

Town Council Meeting
Public Hearings on Town and School Budgets
Coventry Town Hall Annex- April 30, 2015 - 6:00 P.M.

Present: Vice-President Carlson, President Shibley, Councilwoman Duxbury, Councilman Laboissonniere, Councilman McGee, Town Manager Thomas Hoover, Town Solicitor Nicholas Gorham.

School Committee Chairperson Katherine Patenaude, School Committee members David Florio, Donna Kalunian, James Pierson, Attorney Katie Duncanson and Superintendent Michael Almeida; Ann Dickson was absent

Pledge of Allegiance
Review of Emergency Evacuation Plan

Manager Hoover began his presentation, bringing the public and the School Committee up to date since his original proposed budget on March 23.

On "Slide 1" of his presentation he reviewed tax rates in various categories for the FY 15 budget. The second column, due to an increase in set value through our last valuation, we were able to generate more revenue without any tax increase, so you see an increase in the total tax levy with no tax increase. In the Final column for FY 16, what I recommended to the Council at that time was a 2.17% tax increase. After some discussion, Council indicated that they wanted to take a look at how to keep the tax levy below 2%. We made some adjustments in revenue projections. You will see that the first and second columns on "Slide 2" are pretty much the same; the third column is noticeably different with an adjustment which actually allows us to fund that which we recommended to be funded back on March 23, but at the same time taking the tax levy down below 2% to approximately 1.99%.

The next two slides show a comparison of properties, the 2015 tax rate v. the 2016 tax rate, showing a slight reduction based on the 1.99% tax levy, just to give an idea of what happens from fiscal year to fiscal year.

"Slide 5" goes on to show the budget drivers. A lot of our expenditures are mandated by the state, particularly due to the pension act of 2011 regarding pension contributions. You will see that contributions to police and municipal will meet 100% of the required contribution. In addition, \$425,000 will be budgeted in the town's budget for the SRP settlement. There is also a large increase for debt service, mostly due to the bond referendum last November, voted by the citizens of the community.

Mr. Thibeault went on to state that a full revaluation has to be done, and we will be doing this in FY 16 and FY 17, paying 60% of the revaluation in FY 16 and 40% in FY 17. Every building in the town, inside and out, is visited every nine years; every three years a statistical revaluation is done.

Manager Hoover recommends a capital improvement budget of \$292,500, about \$192,000 to address fire code citations at the annex and the rest for an emergency generator at the senior center.

The new position of an expeditor has been added to the personnel line and that person would be responsible for attracting business to town, administration of the Economic Development Commission, a person you would expect to spend a lot of time in the field.

Referring to "Slide 6", he explained that years ago we had a self insurance fund to take care of the annual premium for worker's compensation. This year for the first time we have to pay from the general fund.

Regarding the SRP pension plan, the state of RI is currently holding our incentive aid. Now that we have a tentative agreement to fund the plan, we expect to receive about \$334,000 in incentive aid. This slide summarizes both budgets, with a town increase of approximately \$3,200,000 and on the school side about \$684,000, totaling \$3,879,846.

The capital improvement requests total \$14,596,612. It is recommended that we use \$192,500 for fire code upgrades at the annex and \$100,000 for a generator at Human Services, but the list does show the continuation of town needs.

School Department

Dr. Almeida began by advising that state and federal aid has been reduced significantly over

the last ten years. For FY 16 anticipated expenditures vs. FY 15 actual shows an increase of \$786,000; however, we anticipated \$800,000 in state aid but were notified only that we would only receive \$650,000, so that puts us at \$150,000 we need to reduce/cut.

He gave an overview of expenditures and changes included in the proposed budget, along with a reduction in benefits due to renegotiation on contracts of \$60,000 and life insurance and health insurance of \$78,000.

However, what is absent from the budget is approximately \$1.4 million for all day K and \$255,000 for pre-school reconfiguration. We are only one of three districts without an all day K plan. But with an offset of \$800,000 from the state next year, we will be looking for \$600,000 from the town.

In all, the state aid was reduced from the \$800,000 we expected to \$650,000. There is an insurance increase of \$40,000 and \$16,000 for annex insurance. The School Committee will need to make \$174,000 in reductions whether or not the town supports the budget increase request. Or, you can increase the Town funding request to include the \$174,000 reduction in the proposed budget.

