of Emergency Evacuation Plan

President's Comments

President Cote congratulated the Coventry High School Hockey team for their recent championship win. He also reminded residents of District 2 to vote in the April 5 Special District 2 election for Town Council.

Approval of Town Council Minutes of March 14, 2011

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

Proclamation recognizing the Coventry High School Boys Hockey Team for winning the State Championship

President Cote, Councilmen Spear, McGee and Jendzejec presented certificates of recognition to members of the championship CHS Hockey Team.

Presentation by the Pawtuxet Valley Chamber of Commerce on the expenditures made through the agreement with the Town of Coventry for economic development assistance to new and existing businesses

Chamber of Commerce President Greg Laboissonniere was unable to attend tonight's meeting due to business obligations. Councilman Jendzejec asked that Solicitor Tobin review the agreement made between the Town of Coventry and the Chamber of Commerce. Motion made by Councilman Spear seconded by Councilman Jendzejec to table presentation this evening. All voted Aye.

Update on the Waterman/Fiske Assistance Fund

Pat Shurtleff, Human Services Director, reported on the Waterman-Fiske Assistance Fund for the period of September 2, 2010 through March 1, 2011. Expenditures during that time period totaled \$17,910 and included items such as rent, emergency housing, emergency heating, medications, beds, mental health crisis intervention and camperships for Parks and Recreation. Individuals serviced by this fund met income and asset guidelines. Only the interest in this fund is used, not the principal.

Ms. Shurtleff asked that the Town Council revisit the possibility of granting loans, rather than just grants, through the Waterman Fund. In the past we were able to offer a loan to qualified individuals from the Waterman Fund. The loans do not exceed \$5,000 and have a repayment agreement. Attorney Arthur Capaldi suggested that the Town Council hold a public hearing on the matter of issuing loans.

Councilman Spear remarked that he sat on the previous council that eliminated the loans because it had been established there was no provision for loans.

Motion made by Councilman Spear seconded by Councilman Jendzejec to accept Waterman-Fiske report. All voted Aye.

CONSENT AGENDA

1. Renewal of Peddler/Hawker licenses:

- a. Mishnock Nurseries LLC dba Mishnock Garden Center, 2501 Nooseneck Hill Rd.
- b. Palagis 2000 Inc., dba Palagis ice Cream, 55 Bacon St., Pawtucket by Alajandro Arteaga
- c. Hesse, Randy dba T & R Ice Cream, 23 Hickory Rd.
- d. Arrico, Robert dba Victory Fruit & Vegetables, 18 Waterman Hill Rd., Greene
- e. Ford, Joseph M. dba Papa's Hot Dogs, 46 Laurel Ave.

2. Resolution approving sewer tie-ins at 21/23 Anthony St. and 86/88 Boston St.

Motion made by Council McGee seconded by Councilman Spear to accept Consent Agenda with the exception of Mishnock Garden Center. All voted Aye.

Planning Director Paul Sprague explained that he feels this is not a temporary set up, but permanent and should go through Development Plan Review. This relates to traffic and parking, although Mr. Warnock has cleaned up the area quite a bit. We do not have an issue as far as the 90 day hawker issue.

Motion made by Vice-President McGee seconded by Councilman Spear

not to approve Mishnock Garden's hawker license until Mr. Warnock meets the requirements of the Planning Department and Zoning departments. All voted Aye.

RESOLUTIONS

Appointing one member to the Coventry Board of Canvassers

Motion made by Councilman Jendzejec seconded by Vice-President McGee to approve the re-appointment of Frank Perry to the Board of Canvassers. All voted aye.

President Cote administered oath of office to Mr. Perry.

Affirming Town Manager's appointments to the Economic Development Commission

Motion made by Councilman Spear seconded by Councilman McGee to affirm the appointment of the following members to the Economic Development Commission. All voted Aye.

Arthur Capaldi
Anthony Colaluca
Michael Waldeck
David Simas
Hank Richter
Josh Nunes
Michael Saccoccia

President Cote administered oath of office to members present.

Appointing members to the Traffic Calming Committee

Councilman Jendzejec recused himself from voting because he is being appointed to the commission.

Motion made by Councilman Spear seconded by Councilman McGee to appoint the following members to the Traffic Calming Committee. All voted Aye.

Chief Bryan Volpe
Dennis Smith, Public Works Superintendent
Paul Sprague, Planning Director
Robert Joyal, Town Engineer
Councilman Thaddeus Jendzejec
Arthur Fillo, Jr.
John Goward

President Cote administered oath of office to members present.

Resolution amending the Operating and Capital Improvement Budget Schedule

Manager Hoover explained that due to the April School vacation, a couple of meeting dates were being adjusted for the town and school public hearings. The Municipal budget hearing will be held on April 28 and the school hearing on May 3.

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

Awarding a contract for cemetery maintenance

DPW Superintendent Dennis Smith explained that the current contract for maintenance of the town's 41 historical cemeteries ran out in October 2010.

Motion made by Councilman Jendzejec seconded by Councilman Spear to award to the lowest bidder, S. King Landscaping. All voted aye.

Resolution per recommendation of the Sewer Subcommittee approving a change order to Contract 6

Mr. Bill Hall, Chairman of the Sewer Subcommittee, asked for approval of a change order for Contract 6. He explained that water lines were in the way during sewer construction. Upon discussion with Kent County Water, KCWA wanted us to relocate and update the lines at our cost, about \$75,000. We found a different route and can achieve what we want at a cheaper cost, with savings of about \$225,000, and still be able to service all but two houses.

Councilman Jendzejec added that this solution is not something that was done quickly. Different options have been discussed over the past four months or so.

Motion made by Councilman McGee seconded by Councilman Jendzejec to grant resolution approving change order to Contract 6. All voted Aye.

Affirming award of contract for Energy Performance Contracting Consultant

Mr. Dennis McCarthy stated that Johnson Controls is ready to begin the energy audit. However, it is necessary to have a consultant here to track it. We went out for bid on the consultant and of the four received Wilkinson and Associates is the low bidder. The consultant will be funded with energy grant funding (American Recovery Act).

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

PUBLIC COMMENT

Ron Gizarelli, 50 Harrington Rd., suggested that the Town get back to seeking self-insurance funding for workmen's compensation. He also thinks that there would be savings to the town if the town had its' own repair crews. He doesn't think a bond issue will be successful.

Motion made by Councilman Spear seconded by Councilman McGee to adjourn meeting. All voted Aye.

Town Clerk