

## TOWN COUNCIL MEETING

May 18, 2011 – 7:00 p.m.

Present: President Gary Cote, Ted Jendzejec, Kerry McGee, Raymond Spear, Carl Mattson, Jr.

Town Manager Thomas Hoover  
Town Solicitor Frederick Tobin

Review of Emergency Evacuation Plan

### President's Comments

President Cote expressed his disappointment that Senators Shibley and Kettle took Coventry's Charter amendments to the State House for a hearing without discussing first with the Town Council. He found it insulting that they would circumvent the Town Council and will speak to them about this. Councilman Spear suggested that the Town Manager place the amendments on the next Town Council agenda.

### RESOLUTIONS

#### 1. Resolution adopting the Operating and Capital budget for FY 2011-2012

Manager Hoover summarized, explaining that this budget was tabled on Monday night (May 16<sup>th</sup>), as the School Dept. is waiting for the State Commission of Education regarding a waiver on the Maintenance of Effort issue. The town wanted to give the schools \$1.2 of the worker's compensation fund, not to be included in maintenance of effort. The school has agreed to this as a one time appropriation but in order for that to happen a waiver must be obtained from the Commissioner of Education.

The Commissioner of Education replied that the request from the school department was not specific enough and wanted more breakdown, to include something not speculative, but indicate what actually could be done. Superintendent Convery submitted memorandum highlighting a little more than \$600,000, which the school has indicated was all they could specify based on the Education Department's request. A negative answer was received, indicating it is still too speculative.

In anticipation of what may or may not happen this evening, Manager Hoover forwarded to the Council and Superintendent Convery a resolution which would provide for the \$1.2 million, with \$600,000 toward maintenance of effort and \$600,000 that does not count for maintenance of effort. There is also an alternative resolution stating if all three parties (school department, town and commissioner of education) do not agree, then the recommendation would be to provide the school with \$600,000 as maintenance of effort and leave it at that, because we have no assurance of any waiver for next year or into the future.

From the town's side it would be very difficult if we were to make \$1.2 million available for maintenance of effort as we approach the following year and budgets beyond. At this point the recommendation would be to give \$600,000 toward maintenance of effort to the school. I have provided the Council with several options and resolution #3 would replicate what I am talking about.

President Cote advised that both sides have worked very hard for this waiver but the education commissioner has decided not to grant it. I am not comfortable with level funding and feel \$600,000 is an equitable split. The Education Commissioner has left the door open to work with us in the future, but I am going to accept the town manager's recommendation.

Councilman Jendzejec commented that the schools have been level funded three years over the last four and it's hard for the schools to cut any more money. They asked for \$1.6 million in the beginning and negotiated to \$1.2 million. I would like to see the original amount of \$1.6 million be cut in half and put \$800,000 toward maintenance of effort.

Motion made by Councilman Jendzejec to put \$800,000 into the school budget for maintenance of effort. No second. Motion fails.

Motion made by Councilman Spear seconded by Councilman McGee to accept Town Manager's recommendation with respect to acceptance of Resolution #1 (See below) All voted aye.

Manager's Resolution #1:

Whereas, an agreement between the Coventry School Department and the Town Council of the Town of Coventry that the School Department budget for fiscal year 2012 which is proposed at \$63,571,189 reflects an increase of \$1,200,000 from the \$62,371,189 fiscal 2011 appropriation, contingent upon \$600,000 of the \$1,200,000 increase being EXCLUDED from future Maintenance of Effort calculations; and

WHEREAS the Coventry Town Council's support of the fiscal year 2012 budget will be \$42,780,728 from current year taxes, an increase of \$1,200,000 from the fiscal 2011 appropriation of \$41,580,728 is also contingent upon \$600,000 of said sum being EXCLUDED from future Maintenance of Effort calculations; and

WHEREAS under Section 16-7-23.1 of the Rhode Island General Laws, the Rhode Island Commissioner of Education may grant variances to the Maintenance of Effort rules if such adjustment does not disrupt the effective operation of the public schools; and

WHEREAS the \$1,200,000 increase set forth above is being funded out of an insurance reserve fund, which the Town of Coventry intends to replenish in future years; and

WHEREAS this agreement as aforesaid is contingent upon the approval of the entire budget by the Coventry Town Council and approval by the Financial Town Meeting; and

WHEREAS, this agreement is contingent upon the approval of a variance by the Rhode Island Commissioner of Education, pursuant to Section 16-7-23.1 with respect to \$600,000 of the \$1,200,000 not being included in future Maintenance of Effort calculations.

