

TOWN COUNCIL MEETING
Public Hearing School Operating Budget
April 27, 2010 – 6:00 p.m.

Present: President Raymond Spear, Vice-President Laura Flanagan, Glen Shibley

Town Manager Thomas Hoover

Absent: Kenneth Cloutier and Frank Hyde

Review of Evacuation plan

After President Spear opened public hearing, Manager Hoover gave update on proposed State supplemental budget, reporting that the budget was recommended by the House but rejected by the Senate. General Assembly has reconvened, with no final report yet. The first budget rejected by the Senate called for about a \$541,000 reduction in the school budget for this year. With only a couple of months left in the year, this is very concerning. Also, with a request of over \$524,000 from the school department for the next fiscal year, and with what has been described by our auditors as a deficit from last fiscal year of about \$364,000, coupled with the fact that if another \$541,000 from the General Assembly would take place next year, we could be up to about a \$2 million problem with the schools.

Last Thursday the council was shown what a level funded budget would look like for municipal. The Town can ill afford to absorb any more deficit beyond that and I would hope that the school department will work to form a recommendation to address the potential or, ultimately, the real problem.

We will continue to watch the activities of the General Assembly with regard to the auto excise tax. They could possibly take the entire amount for the 4th quarter and if that happens, we will lose another \$390,000.

Superintendent DiPietro remarked that it is impossible to close a half million dollar gap between now and June 30. He has written to our representatives and don't know what the General Assembly is going to do by May 1. The schools have been placed on a "hard freeze". One of my recommendations is that if they do invoke a half million dollar cut, rather than telling 40-50 members of the community that they are going to lose their jobs on May 15, I would rather work with the town and address it on July 1. We would make the next cuts to repay that \$200,000 or \$300,000 immediately. My estimate is that if state aid was the only cut and we were funded as requested, it would probably require us to take 20-25 staff members as well as some other cuts in programs. A half million dollar cut takes 25-30 staff members, which would be nine custodians, non-regulatory teaching assistants, limit some athletic programs and look at the contract for ways to save.

West Bay Collaborative has scaled back to 7% and will maybe go to 5.5%. We have reduced one assistant superintendent and 4.5 teachers, further cuts would be support staff.

President Spear asked if Mr. DiPietro anticipates the ability to make enough cuts for the remainder of this year and how it would impact next year. Mr. DiPietro responded that they have already planned for \$200,000, so that much will be covered. We prefer not to use the reserves, as it keeps our health costs lower.

Councilman Shibley commented that we need the fair funding formula, mandates need to be at least put on hold, at this point we don't know if we are getting the \$390,000 cut. The school wouldn't have to lose any custodians, programs, services or sports if the staff would agree to just a 2.5% cut. If the teachers agree that for every dollar they would give back 2.5 cents, no one would have to be laid off, no cut in sports, or services, and they would just all work together for the benefit of the schools and the town. Mr. Shibley also suggested that the School Committee consider changing the top step from maybe \$70,000 to 66,500.

Judy Liner, 20 Lynn Drive asked that the school budget be revisited. Coventry has exceptional teachers and administrators; should see what else could be done with the budget.

Ron Gizzarelli, 50 Harrington Road, believes that we need some creative financing and that small sacrifices have to be made. A committee should be created to come up with long range solutions.

Gary Beaudoin, 45 Fairview Avenue, stated last year the schools were level funded and municipal was cut. Teachers gave back 3% last year. We need to adequately fund municipal and the schools. I want to do the best for the town, even if it costs me a couple of dollars.

President Spear responded that we are not in a position to provide an increase in the school budget and we can't cut municipal this year. We continue working to get cell towers to bring in revenue, yet people are sitting here saying they don't want that. They don't want a property tax increase either. I guess I'm on the same page with Councilman Shibley, level funding is what we have to look at, then make it work.

Councilwoman Flanagan remarked that everyone has to recognize that last year this Council cut the municipal side of the budget. This year the school is being asked to come up with \$2 million in cuts out of a \$62 million budget, a budget that represents three times the municipal side. That has to happen this year. Last year the teachers gave up a future promise, it wasn't money that they gave up in their paychecks. Our non-union municipal workers gave up money that they were already receiving in their paychecks to pay for benefits, which reduced their take-home pay.

The School Committee and the superintendent were advised over the preceding two years of the deteriorating economic condition of the State of RI, with its impact on school and municipal budgets. President Spear advised the superintendent and members of the School Committee of the likelihood that the council would level fund the 2009-2010 budget. Several months later, the School Committee agreed to a three year contract with the CTA, which represents \$500,000 of the \$2 million problem.

More than six months ago our town manager and council president, along with state officials, advised the School Committee and superintendent that the state would likely cut more than ½ million in aid to Coventry schools, affecting this year's budget. The House of Representatives has passed a budget that includes this cut, and although the Senate has opposed the budget, to my knowledge the cut in aid to education is not among those being debated. Unfortunately there is little time to compensate for this full reduction. This makes the school committee's job even tougher than it would have been 6 months ago had they heeded these warnings.

Our annual audit further revealed another issue, a deficit of approximately \$360,000 on the school budget. The auditor advised the School Committee and the council that State law

requires a 5 year deficit reduction plan to correct the overspending. This creates \$360,000 of the school's \$2 million problem.

In summary, this council has acted prudently in the current economic climate and responsibly with taxpayers dollars. Last year we decreased our spending in the municipal budget in excess of \$1 million. We continue to insist that collective bargaining units provide concessions. We continue to explore other ways to maximize revenue and tax dollars, including the creation of a strategic plan for the 2010-11 and beyond, creating a funding source for capital expenses by eliminating the self-insurance fund and subsequently by purchasing insurance through the Interlocal Trust, eliminating a position through attrition and seeking more in the form of co-pays from our non-union employees. The council has no authority to make reductions to line items in the school budget.

Manager Hoover will take a position of level funding in preparation for budget adoption on the 17th of May.

Superintendent DiPietro disagreed that there is a \$2 million deficit. If level funded, we would have to make up a deficit of \$541,000, which is the only exposure to the community right now. Reality is that in order for us to come to balance, we would still have to make up \$541,000 due to the state. There have been efforts for 8 years to reduce the teacher's contract. They have given up extra planning time, a free period, a tax sheltered annuity, and have paid a 15% co-pay for 8 years and gave back the million dollars.

President Spear stated that when speaking about a \$2 million deficit, I'm talking about an initial ½ million dollar increases for next year; a little better than ½ million you get cut this year from legislature; then same ½ mil cut for this year would be impacted on us next year and lastly is the credit line which is still unresolved.

School Principal Donna Raptakis, 2080 Nooseneck Hill Road, has been working to establish alternate funding for the schools within the community through establishment of a foundation.

School Committee member Lisa Tomasso asked what is being done to increase revenue. President Spear replied that two cell towers have been approved, which will bring in revenue. Manager Hoover also responded that alternative energy is being looked at for the western end of town. Economic development is a big area which has been suffering the last couple of years. We are working hard to get two mills redeveloped, which would help with the tax base.

Motion made by Glen Shibley seconded by Laura Flanagan to adjourn meeting at 7:22 p.m.

Town Clerk