

Special Town Council Meeting
1670 Flat River Road, Coventry, RI
April 9, 2013 - 7 p.m.

for the following purpose:

To loan money to the Special Master of the Central Coventry Fire District for the purpose of extending the time it has to operate in order to allow sufficient opportunity for a plan to protect the citizens of the Central Coventry Fire District and to appropriate money from the Town for said purpose.

Present: President Gary Cote, Vice-President Kerry McGee, Councilman Ted Jendzejec, Councilman Gregory Laboissonniere, Councilwoman Karen Carlson

Pledge of Allegiance
Evacuation Plan

President Cote opened special meeting explaining that the Town Council has to act on an emergency which has presented itself in the Town of Coventry, that has great consequences on what this council considers to be the health, safety and welfare of the citizens of the Town of Coventry, and that is what we are here tonight to do.

There will be no public comment, per the agenda. As town officials we were elected to do a job and we will take action that will affect the safety of the entire town of Coventry.

Solicitor Tobin advised that pursuant to Section 3.13 of the Coventry Home Rule Charter, this special meeting was called by written notice, delivered to each of the Town Council members yesterday, in excess of the twelve (12) hour required notice. The purpose of the meeting is seeded in the special Town Council meeting notice, and this is the only item which can be discussed this evening.

Clerk read resolution in its entirety.

RESOLUTION
OF THE
TOWN COUNCIL
NO. 35-13-4354

WHEREAS, Judge Stern of the Kent County Superior Court, hearing the Special Mastership involving the Central Coventry Fire District (CCFD) in K.B. No. 12-1150, has indicated his intention to order the closing/liquidation of the fire district at 11:59 p.m. on April 11, 2013; and

WHEREAS, the health, safety, and welfare of the residents of the CCFD will be placed in jeopardy if said district were to close; and

WHEREAS, the residents of the CCFD may be exposed to significant expense to pay the outstanding debt of the CCFD; and

WHEREAS, the residents of the CCFD may incur large homeowners insurance increases if the CCFD is liquidated or closed; and

WHEREAS, the Rhode Island General Assembly has before it several bills intended to provide relief to said fire district; and

WHEREAS, other parties and entities are in need of time to provide a long-term solution to the fiscal problems of the CCFD or other alternative plans; and

WHEREAS, it is necessary for the district to continue to operate while the Rhode Island General Assembly and others attempt to derive a plan of relief for said district; and

WHEREAS, the President of the Coventry Town Council has called a Special Meeting of the Coventry Town Council to address these issues.

NOW THEREFORE BE IT RESOLVED, that the Coventry Town Council authorizes the payment of up to three hundred thousand (\$300,000) dollars in the form of a loan to the Special Master of said fire district. Payment up to said amount may be made in stages and may be withheld at the sole discretion of the Town Manager depending on the progress toward a resolution by the Rhode Island General Assembly and others.

BE IT FURTHER RESOLVED, that the Coventry Town Manager is authorized to secure this loan with any assets of the Central Coventry Fire District currently encumbered or otherwise. This loan is also subject to its receiving a priority in the Special Mastership by said Superior Court Judge prior to releasing any funds.

The Town Council also authorizes the Town Manager to seek approval from the Superior Court in said action of a disclaimer as to any liability of the Town of Coventry for the debt of the fire district, and this loan is also contingent thereon.

The Town Council also specifically states herein that the loaning of this money does not in any way indicate the creation or participation of the Town of Coventry in a municipal fire department.

Councilman Laboissonniere stated that he is a member of the Central Coventry Fire District and pays taxes in that district. Personally he would like to see this district continue and thinks that we can solve the problems, but we need an extension of time in order to get plans in place.

Councilwoman Carlson had several questions, including where this loan would put the town on the payback priority list.

President Cote remarked that it is his understanding that at the top of the list is Centreville Bank with \$900,000 in secured assets in the form of a loan to Central Coventry Fire District, as the district currently holds much more than \$900,000 in assets. This loan will be secured on a level playing field with Centreville Bank's loan, and that was conveyed to me by the judge in a phone conversation today.

