

Town Council
Public Hearings on School and Municipal Budgets
May 5, 2014 – 6 p.m.

Present: President Gary Cote, Vice-President Kerry McGee, Councilwoman Carlson, Councilman Laboissonniere, Town Manager Thomas Hoover, Town Solicitor Frederick Tobin

School Committee Chairwoman Kathy Patenaude, members David Florio, Judy Liner, Ann Dickson, Superintendent Michael Almeida, Solicitor Katherine Duncanson

Review of Emergency Evacuation Plan

A motion was made by Vice-President McGee seconded by Councilwoman Carlson to open public hearing. Roll call vote. All voted aye.

Manager Hoover reviewed the proposed municipal budget, giving an overview of the latest statistical tax revaluation in Coventry, resulting in a total property value loss of \$216,343,809. As a result, the tax rate would have to be adjusted to maintain the current rate or to accommodate an increase.

He listed major items which would result in a 1.96% increase in the levy and the major items contributing to that are the police and municipal pension plans since we must meet our annual required contribution, debt obligations and salary increases for municipal and estimated for police, resulting in a \$1,256,731 requested increase.

In addition the school department is indicating a deficit of \$1,582,077. Together, both school and municipal requests would result in a tax increase of 4.41%, exceeding the 4% cap.

With the scenario of a 1.96% tax increase, the residential rate would go from \$18.66 in FY 14 to \$20.38 in FY 15. It is not recommended to increase the school budget, but to maintain it.

He referred to a chart showing 2014 taxes vs 2015 taxes, with revised valuations, comparing the current year with next year, showing tax increases on an average basis. (See power point presentation)

A chart with property tax valuations shows a breakdown of residential, commercial and industrial, including values that decreased, increased and remained unchanged. About 86% of the town decreased, whereas about 13.5% increased in valuation, with .5 percent staying the same for residential. With regard to commercial, 75.5% decreased, 24.5% increased and 2 businesses stayed the same.

We would need to cut a little more than \$1.2 million out of the proposal for a 0% tax increase and then he noted possible cuts by departments to obtain that \$1.2 million. At the last public hearing there was much detail on how such cuts would affect departments.

One of the issues presented at the last hearing, and again this evening, is an option which recommends taking a look at the senior/disabled tax freeze. A little over \$1.1 million is lost in revenue through that program. I am not recommending that we look at income based exemptions, but am proposing to look at the elderly and disabled who may be in a much better income bracket and yet still receive this tax freeze. It is quite a task and I am working with various departments, such as the Department of Human Services, to come up with income guidelines and eligibility to accomplish this.

SCHOOL DEPARTMENT

Dr. Almeida reviewed his previous presentation. He advised that expenditures were absorbed without increased revenue, amounting to \$1,141,000; however he projected an increase in revenue needed in the amount of \$1,582,077 as a result of various unanticipated expenditures such as out of district tuition and certified pension obligations, equaling nearly 50% of the request. There have been additional gaps found in the budget, and even if we receive the \$1.5 million, the gaps still need to be filled in the areas of workers compensation, federal and state grants, a special education teacher, severance and if reinstated, JROTC. Proposed cuts have been placed in priority order.

In addition, we have been unable to include some items in the budget proposal, such as the virtual high school, common core resources, professional development to support common core, professional development to support general science standards, all day kindergarten,

additional math interventionists and mental health professionals. These have not been included in the proposal for 2014-15. Dr. Almeida recommended a \$1.5 million increase to the school budget.

Referring to the Town's slide presentation, School Committee Chairwoman Kathy Patenaude asked what the school debt of \$118,375 represents under the reductions by department. The Town's Finance Director, Bob Thibeault, replied that it was the school building bond, with an increase due to school debt; however RIDE was contacted and this should represent a 50% reimbursement on the general obligation debt.

Mrs. Patenaude stated that basically the town has said to the school that our request would put the town over the 4% cap, so therefore, we can't have anything. I think we completely understand that you have pension obligations, but it would be interesting to see that if we receive any money from the town above level funding, what that would look like. Basically, you just said that the request is over the cap, so therefore, you can't have it. You don't say anything about something else, some other amount that we could get to make up the difference between the town's 1.96% and the cap at 4%.

President Cote asked whether it would be clearer if the finance director figured out what a 4% tax increase would be, then minus out the 1.96% town's request and tell you what the remainder would be for the school department, should the taxpayers approve a 4% tax increase? Ms. Patenaude agreed and Mr. Thibeault advised that a 2.04% increase (which totals the 4% cap minus the 1.96% town request) would equal about \$1,316,801 for the schools. President Cote added that another issue is maintenance of effort.