He noted all of the increases leading to the school's budget request of \$722,000, consisting of \$16,000 bus transportation, \$250,000 to maintain AFJROTC; \$115,000 for an RTI administrator; Administrator raises of \$53,000; SRP pension costs of \$250,000; achieve licenses of \$23,000, and high school athletics of \$15,000 totaling \$722,000 and all of this is not supported by the Town Manager.

In summarizing, the original budget submission is \$43,377,728 with adjustments of a reduction in state aid of \$150,000, insurance increases of \$40,000, annex insurance adjustment of \$16,000, SRP pension \$250,000. If there is no increase from the town, there are potential reductions of \$23,000 in achieve licenses to expand programs, high school athletics of \$15,000, bus transportation of \$16,000 for EWG Tech students, ROTC of \$250,000, RTI Administrator \$115,000, Administrator raises averaging 2% at \$53,000, truck with plow at \$39,000, school committee line consultant funds at \$25,000 and other funding yet to be determined.

Councilman McGee asked for a commitment from the School Committee that if the Town Council supports funding for ROTC, that the money will be used for ROTC. Dr. Almeida would commit to the money being used for ROTC, however, he said the final decision is with the School Committee. School Committee member Florio would agree to the commitment.

Councilman Laboissonniere asked what the tax rate would be if both Dr. Almeida and Manager Hoover get their requests. Mr. Thibeault replied that the levy would increase 1% to 1.99%, so the levy would be 2.99%.

He also asked why he didn't see anything on the school side for workers compensation. Manager Hoover explained that up to now it had been paid out of the self-insurance fund. Beginning next fiscal year, the town will have to pay out of general fund.

Mr. Thibeault indicated that with the school's request, the tax rate would be increased approximately .23 cents, which would increase taxes about \$42-\$43 dollars for a \$150,000 house. Manager Hoover noted that the money for the SRP will be paid from the town's budget and workers compensation, formerly paid out of the self insurance fund, will now be paid from the general fund.

Councilwoman Carlson explained her concern that by the town giving \$250,000 to the school department for ROTC, it becomes maintenance of effort and there is no assurance that the money will go to ROTC. We all want ROTC to stay, but from a financial responsibility standpoint, we are all taxpayers, and we have to worry about the maintenance of effort clause.

Dr. Almeida indicated that if the town gave \$250,000 for ROTC and let's assume the Air Force cuts ROTC, now that the school has \$250,000 it can reallocate any way we want. His recommendation would be to commit that money to the all day K program, which would reduce the \$600,000 needed next year down to a \$350,000 request for all day K. You have my commitment that it would go to all day K, but that answer lies with the School Committee. There is only one reason we are in this situation with ROTC and that has to do with Air Force regulations where they require two instructors. We cannot be relieved of that requirement, plus we need 100 students enrolled.

Vice-President Carlson asked about busing from Exeter/West Greenwich. You have indicated the \$16,000 is worth the cost because you have revenue of \$108,000, so why even put it out there because you are actually making a profit. This way it becomes maintenance of effort. Dr. Almeida explained this is new because the state funded it in the past. Mrs. Carlson said the cost has been offset by the revenue on out of district tuitions. Her concern is that going forward, it becomes maintenance of effort.

Councilwoman Duxbury asked for clarification on the need for a second ROTC instructor. Superintendent Almeida said the responsibility falls on the Air Force and they won't give a waiver to run the program with one instructor.

She went on to say that the manager's original recommended budget showed a 2.38% increase. The Town Council asked for the manager to try to get down below 2%, and it is now down to 1.99%. If we were to fund ROTC, would that increase to 2.38%? She asked if we would be able to fund ROTC with the extra revenue the town has found along with the town's extra cuts. Manager Hoover responded that with the current recommendation of the town, we are not making any cuts on the town side, there are adjustments on the revenue side. Ms. Duxbury wanted to clarify that the \$75,000 for the expeditor position is still in the budget and Mr. Thibeault replied that it is.

Dr. Almeida added that he could not find the money in the school budget for ROTC; and State aid was reduced and the schools will only receive \$650,000 rather than the \$800,000 that was anticipated. Dr. Almeida went on to say that the amount is based on enrollment and the School intends to appeal that decision.

On the issue of all day K, President Shibley asked if the state will fund \$800,000 next year. Dr. Almeida replied that they will if the enrollment does not change, in theory that \$800,000 should not change, but there is no guarantee of state appropriations. However, there is a bill that has already passed in the legislature that funds all day K.