Councilwoman Carlson asked if according to the charter and to state law, if the town is allowed to make a loan of this type. Solicitor Tobin replied that there is no prohibition against the town making a loan of this nature. In fact, in the Charter under Powers and Duties of the Town Council, the Town Council shall be vested with the power to adopt, amend and repeal ordinances for the preservation of the public health, peace, safety, welfare and the protection of persons and property and with the power to provide for their enforcement with the enactment of appropriate penalties for the violation thereof. The Town Council has the right to protect the public health and safety, and if it means a loan of this nature, there is no prohibition.

Ms. Carlson asked whether there is a date for pay back. If we have delinquent taxes now, what makes us think that by May 15 people will be paying their tax bill. Solicitor Tobin responded that it will be subject to what assets come into the district, the payment of the taxes that would be part of anything worked out by the General Assembly as to how those tax payments come in. President Cote added that his understanding is that we are looking at the third quarter taxes that begin coming in May 15. Additionally, through conversations with Judge Stern, it is my understanding that this is designed to be a bridge loan, which would bridge the gap between now and the third quarter property taxes being paid to the fire district, which come due on May 15. The judge has indicated that the town of Coventry be repaid any money, which may not even reach \$300,000, out of the third quarter tax proceeds. There will be no interest on the loan.

The fire district is paid up on their fuel purchases with the town and the special Master will be in charge of sending out the tax bills. Manager Hoover added that loan funding will come from the general fund.

Councilwoman Carlson indicated that she would like to see the other fire districts be audited at this point. At Western Coventry Fire District they do a yearly audit, but I think we could avoid more anguish if we can keep ahead of any potential problems. However, she hopes that by approving this loan we are not opening a Pandora's box and she does have concerns.

President Cote agreed with regard to an audit and stated that the Coventry Fire District (Anthony) is currently requesting bids for that district.

Vice-President McGee stated that this is an unfortunate situation that we did not create. This plan is not a "bail out", but we want to do what is best for the taxpayers and for the Town of Coventry. This loan allows more time for the state to come up with a viable plan for everybody. It is our responsibility to keep the citizens of the Town safe and I feel this is in the best interest of the citizens of the Town of Coventry.

Councilman Jendzejec added that there are numerous plans being considered in the

General Assembly to help fix this problem, but we have to buy time until a plan is chosen and implemented. Senators Raptakis and Kettle have been working together on legislation which will be rushed through after the April break; Representatives Guthrie and Tomasso also have plans. I am not advocating any one plan, but want you to know that people are working hard on your behalf. If you don't want a fire district, then so be it. However, there will not be a municipal fire department. This town does not have the money to open up a municipal fire department. We are here trying to protect the entire town as well as Central Coventry Fire District.

President Cote acknowledged that Council is aware that this is not a popular decision with a lot of the taxpayers sitting here tonight, but this council is responsible for the health and welfare of the citizens of the Town of Coventry, we take our job seriously and we will do it.

There is no plan in place to provide coverage for the Central Coventry Fire District in case of emergency. The other three districts will try their best to help, because that is what they are sworn to do. Tonight's resolution bridges the gap between now and a plan being put in place, whatever that plan is, but our responsibility is to maintain public safety. With Central Coventry fire not operating, the town of Coventry will be asked to operate with three rescues doing an average 17-22 calls a day, which means that if they are already out and you call 911, the next closest piece of apparatus will be dispatched to your house, whether it is coming from West Greenwich, East Greenwich, Scituate, Hope Jackson, West Warwick, which will effect response time. If you are having a heart attack on your living room floor, by the time somebody gets there it could be too late.

The citizens of the Central Coventry Fire District, who did nothing to create this problem, are being asked to pay the penalties for it. All we are trying to do is protect your interest, but we have to allow time for a plan to be put in place. With the court action, it secures up to a maximum of \$300,000, and assures the taxpayers that their money will be paid back, at no expense to anyone sitting here. We are trying to bridge the gap that exists, there is no plan in place right now. This council had no choice but to create a plan for your safety. And that is what we are here tonight to do. We are not here to disregard the vote you took, you were heard loud and clear, but the first person that something bad happens to, becomes the responsibility of the administration of the Town of Coventry and we will be open to lawsuit that your tax dollars will be used to defend. We are just doing what we can do in the short term to protect you. Please understand that.

Motion was made by Vice-President McGee seconded by Councilman Jendzejec to approve resolution. Vote taken: 4 Aye, 1 No (Councilwoman Carlson votes No.)

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

Town Clerk