School Committee Member Judy Liner asked that the Council revisit other departments and reallocate so that school will receive something. Superintendent Almeida requested that the tax increase be raised to 4% and let the taxpayers decide at the FTM.

Councilwoman Carlson feels this needs to be looked at like a business, the town's a business and the school is a business. We need five year projections. There will be costs that we can't control, fuel, gas, etc. It's time to stop and take a look at the future. Property values are going down, taxes going up. We need to look everywhere for cuts and we need to work together, not just look at the town's side to make cuts.

Councilman Laboissonniere said he is at a loss, doesn't want to see Dr. Almeida's cuts and is not convinced with the town manager's cuts. I am not comfortable seeing town employees out of work and am not comfortable with putting people out of their homes either. Maybe someone here will get up and have a better idea, give us the answers that we need. Where do you cut? Nobody wants a tax increase. We need to find a better way to fund education. He asked to see what a 4% tax increase would look like. Dr. Almeida agreed, so that the citizens will know.

Vice-President McGee agrees that the teacher's union has made an effort, but we've got to do more. There are a lot of problems having this ARC payment that we have to meet. For years the Town Councils didn't meet their ARC payments; we know it is our responsibility. I don't know what the answer is. Unfortunately it is all coming on our watch and we can't kick this down the road anymore.

Amy Andreoni, 11 Orchid Trail, asked why the council seems concerned about meeting the town's pension requirements but not the school's requirement.

Manager Hoover's opinion is that he doesn't want to pit the town against the school, and although he does not know the school budget as well as Dr. Almeida, they do meet monthly and Mr. Hoover's opinion is that the school can handle this very difficult situation better than the town.

Ken Jackson, 2799 Harkney Hill Road would like to go through the municipal budget by department, you just can't look at the whole thing. Mr. Jackson believes that the town is looking at over a \$2,000,000 surplus as of June 30 and we need to go through each department. Mr. Hoover is 8th in RI in Town Manager salaries; Dr. Almeida is 18th of 30th regarding superintendents. The town has a problem with the pension and the heck with the students. I have two kids in the school system and I want them to have the best education that they can. Coventry is paying a lot less per student than the statewide average. I'd rather fund that than a parks and recreation lacrosse field. There are some foolish capital expenditures in here. Talk about cutting? I've got more and would love to go department by department, beginning with the solicitor's department, where we are budgeting \$400,000+.

Ruth Daniels, 5 Pembroke Lane, said you need to get corporations into the town for a tax base, not new apartment buildings with 165 units. The children will impact the schools. President Cote explained that the owners of the apartment buildings pay commercial rates.

Becky Hames, 3 Peninsula Court, moved here because of the good schools, therefore, we need to fund our schools. It is very unfair to our children to eliminate sports and programs.

Chuck Smith, Weaver Hill Road, Coventry, supports the manager's proposal, and added that his own property value did go up. He has worked for DPW for 32 years. We need to invest in the town's infrastructure, need to bring commercial ventures into town. I've been working with the DPW director to get some grant funding to work on the roads. Also, DPW cannot afford to take a big hit. Our people are highly trained, work EMA teams in emergency situations such as hurricanes, blizzards, storms and floods. A lot of that is not recognized by the town. We take a lot of pride in what we do and we work hard.

Bob Robillard, Social Work supervisor at the Department of Human Services, advised of the many resources offered by that department and the many ways they help clients, both adults and children, get the resources that they need. They work with the elderly, grandparents who are parenting their grandchildren, citizens with disabilities or life threatening illnesses, are in financial distress, have mental health or substance abuse issues. They work with many departments including police, fire and rescue, the Housing Authority, local hospitals, nursing homes and day care centers, Elderly Affairs, the VA, long term care, the working poor and the needs in Coventry are great.

Louis Diamonte, President Local 3484, spoke of how the Department of Public Works helps the School Department if they need something, and that could be sweeping lots, digging trenches, etc. I am asking not to cut DPW, but to raise the tax increase to 4% and keep everyone employed.

Jessica Bullock, 3 Azalea Way, said the town and school should work together. The children are our best investment, they are our future.

Tammy Duxbury, 2 Orchid Trail, is still in the process of digesting these budgets. However, our town employees, whether town or school, negotiate in good faith. I understand that we have contracts in place that we need to live up to. I am extremely concerned about the unfunded pension situation. Those liabilities are going to be the downfall of cities and towns. I also understand that our town just finalized a contract with Local 3484. If we end up cutting, it would be those people that we see every day, plowing our streets, picking up garbage and doing a wonderful job.

