

TOWN COUNCIL MEETING
April 22, 2010
Public Hearing Municipal Budget

Present: President Raymond Spear, Glen Shibley, Kenneth Cloutier, Frank Hyde
Absent: Laura Flanagan

Town Manager Thomas Hoover

Review of Evacuation Plan

Manager Hoover submitted report with budget revisions, addressing the \$1,747,897 needed to balance the budget, including the school department. (See full report in council folder)

Progress and updates on other issues include:

- A report from Finance Director Warren West analyzing the in-house cost versus outsourcing the payroll function of the Town of Coventry
- The Town is awaiting a quote from an RPF for life insurance
- An expanded analysis has been submitted by Director of Parks & Recreation regarding revenue vs. expenditures, including overhead
- Senior Tax Freeze will be discussed after budget deliberations
- A report from Finance Director West regarding the balance in the self insurance fund and a contemplated move from a self insurance position for workers' comp to being covered by RI Interlocal Trust
- Analysis of contingency account
- The impact of level funding with regard to police department
- Impact to the library (without the requested support for Greene Library, the Greene Library probably will not be able to continue operation)
- Proposal from SBA Communications with regard to purchase of long term leases
- Formulation of an employee questionnaire should be ready for distribution at the end of this week
- Current expenditures for this fiscal year on Solicitor services
- An effort will be made to renegotiate with EAPD for next year's fiscal budget.
- Discussion of activities currently occurring in the State General Assembly.

President Spear asked Council the specific outcome they are looking for pertaining to the budget, whether it is level funding or a budget with no tax increase. Mr. Shibley is leaning towards no tax increase and feels that if the State doesn't act by May 1, we may get about \$750,000 back in auto tax money.

Councilman Cloutier asked for the impact of not hiring two requested police officers. Colonel DaSilva said services may need to be cut in community relations and/or school resources. It is anticipated that two officers will return from the military in October or November of this year but the police department is also looking at 4-7 retirements.

Councilman Cloutier feels that we are walking a fine line, may be cutting back too much which will result in affecting the services that people enjoy.

President Spear states that we need to decide what we want, if it's level funding, a budget without a tax increase, or to provide a budget that we feel addresses everything that we need, but does not create the necessity of an increase in taxes. Level funding could probably be achieved, personally I would like to see a budget as close to no tax increase as we can get it and still be responsible.

Manager Hoover raised the issue of flood damages being just under \$14 million; however, our two federal senators are trying to waive the 25% match.

Mr. Hyde asked Mr. West if any money was used beyond what is in the general fund last year to balance the budget. Mr. West replied that \$159,000 was used to fund a portion of the capital budget. The general fund has been maintained at \$5.5 million. The self insurance reserve fund is down to about \$3.5 million now; \$140,000 has been used this year for claims. When Councilman Hyde asked why we would purchase workers' comp insurance if we have a stop-loss, Mr. West replied that claims are very close to the cost. Claims this year totaled about \$140,000. Manager Hoover added that the self-insurance fund is not only for workers compensation. Probably about \$50,000 a year is spent on miscellaneous items, for example, car damage from potholes, and a litigation expense of \$125,000,

Councilman Hyde opposes cutting personnel from the tax collector's office; it doesn't make sense to cut personnel where the revenue comes in.

Rick Kalunian, 607 Blackrock Road, commented that if you need a tax collector to collect the taxes, then you should fund the position. The same would be the case in the tax assessor's office as they are finding people and businesses that need to be taxed.

Mr. Kalunian asked where we stand with the 4th quarter auto tax. Manager Hoover replied that we actually are a year behind and have always collected from one year and used for the following year. So, anything we have collected will be applied to next fiscal year. Mr. Kalunian asked about the 25% match for the FEMA cleanup and the manager replied that if it is not waived, one option would be to not do some of the repairs, which is not a good situation.

Louis Diamonte and Ernest Nardolillo both thanked Councilman Hyde for the recognition of DPW with regard to flood damage cleanup. Manager Hoover further remarked that he recently attended a Johnson's Pond Civic Association meeting where DPW was commended on the great job they did post-storm with debris removal.

Ron Gizzarelli, 50 Harrington Road, asked if FEMA will pay back hours for police and DPW overtime and Mr. Hoover replied that they will.

Representative Scott Guthrie, 31 Maplewood Drive, urged Council to make no assumptions regarding the 4th quarter tax payment, not even to count on half of the 4th quarter. He further suggested that the Council change the date of the FTM until the State figures out what they're going to do with the car tax.

Councilmen Cloutier and Hyde both feel that we may be getting close to cutting so deep that services may be affected. Mr. Cloutier remarked that Manager Hoover's original budget called for a 4% increase, would like to see something in-between, maybe 2% tax increase.

Councilman Shibley is not in favor of changing the date of the FTM. We're only eight days away from May 1 with regard to the car tax deadline. If we get the 4th quarter payment, it will add \$700,000 to \$750,000 according to Mr. Hoover.

Representative Guthrie agreed that if the State does not act by May 1, there will be a payment. He also advised not to count on it or be surprised if we don't get the money. Councilman Shibley said that would then put us somewhere maybe at the 2% mark on the municipal side. Don't want to see taxes go up, hoping that we get the car tax. Mr. West figured that 1.9% tax increase would equal about .30 on the tax rate, for the average \$300,000 home, would be about \$90.00. The allowed maximum tax increase is for next year is 4.5%, which would bring in about \$2.1 million.

President Spear suggested that at this point, we may have to wait to give the manager any more direction to set a budget. Councilman Cloutier suggested waiting until Tuesday night's public hearing with the School Department for more of a sense of direction.

Motion made by Frank Hyde seconded by Ken Cloutier to recess to Executive Session. All voted aye.

EXECUTIVE SESSION

R.I.G.L. 42-46-5 (a) (2)

Pertaining to collective bargaining or litigation

Mr. Shibley made a motion to seal the minutes and adjourn. Mr. Cloutier seconded. The vote was unanimous.

Town Clerk