NOW THEREFORE BE IT RESOLVED, THAT THE Town Council of the Town of Coventry hereby approves this Resolution, subject to the contingencies set forth above.

This agreement is contingent upon the Commissioner of the Department of Education, the Coventry School Department and the Town of Coventry all agreeing to this resolution. If agreement is not achieved, the School Department budget for fiscal year 2012 shall only be

increased by \$600,000 out of the insurance reserve fund, all of which shall be considered Maintenance of Effort.

Motion made by Councilman Spear seconded by Councilman McGee to adopt resolution. All voted aye.

Motion made by Councilman Spear seconded by Councilman McGee to adopt resolution establishing the distribution of funds for FY 2011-12. All voted aye. (Town Manager's recommended Resolution #3 see below)

Manager's recommended Resolution #3:

RESOLVED:

That the Town Council hereby accepts and amends the Town Manager's Proposed General Operating and Capital Improvement Budgets and recommends to the Financial Town Meeting the following actions:

SECTION 1: That \$21,678,648 be appropriated from tax revenues, federal and state aid and other revenues for the operation of the Municipal Government as set forth in Exhibit "A", which is attached.

SECTION 2: That \$42,180,728 be appropriated for the operation of the School Department, \$41,580,728 from Tax Revenues and the balance of \$600,000 from nonrecurring sources. These funds shall supplement state aid to education grants and other school revenues to provide an operating budget of \$62,971.189.

SECTION 3: That \$2,573,013 in tax revenues, interest earnings, and state aid be appropriated for the retirement of principal and interest on outstanding bonded indebtedness.

SECTION 4: That \$1,171,522 in tax revenues, interest earnings, and dedicated fund be appropriated for capital improvements.

TOWN OF COUNTRY  
BUDGET SUMMARY  
Fiscal Year 2011-2012

	<u>ACTUAL</u> <u>2009-2010</u>	<u>BUDGET</u> <u>2010-2011</u>	<u>ESTIMATE</u> <u>2010-2011</u>	<u>PROPOSED</u> <u>2011-2012</u>
<b><u>REVENUES</u></b>				
Taxes-Current	55,737,348	55,812,552	55,812,552	56,393,856
Auto Excise Tax	<u>2,100,000</u>	<u>2,490,000</u>	<u>2,490,000</u>	<u>4,602,112</u>
LEVY -- Collected or Budgeted	57,837,348	58,302,552	58,302,552	60,995,968
Prior Year Taxes and Interest	750,000	600,000	600,000	600,000
State Aid	517,400	654,600	654,600	567,680
State Reimbursement Auto Tax	2,900,000	2,540,000	2,540,000	225,597
Town Revenues	1,898,154	1,823,525	1,823,525	1,945,992
State Aid to Education	17,549,070	17,549,070	17,549,070	17,615,274
State Gaming Revenue	-	-	-	-
School Revenues	1,430,884	1,557,884	1,557,884	1,672,884
State Aid to School Housing	1,528,778	1,525,108	1,525,108	1,284,262
School Federal Stabilization/Jobs Funds	991,787	991,787	991,787	829,477
Impact Fees and Property Rental	140,000	140,000	140,000	140,000
Capital Non-Recurring Fund	-	0	0	0
Grants	47,614	100,000	100,000	175,523
CONE Lease Buy-Back	50,000	50,000	50,000	50,000
School Health Insurance Reserve	176,720	176,720	176,720	40,000
Cell Tower Reserve Fund	200,000	525,000	525,000	150,000
Workers Comp Fund	-	530,000	530,000	530,000
* Former Workers Comp Fund				1,646,387
Expired Capital Improvement Funds				45,322
Fund Balance Allocated	-41,829	0	-	-
Needed To Balance Budget	-	0	0	-
<b>Total</b>	<u>85,975,926</u>	<u>87,066,245</u>	<u>87,066,246</u>	<u>88,514,367</u>
<b><u>EXPENDITURES</u></b>				
<b><u>OPERATIONS</u></b>				
Municipal Government	20,460,036	21,562,796	21,562,796	21,678,648
* School Department	61,976,803	62,371,189	62,371,189	62,971,189
Library -- Resource Sharing	119,995	119,995	119,995	119,995
<b><u>DEBT SERVICE</u></b>				
School Housing Debt	3,059,954	2,968,974	2,968,974	2,529,713
Municipal Debt	-	43,300	43,300	43,300
<b><u>Capital Improvement</u></b>				
Municipal Government	109,138	0	0	1,121,522
School Department	250,000	0	0	50,000
<b>Total</b>	<u>85,975,926</u>	<u>87,066,254</u>	<u>87,066,254</u>	<u>88,514,367</u>

