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Board Meeting Coventry Fire, Anthony District

Wednesday, March 28, 2012

Meeting called to order at 7:05 P.M.

Board members in attendance Gary Cote-chairman, Shirley Matthews-co-chair, Peter Pankowicz, Jim Beckman, and Louis Cote. Also Chief Labbadia and Deputy Chief Robert Warren.

Gary Cote welcomes everyone to the meeting. First order of business is the tax office report, prepared by Jean Lukowicz tax collector and read by Gary Cote. Taxes collected to date are \$954,366.94. Interest collected to date \$32,779.43. Total taxes \$987,146.37. The first quarter is officially over. and the second Quarter is due April 30, 2012. A total of 156 letters were sent to Arthur Capaldi in three batches and all of them have been mailed. We have collected \$22,557.76 to date from letters, plus \$5,775.00 collected to date for legal fees, which are turned over to Arthur Capaldi.

Gary Cote introduces two gentlemen from the Anthony mill project. Chris Starr from Starr Corporation and Ron DaCola. The reason they are here tonight is to discuss a deal with the fire district in regards to the tire taxes on the mill. Gary Cote, as the president of the coventry

Town Council has been dealing with them in regards to the tentative deal they have made with the town. The town has tentatively agreed to a deal that drastically reduces the impact fees so the project can continue and also help speed up the project. When the mill was purchased, these gentlemen were under the belief that there was a \$55,000,000.00 TIF that went along with the mill. They found out that the TIF actually never existed. The mill was originally assessed at 1.2 million dollars, but it lowered to \$850,000.00 by a court order. The tentative deal the town made with the mill was to keep the mill assessed at \$850,000.00 until 2015. Starting in 2016 the mill would be assessed at \$2,850,000.00. In 2017 the mill would be assessed at \$4,850,000.00. and beginning in 2018 be assessed the full value at whatever it may be at that time. The partnership for the mill is at this time requesting the same deal with the fire district so it is in line with the tentative deal from the town. Louis Cote asked if they had a start or completion date in mind. Chris Starr said the first phase was to finish with permits and approvals. Second phase was to secure financing, and investors. The third phase is to begin construction, which is likely to begin in 45 -60 days on the low end and 60-75 on the high end. Garv Cote mentioned that

the project is already before the planning and development committee, and already has been rezoned. Peter Pankowicz asked what exactly are they looking for from the district in terms of tax breaks. Gary Cote answered that they were looking for the same deal as the tentative deal with the town as far as leaving the assessed values at the same as the town for the same time period. Gary Cote also stated that we are under no legal obligation to follow the same tentative deal as the town. Jim Beckman asked why the deal with town is only tentative. He wanted to know if the partnership for the mill wasn't willing to enter into the agreement with the town until they had an agreement with the fire district. Jim Beckman also asked if the agreement with the district, if approved, would also be transferrable if the mill was ever sold. Gary Cote said that question has never been brought up, but states that the partnership for the mill is worth millions of dollars and he doesn't see them selling the mill. The partnership agrees that they have no plans on selling the mill. Jim Beckman asked Chief Labbadia if the budget included the mill at its

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\$850,000.00 assessed value. Chief Labbadia said yes, but we are not under any legal obligation to continue that deal as the mill increases in value. Shirley Matthews asked if the partnership for the mill has a plan in case of the building being damaged by fire. There have been a lot of mill fires in recent history during the renovation process. The partnership said that the mill is insured and they plan to continue with the project. Gary Cote told Shirley Matthews that the mill has insurance as a vacant building at this time. The Chief told Shirley Matthews that the mill would have to be brought up to the newer fire codes and a sprinkler system would have to be installed. Chief Labbadia asked what the estimated value at build up would be upon completion. Mr. Starr told the chief that it was expected to be between \$ 16 and \$ 20 million. Mr. DaCola agreed and stated it would definitely be over \$10 million. Chief Labbadia asked how many units they were planning on having in the mill. Mr. Starr said anywhere from 112-125 units. It depended on the spacing and whether they would have one or two bedroom units and enough parking. Mr. Starr said the federal tax credits on the mill don't expire but the state historical credits expire in May of 2013 and the building must be at a

certain percent done at that time.

Gary Cote said the town is ready to enter into a tentative agreement.

He thinks it's a benefit to the

town and the district even though the benefits won't be immediate. In

the long term he thinks this is a

good opportunity financially for the district. The benefits to the town

will be the use of local companies

in all phases of construction. Gary Cote mentioned that the board and

the tax payers went out on a

financial limb to buy a new ladder truck for \$700,000.00. The purchase

was made for two reasons. The

first reason was to keep the ISO rating low so that the home owners

insurance for the tax payers would

not rise. Home owners insurance is based on the districts ISO rating.

The second reason was that they

expected the mill would eventually be renovated and in the case of a

fire a ladder would be needed to

rescue people. The ladder is a twelve year rent to own lease with

payments of \$56,000.00 annually.

Gary Cote asked if the partnership would be willing to make one of those \$56,000.00 ladder payments.

