

COVENTRY TOWN COUNCIL  
SCHOOL COMMITTEE  
STATE LEGISLATORS  
JOINT MEETING

November 16, 2009 at 7:00 P.M.

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

School Committee: Chairwoman Katherine Patenaude, Thomas A. Hetherman, Andrew Perra,  
Nancy Sprengelmeyer, Lisa Tomasso

Legislators: Senator Leo Blais, Senator Leonidas Raptakis, Representative Scott Guthrie,  
Representative Patricia Serpa

Superintendent of Schools Kenneth DiPietro  
Town Manager Thomas Hoover  
Town Solicitor Patrick Rogers

Pledge of Allegiance and Invocation

President Spear explained that the focus of this meeting is to take a look at State funding possibilities for the remainder of fiscal 2010, pending 2011, and a proposed resolution for consideration at the end of the meeting.

Senator Raptakis reported that the State's deficit will continue to grow, projected revenue estimates are not good and the State is losing at the rate of about \$10 million a month. The auto excise tax is still in limbo. In January the Governor may propose a supplemental budget to try to plug the deficit. Senator Raptakis further stated that the following year will be worse with debt close to \$250 million. He requested a priority list from the Town Council and from the School Committee regarding mandate relief in the form of a vote or resolution. Senator Raptakis advised there has been discussion regarding a gross receipts tax as well as ideas and ways to generate new revenue, which could eliminate the income tax or the sales tax.

Representative Serpa indicated that by June of this year, you can expect level-funding at best. She further indicated that although she doesn't see any tax increases, more cuts will be coming. She informed Council and School Committee that a bill was passed giving relief on the fire safety codes, with an extension through January 1, 2011.

Representative Guthrie commented that it is time for severe tax restructuring in the State. Cuts are expected in 2010 and a supplemental budget is likely. We are waiting for the governor's budget; we can't do anything without the governor acting first. The Governor wants to cut the 4<sup>th</sup> quarter car payment, but he can't do it without legislative approval. It will be acted on in the next session.

Senator Raptakis stated that there are certain pieces of legislation that, if repealed, will give you the tools to continue without tax increase.

Manager Hoover added that the town is working with a 6 ½ percent budget reduction, and a capital improvement budget that was cut in half. A hiring freeze has been initiated. Schools were level funded and many non-profit organizations have gone without subsidies. Month by month, the good news is that we are actually below our expenditure estimates; the bad news is that we are also not collecting as much as we projected. When you talk about the governor cutting auto excise tax, we would hope that we could work together to try to find some kind of relief. We don't want to look at raising property taxes and it would be catastrophic in this fiscal year if we have to take a \$728,000 hit.

School Superintendent Ken DiPietro commented that the burden cannot be all on the municipalities; there is a need to find another way.

Vice-President Flanagan added that the Town Council worked line by line on last year's budget and has done what was asked of us. This State should not reward inefficiency, but rather the municipalities who have done what was asked and made the cuts.

Representative Serpa suggested that municipalities work with Dan Beardsley of the RI League of Cities and Towns or Tim Duffy of RI Association of School Committees and prioritize mandates/mandate relief. Recently most of the 39 cities and towns came together on the subject of binding arbitration; it was very effective as all sent the same message through resolutions.

Senator Blais indicated that not only has the State decreased its revenue, tax collections are not coming in. When you look at unemployment funds, we are at zero right now and have to borrow \$88 million from the federal government. As long as the federal government does not charge interest, we do not have to go back to our businesses and increase the unemployment tax. Senator Blais does not foresee any increase in revenue. Further, he does not see how this State will create jobs when we can't

keep businesses in the State. We have to prevent our own State agencies from having an increase in their own budgets. However, Senator Blais commented that he will not vote to pass on the \$200 million debt to the communities that he represents. Senator Blais further indicated that he believes the best the town will see is level funding and the Town should probably plan on a 10% cut.

Manager Hoover commented that under the current circumstances, 75% of expenditures are personnel.

Finance Director Warren West urged legislators to inform the Town as soon as possible with regard to cuts, as it will be much worse if we have to wait nine months to find out where we have to cut before the end of the fiscal year in June. President Spear agrees that the longer it takes, the more of a negative impact it will have.

Judy Liner, 20 Lynn Drive asked if the State uses a formula to determine allocations to the cities and towns; Senator Raptakis explained that it is based on population as well as other factors.

Senator Blais commented that any formula that is set up to divide a pot of money would be distributed first to the urban corp, made up of Woonsocket, Providence, Pawtucket, Central Falls and Newport. Nine senators represent Providence, so any of those calculations for revenue sharing on need or population basis are always given to the urban corp.

School Committee member Lisa Tomasso stressed that the State needs to look at how it can bring in revenue rather than cut. Nancy Sprengelmeyer, School Committee member commented that there are many creative thinking school superintendents who should be given the opportunity to explore their ideas and find solutions.

Senator Raptakis suggested that cities and towns think about consolidation, how and what to consolidate.