When asked how many pink slips have been issued by the school department, and whether those salaries are included in the proposed budget, Dr. Almeida responded that approximately 35 slips have gone out and they are included in next year's budget. Some of those were one year teachers covering for teachers who have taken a leave. There are approximately three positions total that we can reduce, but are still looking at the numbers.

Ms. Duxbury went on to question various items in the school budget, such as student supplies of \$120,000 and what that represents. Dr. Almeida replied that it is a supply reimbursement, each year union members purchase supplies for their classrooms, in the last contract it was negotiated to reimburse teachers up to \$350.00 a year. She also raised questions pertaining to data management salary, percentage increases of support staff, technology and an increase in instructional paraprofessional's salaries. Would just like to know why salaries are changing.

School Finance Director Pelletier explained that there are step increases involved, but would need to get detail to be able to explain specifically. Dr. Almeida added that no one is getting 10 and 22 percent raises.

She questioned Manager Hoover, wanting to know if the 13% of citizens whose valuations went up are in Central Coventry Fire District, as they are already going to get a big tax increase.

With regard to the Planning Dept cut, the CDBG coordinator writes grants and brings money into the town and whether she pays for her own salary by writing grants? Manager Hoover remarked that we could be cutting off our nose despite our face with some of these cuts.

A student from the high school spoke, stating that although she appreciates everyone in

the audience who has taken a stance for the students, the fact that cutting education is being considered is not going to help us. Other social issues do need to be addressed at the high school, such as the dress code, which currently promotes the wrong message.

Kelly Erinakes, 9 Sugar Maple Dr., stated that the school side has hard working people just like the town side. My bills are going to go up each year, I work two jobs, but this is a taxpayer decision. There are huge unfunded liabilities regarding the pensions and they need to be paid. The town is mandated to increase their obligation, but so is the school. We cannot afford to lose town workers, but you also cannot afford to lose people on the school side; they can't take the cuts either. As a taxpayer I want the services that I believe I pay well for. I also want my son educated well. Let the taxpayers decide what they want to do.

Mary Vandervelde of 7 White Oak Court asked if the town still has money in the reserve fund. Manager Hoover explained that the town does have a fund balance, but we have to in order to maintain the bond rating of the town. If our reserve goes any higher than 10%, then that overage goes toward the unfunded liability proportionately between police and municipal, a major component which contributed to Moody's removing the negative outlook on the bond rating.

President Cote added that we used to be self insured. Previous councils felt that we should not be and took the money and put it aside to pay five years of workers compensation insurance, so now we pay premiums for our workers comp coverage. Another previous council used about \$ 1.2 - \$1.3 million for capital improvements and also used \$ 1.2 million for an increase to the school department. So that's what happened to the "rainy day" fund.

Chris Hopkins, 60 Wisteria Drive, agrees with raising taxes to 4% and letting the taxpayers decide.

Mary Bettez, 76 Acres of Pine asked that we work together to put forth the 4% budget and let the taxpayers decide.

James Pearson, 8 Nichole Lane spoke about cost drivers and out of district tuition. Warwick's aviation academy is not the same as our JROTC program. Students who graduate from that academy typically go on to attend an aviation oriented college, an FFA approved aerospace program or they join the military. We should be looking for ways to attract students to stay here and not push them to leave.

Dr. Almeida has done some research on the aviation program and right now there is no room. Our hope is that our program is approved and that we can find a way, through town support, to fund our \$1.5 million request.

Ken Jackson, 2799 Harkney Hill Road wanted clarification on the 1.9 million in revenue from prior years and an over \$200,000 surplus. I don't believe we need all the solicitors but we are budgeting \$414,000.

Finance Director Bob Thibeault, clarified the 1.9 million and the surplus of approximately \$264,000 will be put toward the unfunded pension liability. There are approximately eight solicitors between zoning, planning and several of the 45 active cases pending, with three or four of those involved in litigation. We still have an attorney working on arbitration with IBPO and one working with responsible parties to get a plan together to be approved by DEM for the town dump on Arnold Road. The cost for this particular attorney is going to be back charged in the future to our judgment bond which is used to fund all of the remediation at the land fill so it won't be a general fund charge.

Attorney Tobin added that when he took over the solicitor's department about \$650,000 a year was being expended for legal services. Since that time, fees have been reduced by a third, bringing the budget under the \$415,000. It is down about 50%.