Mr. Starr and Mr. DaCola said that they would have to talk the rest of the partnership before making

that kind of deal. Gary Cote said that he understood and that he expected that they would not be able

to answer for the partnership but felt that he needed to ask on behalf

of the taxpayers, he also thinks it would be a nice gesture. Gary Cote stated that it doesn't matter what the answer was he still thinks the deal is a good one and would like to see it go through. The Chief asked how serious the partnership was about the figures and dates. Mr. Starr said the partnership would like continuity between the deal with the town and the deal with the fire district. The Chief thought that maybe they could keep the assessed value lower for longer if the partnership would be willing to help the district purchase new equipment. He figured that maybe in 2016 instead of assessing the mill at \$2,850,000.00 they would assess the mill at \$1,850,000.00. Maybe the partnership would be willing to buy the district a \$300,000.00 fire engine or lease the engine and make the yearly payments as they come due and give the district the truck when the lease was done being paid. Mr. Starr asked what the commercial tax rate was for this district. The Chief told him it was \$4.30 per thousand of assessed value, which is only 20% of the taxes the town gets from the mill. Mr. DaCola stated that the lack of the \$5,000,000.00 that they were told was available when it wasn't put them in a bad place. Gary Cote said he thought it was a good deal and he recommends that they enter into the deal

with the partnership. Jim Beckman asked if the issue is still on the table, and if not, when would it be brought back up. Gary Cote said that they could but it would have to be next week and a decision would have to be made quickly because time is of the essence due to the tax credits expiring. Louis Cote said he was ready to

vote and Peter Pankowicz thought they should vote. Louis Cote makes a motion to vote on the deal, seconded by Peter Pankowicz. Louis Cote asked if the vote was contingent on the \$56,000.00 ladder payment. Gary Cote said no, and Shirley Matthews said it was not included. Peter Pankowicz voted yes, Shirley Matthews voted yes, Gary Cote voted yes, Jim Beckman did not vote, and Louis Cote did not vote. The motion carries as an unanimous vote in favor of the deal. Louis Cote mentioned that there was a merger meeting on March 20, 2012 and that he and Peter Pankowicz attended along with Chief Labbadia and Chief Seltzer from the Central district. They discussed the consolidation plan and Chief Labbadia gave a good presentation. They are scheduled to have more meetings. Louis Cote gave the evaluation numbers to the Central district so they can see the figures and see if a merger is possible.

There is a list of about 80 things that need to be looked at and most of them are already done. There are only around 24 items still needed. Chief Labbadia said that the merger talks have gone very well so far. The contracts for both districts are very similar and they have been working and training together.

The budget is very inflated at this time because it includes both budgets for now until one can be worked out. The Chief also decided to contact the other districts who have not been involved in the merger to see if there was any interest in all the districts merging, but the conversations were not productive. The Chief's main goal is to provide the tax payers with better service for less money. Louis

Cote mentioned that our district and Central having been running together, they merged local unions, and they have trained together, and the contracts are very similar. Jim Beckman asked if this merger will increase the upper ranks. The Chief answered yes, but that it was already in the budget. Jim

Beckman said the merger is a no brainer. The Chief said it has to be done right and more people need to come to the meetings, so they can understand what is actually happening. Gary Cote that we need an aggressive public campaign to get the people involved. Gary Cote asked what the chances were for

Western Coventry, and Hopkins Hill to join the merger. The Chief said slim to none. Gary Cote asked what the time line would be for the merger. The Chief said it will take a few more meetings and more public involvement. The Chief mentioned that he has changed the electric supplier from National Grid to an independent company. This change will save the district between two to three thousand dollars a year. Gary Cote said the Town of Coventry has been looking into wind energy, and the fire building may be able to purchase the extra and save even more money. Gary Cote asked who would be responsible for changing any street lights. The Chief said National Grid would still be in charge of changing the lights. Shirley Matthews asked if National Grid would be charging us a surcharge. The Chief said their charge is on the bill but we would still save the two to three thousand dollars. Shirley Matthews asked if all the fire boxes were gone. The Chief said yes.

Public comment:

David Gorman asked what the deal was with the mill and the town. Gary Cote explained the tentative deal that the mill has with the town. Mr. Gorman has a concern with the mill getting an abatement when they will be receiving fire services. Mr. Gorman also feels that we will be stretching fire services

and will not gain much in return. He mentioned that it was not on the agenda that there would be a discussion of abating taxes, and the public should have been informed. Michael Stevens agreed with Mr. Gorman and they are not sure about the legality of the vote. Mr. Stevens stated that abating taxes when where struggling to make budget doesn't make much sense. Mr. Gorman felt that the deal with

the mill partnership was a bad business decision. Mr. Gorman felt that Gary Cote was steering the board into voting on the deal. Jim Beckman asked if one week really would have made a difference.

Gary Cote stated that he did not steer the board in any way. Gary Cote said that he thought it was a good deal for everyone. He spoke last and gave everyone else an opportunity to speak. Mr. Gorman felt that the issue should have been tabled. Deputy Chief Robert Warren said that maybe the issue should have been tabled and maybe another offer could have been made. Mr. Gorman said that by the charter fire taxes could not be abated. The Chief said that sometimes you have to abate taxes or they hang on the books forever. Mr. Gorman asked why the minutes have not been filed on the Secretary of State's website. Mary Perry said that she was never told that they

needed to be filed on the website.

The minutes are typed within two days of the meeting and available.

Shirley Matthews stated that the

board was told by previous legal counsel that the minutes did not have to be filed on the website.

Deputy Chief Robert Warren said that Central doesn't post their minutes either and neither does East

Greenwich. Louis Cote asked if we could have the mill independently assessed. The Chief said we can

but we can also go by the build out plan figures. Shirley Matthews made a motion to check the legality

of the vote as it was not on the agenda, and seconded by Jim Beckman. Louis Cote votes yes, Peter

Pankowicz votes yes and Gary Cote votes yes, all in favor. Motion carries unanimously. Shirley

Matthews made a motion to adjourn, seconded by Louis Cote all in favor, meeting adjourned at 8:25

P.M.

Respectfully submitted,

Mary Perry, clerk