PUBLIC COMMENT:

School Committeewoman Judy Liner asked about legislation regarding bonds where the school and town issues are combined. Manager Hoover stated he will testify tomorrow at a Senate hearing on the same issue. On the \$10 million amount his recommendation is that the town not pursue any of that as a bond issue, but he sees nothing preventing the schools from going for the whole \$10 million if they want, or a portion thereof. All the General Assembly is going to do is allow this community to go to referendum on it.

Superintendent Convery asked for clarification as to the bottom line number for the schools next year and President Cote replied \$62,971,189.

Denise Gibbons, Pine Haven Road, works for the school department in the capacity of support related personnel. She stated that the jobs of people who help the schools, the town and make sure that the children get their proper education will be cut. We are Coventry residents too and will lose jobs and maybe homes.

Kelly Erinakes, 3 Hazel St., expressed her disappointment that forty people will lose their jobs. The schools were level funded three times in the last few years. You have a worker's compensation fund of over \$2 million, 75% of that money was contributed by school employees.

School Committee member Judy Liner asked that the Council reconsider their vote on the budget resolution. She is concerned for the high school status and the impact this will have on the students.

Councilman McGee explained that there is just no money. We thought long and hard, it is regretful that we have to do this, but we have to.

President Cote agreed that we are working off the reserve fund. However, next year we are going to have to fund off the back of the taxpayer, this is not a recurring fund, once you use it, it's gone. If we give \$600,000 this year toward maintenance of effort, we can use the remaining \$600,000 next year if necessary and keep it off the back of the taxpayers.

Councilman Spear regrets that we have reached this point as he remembers when teachers were underpaid and got no benefits. A point has been reached where the pendulum has swung the other way and fallen off the clock. Is it appropriate to give a 7% raise to teachers on each step of the salary schedule from 1-9? I don't see people anywhere else getting those raises. Then over the years we were putting 3% on top of that, so that makes it 10% and then you have health benefits going up too.

It's been a long time since there has been any capital money for the schools. It all goes into teacher wages. The big increase for next year is all wages and benefits for teachers. I am suggesting that we take a good, hard look at the contract.

Ron Gizzarelli, 50 Harrington Road, commented that taxpayers can't afford any more taxes. Where does it say in the contracts that you have to get a raise every year? Those are the kinds of things that you negotiate. We need to find a new way to fund education. We have about 500 teachers, 400 support personnel and can't afford all these steps.

Ms. Erinakes noted that 80% of our teachers are on top step and we are trying to get the entry level salaries upped; \$35-40,000 is not reasonable. The average step increase is 5%. Education should not be paid for on the backs of taxpayers.

School Finance Director Robin Reasor asked the Town Council to reconsider the vote on the budget resolution. The Commissioner of Education said that the six items we submitted to her with regard to the waiver are all of merit and she would be willing to work with us in the future. These are real costs that we have in the budget this year that will not be in the budget in 2013. They are non-recurring. The Commissioner said that as we go forward we need to provide proof to her that these are one time expenses that won't show their face in the 2013 budget. Our list has merit and we will put together a budget of \$600,000 less next year. This is what we need so that we can go forward and bargain.

Councilman Spear asked the School Committee, Town Council and Coventry Teachers Alliance that if this Council were to agree to move the \$600,000 figure back to \$1.2 million, could we have a commitment from the three parties that they would guarantee that this \$1.2 million would not be a problem in the budget for the fiscal year 2012-13 and will not result in severe financial problems in a new contract.

President Cote commented that he is willing to reconsider. We came in tonight with \$600,000 going toward maintenance of effort. You should be looking for a sum of \$600,000 to not come back and haunt us in the future, not the whole \$1.2 million.

Councilman Spear stated that all we would have to do is make sure that any new contracts don't get subject to another \$600,000 the following year. Superintendent Convery indicated that \$600,000 would not reoccur. However, Councilman Spear said he is looking for some kind of commitment to be sure that we are all relieved of the heavy burden of \$1.6 to \$2.2 million needed every year for wage and benefit increases.

