

TOWN COUNCIL MEETING

April 11, 2011

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

Town Manager Thomas Hoover
Town Solicitor Frederick Tobin

Pledge of Allegiance led by Town Sergeant
Invocation by Fr. Kelly from St. Vincent de Paul
Review of Emergency Evacuation Plan

President's Comments

President Cote acknowledged the anniversary of his father's death, which was 39 years ago on this date.

He urged the public to attend the upcoming public hearings on the town and school budgets and to come forward with any ideas they may have, as the Council is open to all suggestions.

Approval of March 28, 2011 Town Council Minutes

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

PRESENTATION – 2010 Fiscal Year Audit

Mr. Paul Dansereau of Parmalee, Poirier & Associates, our independent auditors, reported on the Fiscal Year 2009/2010 audit.

Mr. Dansereau summarized audit findings, focusing on pages 13-Statement of Net Assets, the basis of the financial statement; Page 14-Statement of Governmental Activities and Page 15 - Fund balance presentation. (See full annual financial report in council folder and on Town of Coventry website)

Mr. Dansereau discussed risk assessment and the areas in the town that may show risk.

President Cote inquired about the drop in our bond rating. Mr. Dansereau replied that even though there is a \$6 million fund balance, the pension liability is considered in the "down the road forecast" and how it is going to be funded. Manager Hoover added that it was exclusively because of our pension debt that we were downgraded by Moody's, due to that fact that we did not meet our required contribution.

Mr. Dansereau commented that a Federal Audit Compliance was also performed and there are no issues. This is where we have to look at federal money you receive, make sure you are complying with those requirements, such as the Title 1 money. No issues were reported.

Manager Hoover asked if there were any management letter comments. Mr. Dansereau stated only two: one deals with pension liability (state law says that if you don't fund the pension to a reasonable amount, a report is filed with the auditor general stating what your corrective action will be. The other issue is with pension trust funds as we would like to see more of a quarterly accounting in order to evaluate them better.

Further discussion ensued pertaining to the unfunded pension liability (See Page 47 of Annual Report) showing a breakdown of what our annual required contribution should be, what contributions we actually made and how our balance becomes increased in the net pension obligation. The same is explained for the Police Department. (See page 50). Further discussion took place with regard to a schedule of funding progress for municipal and police department retirement systems on Page 69.

Manager Hoover explained that Senate Bill 3050 limits us to what we can collect. We have this liability but we also have services to provide. This is not a good situation. In order to meet our annual required contribution without collecting more revenue, we would have to cut services dramatically. Every single city and town in the state is faced with this circumstance. Manager Hoover recommended that if we exceed 10% on our fund balance, that we consider putting that amount into our pension obligation.

President Cote asked what the chances are that we would exceed the 10%; Manager Hoover advised that we have been judicious, are pinching pennies and presently a purchase freeze exists for only the most critical things for the rest of the year.

In closing, Mr. Dansereau thanked the Town Council and remarked that although their auditing services contract ends this year, he appreciates having been able to serve the Town of Coventry for the past 5-6 years.

CONSENT AGENDA

1. Approval of March 2011 tax abatements and additions

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

LICENSES

1. Renewal of 90 day Peddler license for Mishnock Nurseries LLC dba Mishnock Garden Center, 2501 Nooseneck Hill Road

Brian Warnock, owner of Mishnock Nurseries at 54 Nooseneck Hill Road, was in attendance.

Planning Director Paul Sprague advised Town Council that he does not feel this is a 90 day operation anymore but more a permanent operation. Mr. Warnock has been asked to submit a development plan review for things such as parking, septic and signage, due in the Planning Office by June 19.

Mr. Warnock remarked that he has been in this location for about nine years and has a lease with an option to buy, however with the current economic situation he is not exercising that option. Councilman McGee commented that the Council does have a few safety concerns such as off street parking and loading.

President Cote asked Mr. Warnock if he feels that he could come into compliance with Planning and Zoning requirements within 90 days if his hawker license is granted tonight; Mr. Warnock indicated that he could.

Motion made by Councilman Jendzejec seconded by Councilman McGee to amend agenda item wording under Licenses #1 from "peddler" to "hawker" license. All voted aye. Motion made by Councilman Jendzejec seconded by Councilman McGee to approve 90 day Hawker license, during which time Mr. Warnock shall comply with Zoning and Planning concerns. All voted Aye.

2. Renewal of 90 day Peddler license (ice cream truck) for Mike's Ice, Michael Rodriguez, Quaker Lane, Warwick

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

RESOLUTIONS

1. Requesting that the General Assembly support proposed Legislative changes as set forth in the following bills: H 5643, H 5670, H 5674, H 5686, S 0640 and S 0689 concerning limitation of damages, joint tortfeasors and interest in civil actions, as requested by the Rhode Island League of Cities and Towns

Councilman Jendzejec remarked that he hasn't had time to read all legislation, but did review H5674 and doesn't feel it is good for the town as it increases liability. Manager Hoover will provide complete proposed legislation to Town Council, and if necessary will have the attorney from the RI League of Cities and Towns meet with Council to explain legislation.

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

PUBLIC COMMENT

Wayne Asselin, 30 Lorraine Ave., asked for dates and times of the Traffic Calming Committee. Manager Hoover said that the committee will meet before a council meeting each month from 6 pm to 7 pm; the first meeting should be on May 9. Councilman Jendzejec added that meetings will be public and held in the Council Chambers.

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

Town Clerk