Ron Gizzarelli, 50 Harrington Rd, thinks the council and school committee need to come up with some creative thinking, like a one-time assessment each year that's spread over the four payments on the taxes.

Kim Sturdahl, 31 Centennial St., asked for another public meeting prior to the FTM to show what the tax increase would look like if we did go up to the 4% cap.

Sonja Ives, 6 Red Maple Road is willing to pay the extra to see the school system's needs and supports a 4% tax increase.

Julie Cone, 543 Hope Furnace Rd., said that if she doesn't spend her tax money to get her kids educated, then she'll probably spend it on tutors and wants the 4% increase offered to the taxpayers.

Janis Salvas, 671 Carrs Trail – We are not giving much hope to our kids. We are supposed to work together. We teach our kids teamwork

Guy Lefebvre – 79 Indian Trail, Director of Parks and Recreation – We are all serving the same children and families. Without Human Resources about 50 kids would never come to our camp or go on any fieldtrips. The proposed budget of \$221,000 to be cut from parks and recreation this year would decimate the services. No new recreational facilities, public works equipment, no expansion of the senior center or police services. No investment in our infrastructure or in our parks. We put a six million dollar greenway on the ground and it didn't cost you a nickel locally. Its 80% federally funded, 20% state funded. Public works is an agency we lean on a lot. We rely on the fleet and equipment they have. The police department cut, affecting one police officer, is critical to us. If you are going to cut \$221,000 from parks and recreation, I suggest you give it to the police department. The chief will need to enhance his staff to take care of the youth problems we are going to have in this community.

Chief Volpe noted that the demands on the police department are much different than they were years ago. We didn't worry about sex offenders roaming the bike paths or shooters in the schools. We will do our best but it is becoming increasingly difficult. We appreciate whatever you can do to support us, the other town agencies and the schools.

Paul Sprague, Planning Director, stated that to come up with a 0 % budget would cause the elimination of one employee who earns \$37,000. The CDBG coordinator this year brought in \$189,000 for a project on Industrial Drive, \$50,000 for low and moderate income families for home repairs, \$36,000 for Human Services so they could have two vans. In the past few years my department has brought in approximately seven to eight million dollars in grants. To cut us anymore would not be feasible.

Pat Shurtleff, Human Services Director, stated that Human Services works collaboratively with the police, parks and recreation, DPW the library and the schools. We have seen such a dramatic increase in folks that have to use our food bank. It is the social service staff and the food bank coordinator who help them through that whole emotional roller coaster. To cut a social worker means that we have to say no to some of those requests.

Kevin McGee, DPW Director, added that if the town goes to the 0% budget increase we will not be able to offer the services that taxpayers are accustomed to receiving. I continue to ask for support of the Town Manager's budget.

School Committee Member David Florio asked that the Town Council consider a 4% increase. The JROTC program, sports and clubs should continue. They are all outlets for the kids and if a 4% increase is asked for, I will go for that.

School Committee Member Ann Dickson stated that the Charter mandates that we have a Financial Town meeting, which means that we all have one vote. I do support the superintendent's recommendation that we go before the voters with the 4% increase, which would then include the superintendent's budget. Many of the things that we need money for are these state mandates that we have been subjected to. I would ask that you allow the voters an opportunity to cast their vote for a budget at the town financial meeting.

School Committee Member Judy Liner feels that all of you would agree that it is a necessity for the children of Coventry to receive a high quality level of education. We continue to have students that require additional support, services, programs and guidance. There are some children who are afforded the opportunity to attend college exclusively via academic and/or athletic scholarships. If services and athletics were to be cut, then that avenue to obtaining a higher level of education would cease to exist. I urge you to revisit this proposed budget for the children of this town.

School Committee Chairwoman Kathy Patenaude remarked that if we don't get up to the 4%, the list of cuts will be devastating to the schools. We are down to where there isn't anywhere else to go. By state law we have to come into compliance and somehow have a balanced budget. Without getting any allocation of new money from the town I don't see that as a possibility. I plead with the public and the Town Council to revisit this budget request and let the people decide. If the town budget isn't passed then it isn't passed but don't go to that meeting with 0% funding for schools.

A motion was made by School Committee member Judith Liner seconded by committee member David Florio to adjourn meeting at 9:40 p.m. All voted Aye.

A motion was made by Councilwoman Carlson seconded by Vice-President McGee to adjourn meeting. All voted Aye.

Town Clerk