He remarked that if the School Department, School Committee and the CTA would work toward that goal, that the Town Council would be willing to work toward that goal. CTA President Kelly Erinakes offered that commitment and guarantee, stating that she has the authority and the backing of her members.

Councilman Spear made motion seconded by Councilman Jendzejec to reconsider Council's earlier decision for FY 2011-2012 budget. All voted aye.

President Cote stated that all we need is a motion to increase our contribution to the school side to \$1.2 million.

Councilman Spear, however, wants an agreement with the understanding that all three parties in this room that are major makers of the budget have agreed that they will assure that there will not be a reoccurrence of this \$600,000 in increase in the maintenance of effort if we give a \$1.2 million increase. President Cote stated that all three parties have already agreed.

Manager Hoover stated that he is opposed to accepting what we are doing and sees it as negotiating a contract publicly. We can get some commitments, but until there is a signed agreement that this will happen, I don't see any way that you can guarantee that commitment.

President Cote requested an agreement be put together in writing and signed by each party. Both CTA President Kelly Erinakes and the School Committee indicated that they have no problem with signing an agreement.

Councilman Jendzejec made motion seconded by Councilman Spear to increase the town's contribution from \$600,000 to \$1.2 million. Councilman Spear indicated that this is conditional upon parties signing agreement. Councilman Jendzejec responded that he didn't believe you could approve a resolution conditionally upon an agreement. Motion fails.

Motion made by Councilman Jendzejec seconded by Councilman McGee to increase the town's contribution to the school department from \$600,000 to \$1.2 million with no conditions. Upon voice vote, resolution was approved. (See following approved resolution, manager's alternative resolution #2)

Manager's Alternate Resolution #2:

RESOLVED:

That the Town Council hereby accepts and amends the Town Manager's Proposed General Operating and Capital Improvement Budgets and recommends to the Financial Town Meeting the following actions:

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\* ASSUMING WAIVER OF MOE ON THE \$1,200,000.00 IS AGREED TO BY ALL PARTIES

School Department Administration

Michael L. Convery  
Superintendent of Schools  
James H. Erinakes II  
Assistant Superintendent  
Susan Lyons  
Director of Special Services  
Robin M. Pelletier  
Director of Business/Finance  
Brian Steverman  
Director of Physical Plant



School Committee Members

Katherine M. Patenaude  
Chairperson District 2  
Nancy E. Sprengelmeyer  
Vice-Chairperson District 4  
Thomas A. Hetherman  
Member District 1  
Lianne M. Russell  
Member District 3  
Judith L. Liner  
Member District 5

May 24, 2011

The Coventry School Department, Coventry School Committee, Coventry Town Council and the Coventry Teachers' Alliance agree to the following:

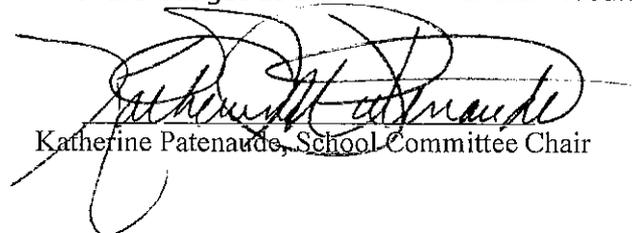
The proposed Town budget for fiscal year 2012 is \$63,571,189. This reflects an increase of \$1,200,000 from the 2011 fiscal appropriation of \$62,371,189. This proposed Town budget is contingent upon \$600,000 of this \$1,200,000 increase being EXCLUDED from fiscal 2013 and future Maintenance of Effort calculations.

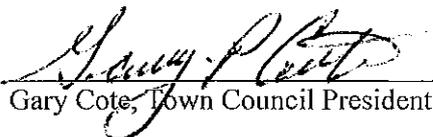
The Town's support of the School Committee's fiscal year 2012 budget from current year taxes will be \$41,580,728 plus an additional \$1,200,000 from the Town's Reserve Fund for a total of \$42,780,728 in Town support; an increase of \$1,200,000 from the fiscal 2011 appropriation of \$41,580,728. This support is contingent upon \$600,000 of this \$1,200,000 increase being EXCLUDED from fiscal 2013 and future Maintenance of Effort calculations.