President Shibley also asked that if the state further reduces the funding, and we do go with all day K, then that funding kicks back to the town, correct?

Dr. Almeida responded that he believes so. We currently need \$1.2 million to \$1.4 million; Coventry is an underfunded district by the state. Over a seven year period they are making it up to us by giving us \$600,000 a year.

Public Comment:

Charles Vacca, 124 Fairway Drive , commented that he does not think the school department needs a plow when the town has the ability to plow school property, and if the town gives that money this year, then has to give it again next. He also questioned the hiring of an expeditor.

Manager Hoover replied that the school department maintains and plows their own properties, the town doesn't have the personnel or the equipment to maintain school properties.

Mr. Vacca expressed concern that if the town funds ROTC and the Air Force eliminates the program, the School Committee can take that money and spend it as they please and it becomes maintenance of effort.

He asked for details on funding \$425,000 for the SRP pension and Manager Hoover responded with the history on that issue.

Councilman McGee believes that we need to reestablish the Economic Development Commission and they need some tools to work with, but he doesn't think that \$75,000 for an expeditor is the answer at this point.

He then asked Dr. Almeida whether there has been ample time to recruit for ROTC and Dr. Almeida responded that the doors are not closed and recruitment continues. There were 62 enrolled at last count.

As far as specifically earmarking the funding for ROTC, Solicitor Gorham thinks that the only prudent way is if the Council had an agreement with the School Committee so that this would not be considered part of maintenance of effort and in addition to that, a case would have to be made to the Commissioner of Education, which is usual with items of that nature.

Ken Jackson, 2799 Harkney Hill Road had several questions for the School Department having to do with our graduation rate, the drop out rate, how we might correct these issues, out of district tuitions, how certain revenue is reported in the budget, proposed increases in professional development and grants.

In addition, he questioned central administration salary increases, increases in purchased services in various categories.

He will write to the Finance Director at the School Department for his answers, however, he believes that school expenses are taking away from revenue.

Former School Committee member Judy Liner asked if ROTC can recruit from parochial and private schools. Dr. Almeida replied that you can if you get permission to go in.

When a resident of Johnston asked if the Council could revote tonight on the ROTC issue, Manager Hoover indicated that there are no votes tonight. The Town Council will meet on June 9 for the Financial Town Meeting where a vote will be taken on the total budget.

Senator Raptakis advised that he located a state statute from 2007 with regard to acceptance and expenditure of grants and gifts. It is important because it allows any government entity to appropriate money to the school department and the school department should use that money how it is appropriated. The reason it came into effect in 2007 was due to funding and sports. The language in the statute could be amended.

Once the goal of 100 students is met, the Air Force will move forward and fund the appropriate money that is needed. As a delegation, we will work with both the School Committee and the Town Council to achieve that goal for the ROTC program. Councilwoman Carlson asked if the Air Force delineates between full time and semester students and Dr. Almeida said that the Air Force only looks at full time.

Representative Lancia of Cranston feels that we need to look outside the box thinking of ways to save ROTC. To get the numbers up, we need to work with local Air Force and Army Guard units, reserve units, need to look at a lot of things and be proactive. There are statistics that show the value of ROTC; in the meantime I am personally investing my time to help save the program.

Ron Gizzarelli, 50 Harrington Road, believes saving the program is entirely possible. The training they receive is invaluable. We need to come up with innovative approaches. This is a small amount of money to find compared to the entire budget.

Betty Leach of West Warwick supports ROTC; it is an important program.

A retired sergeant from the National Guard, a Johnston resident, supports the ROTC program. You need to work together to make this program work. You need to look into what the Air Force is asking you to do. From what I hear, no one is really out there doing recruiting. It would be a shame not to have this program.

Sheri Elderkin of Johnston, RI remarked about the fabulous job ROTC does, their efforts in bringing 40 boxes of food to the food pantry, helping to raise \$7,000. We couldn't have done it without their help. It is an honor to work alongside these children. I urge people to recognize their commitment and dedication.

A resident of Station Street feels the school needs to recognize the work done by these students, commenting that they have put in over 1300 hours of community service.

A motion was made by Councilwoman Carlson seconded by Councilman Laboissonniere to adjourn meeting. All voted aye.

Town Clerk