Ron Gizzarelli, Harrington Road, believes the Council should send a message to the General Assembly by passing this resolution. Cities and towns should come together collectively and challenge unfunded mandates. He suggested consideration of a surtax on gross income, both in retail sales, businesses and income tax, with sundown provision.

Town Manager Hoover noted that listed on the state finance office website is a list of mandates that are determined to be reimbursable, but the fact is they are not reimbursed. I believe that there are many creative ways that we could possibly implement and adhere to these mandates; but let us find the way to meet those mandates. No town or city that has been recommended for reimbursement has received reimbursement.

Superintendent DiPietro discussed mandate relief and suggested that if he had control over the mandates, he would be able to reduce by \$1.5 million with no adverse impact on safety to the children. Within a year, he could come up with a plan. Senator Blais advised that he will draft legislation accordingly once legal counsel gets the proper wording to him.

Dan Beardsley, Executive Director  
RI League of Cities and Towns.

Mr. Beardsley pointed out that since 1990, no city or town has been reimbursed for mandates passed between 1979 and 1989 and any that were passed subsequent to 1990, requires a line item in the budget. Councilwoman Flanagan questioned the reasoning as to why the town has to pay for the \$40,000 cost for law enforcement educational incentive pay or for infertility testing.

Superintendent DiPietro strongly believes that many of these educational mandates have to be checked out and questioned; some may be able to give us some leverage and others should be challenged. Cities and towns are asking our legislators for a moratorium on select mandates. Some mandates are valued and need to be funded; on others there may be alternatives.

Wayne Asselin asked what the chances are that the General Assembly will affect the kind of changes we need and Senator Raptakis responded that it also depends how the lines are drawn with special interest groups.

After discussion of a proposed resolution, both Town Council and School Committee concurred that the following amendments should be made:

1. On page 2 of resolution, delete the words "until the economy, nationally and in the State of Rhode Island, improves" in the paragraph which begins NOW, THEREFORE....
2. On page 2 of resolution, delete the words "cities and towns" and make specific to the Town of Coventry in the paragraph which begins NOW, THEREFORE.....
3. Eliminate the last paragraph on page 2 which begins "The Town Council...."

Motion made by Nancy Sprengelmeyer seconded by Tom Hetherman to approve resolution as

amended. School Committee all votes aye.

Motion made by Frank Hyde seconded by Laura Flanagan to approve resolution as amended. Town Council all votes aye.

RESOLUTION  
OF THE  
TOWN COUNCIL AND SCHOOL COMMITTEE

WHEREAS, the National economy has resulted in revenue deficits in States throughout the country to include the State of Rhode Island; and

WHEREAS, unemployment has risen to over 10% nationally and over 13% in the State of Rhode Island; and

WHEREAS, the challenged economy has placed an additional burden on taxpayers to meet rising costs and debt interest, with wages that have been lost, reduced or that have failed to keep pace with the cost of living, and

WHEREAS the deficit in revenues in the State of Rhode Island has resulted in a decrease in State Aid to cities and towns placing additional financial burden on local taxpayers; and

WHEREAS, local governments in the State of Rhode Island, including Coventry, are struggling to provide essential services to their citizens; and

WHEREAS, the State of Rhode Island has issued certain mandates to cities and towns through general laws and regulations over the last several decades which place the burden of cost on local communities; and

WHEREAS, a number of unfunded mandates result in costs to local communities that have not been reimbursed by the State of Rhode Island; and

WHEREAS, the Department of Administration reviewed FY2006 expenses submitted by ten (10) municipalities in Rhode Island and approved over \$1.129 million of expenses that were eligible for reimbursement in 2009 but which were unable to be reimbursed due to the economy; and

WHEREAS, some mandates have diminished in impact and importance over time while other mandates require a specific costly response which may have a more cost-effective alternative proposed by a local community, and

WHEREAS, cities and towns in the State of Rhode Island have begun to collaborate on shared services and other mechanisms to maintain the delivery of services to its citizens in more cost-effective ways; and

WHEREAS, cities and towns are most familiar with efficient means of meeting state mandates;

NOW, THEREFORE, be it resolved, that the Town Council and School Committee of the Town of Coventry, Rhode Island hereby request of the General Assembly that a moratorium be placed on all unfunded mandates and further request that the Town of Coventry be granted the right to work towards meeting state mandates through whatever local policy currently exists or may be established at the local level, and that the General Assembly delegation representing the Town introduce and work for passage of legislation necessary to effectuate that goal.

Senator Raptakis advised that after the fiscal summit on December 1, there should be more answers. It was agreed by both the Town Council and School Committee members to hold another joint meeting with the legislators on January 4, 2010.

Motion made by Town Council member Laura Flanagan seconded by Ken Cloutier to adjourn meeting. All voted aye.

Motion made by School Committee member Tom Hetherman seconded by Nancy Sprengelmeyer to adjourn meeting. All voted aye.

Meeting adjourned at 9:45 p.m.

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Cheryl A. George  
Town Clerk