The Coventry Teachers' Alliance stated that it would start negotiations with the Coventry School Committee for the next year to assure that not less than \$600,000 will be non-recurring for the new contract.

This agreement is contingent upon the approval of the entire budget at the Town Financial Meeting.

  
Michael L. Convery, Superintendent

  
Katherine Patenaude, School Committee Chair

  
Gary Cote, Town Council President

School Department Administration:  
Michael L. Convery  
Superintendent of Schools  
James H. Erinakes II  
Assistant Superintendent  
Susan Lyons  
Director of Special Services  
Robin M. Pelletier  
Director of Business Finance  
Brian Steverman  
Director of Physical Plant



School Committee Members  
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Thomas A. Hetherman  
Member District 1  
Lianne M. Russell  
Member District 3  
Judith L. Liner  
Member District 5

RESOLUTION  
OF THE

Coventry School Committee

WHEREAS, the proposed Town budget for fiscal year 2012 is \$63,571,189. This reflects an increase of \$1,200,000 from the 2011 fiscal appropriation of \$62,371,189. This proposed Town budget is contingent upon \$600,000 of this \$1,200,000 increase being EXCLUDED from fiscal 2013 and future Maintenance of Effort calculations; and

WHEREAS, The Town's support of the School Committee's fiscal year 2012 budget from current year taxes will be \$41,580,728 plus an additional \$1,200,000 from the Town's Reserve Fund for a total of \$42,780,728 in Town support; an increase of \$1,200,000 from the fiscal 2011 appropriation of \$41,580,728. This support is contingent upon \$600,000 of this \$1,200,000 increase being EXCLUDED from fiscal 2013 and future Maintenance of Effort calculations; and

WHEREAS, the Coventry Teachers' Alliance stated that it would start negotiations with the Coventry School Committee for the next year to assure that not less than \$600,000 will be non-recurring for the new contract; and

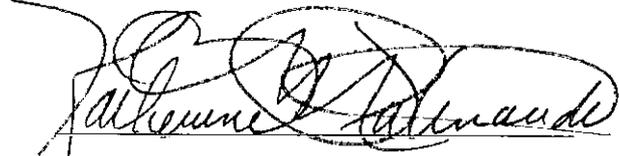
WHEREAS, this agreement is contingent upon the approval of the entire budget at the Town Financial Meeting; now therefore

BE IT RESOLVED, that the Coventry School Committee hereby approves this Resolution, subject to the contingencies set forth above.

PASSED AND ADOPTED this 25<sup>th</sup> day of May, 2011.

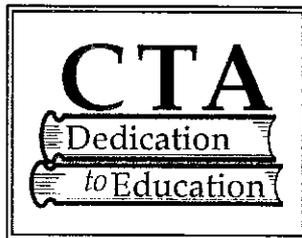
WHERETO: The following bear witness:

  
Michael L. Convery, Superintendent

  
Katherine Patenaude, School Committee

  
Gary Cote, Town Council President

President, Kelly Erinakes  
Vice-President, Joseph Fagnoli  
Vice-President Debra Tyree



Secretary, Michaela Wells  
Treasurer, Gregory Wightman  
Education Chair, Susan TooheyKaye

May 24, 2011

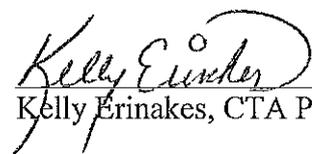
The Coventry School Department, Coventry School Committee, Coventry Town Council and the Coventry Teachers' Alliance agree to the following:

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The Town's support of the School Committee's fiscal year 2012 budget from current year taxes will be \$41,580,728 plus an additional \$1,200,000 from the Town's Reserve Fund for a total of \$42,780,728 in Town support; an increase of \$1,200,000 from the fiscal 2011 appropriation of \$41,580,728. This support is contingent upon \$600,000 of this \$1,200,000 increase being EXCLUDED from fiscal 2013 and future Maintenance of Effort calculations.

The Coventry Teachers' Alliance stated that it would start negotiations with the Coventry School Committee for the next year to assure that not less than \$600,000 will be non-recurring for the new contract.

This agreement is contingent upon the approval of the entire budget at the Town Financial Meeting.

  
\_\_\_\_\_  
Kelly Erinakes, CTA President

Coventry Teachers' Alliance  
3 Hazel Street  
Coventry RI 02816  
401-828-8000

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

  
Town Clerk