

STATE OF RHODE ISLAND
KENT, SC.

SUPERIOR COURT

Girard Bouchard, in his capacity as
President of the Board of Directors
of the Central Coventry Fire District
Plaintiff

vs.

Central Coventry Fire District
Defendant

K.B. No. 12-1150

PETITION FOR INSTRUCTIONS

NOW COMES Richard J. Land, the Permanent Special Master appointed herein, and respectfully requests instructions from the Court regarding the Central Coventry Fire District's ("CCFD" or "District") diminishing cash reserve to support ongoing operations absent improved collection of tax bill revenues or additional sources of funding. In support this Petition, the Special Master states as follows:

1. The District's present cash on hand is approximately \$670,000 and is decreasing by \$100,000 - \$120,000 on a weekly basis due to operating costs. Although revenues from FY2012-2013 tax bills continue to come in, such revenues are insufficient to satisfy current expenses. At the District's current "burn" rate, cash on hand will be exhausted by early to mid October.

2. The District is scheduled to hold a special meeting on October 21, 2013 where voting on the FY2013-2014 budget will take place. First quarter FY2013-2014 tax bills will not be issued until sometime in mid-November. Consequently, the District will not receive sufficient tax revenue to support ongoing operations until mid-November or later.

3. As the Court is aware, the District has limited sources of revenue. The primary source of revenue is the collection of taxes. Adjusted FY2012-2013 tax bills were mailed to District residents and the deadline for paying the adjusted bills expired August 15, 2013. While the District did receive an influx of payments on or around the deadline, the uncollected balance of FY2012-2013 is approximately \$900,000 which constitutes approximately 17% of the anticipated tax revenue.

4. The Special Master suggests that reminding taxpayers that failure to pay CCFD tax bills could have serious consequences, including subjecting taxpayers' property to a tax sale, may accelerate collection of accounts receivable.¹

5. Accordingly, the Special Master requests that he be authorized to publish a notice in the Kent County Times, and electronic versions of the Coventry Patch and Providence Journal, notifying taxpayers that the District intends to pursue all unpaid tax accounts, including by tax sale of delinquent properties.


6. Without the collection of accounts receivable, or some other source of revenue, the Special Master will be forced to seek financing from a third-party to maintain the District's ongoing operations until the collection of FY2013-2014 tax revenues.² The Special Master believes that such third party funding may not be readily available.

WHEREFORE, the Special Master respectfully requests that (a) he be authorized to publish a notice in the Kent County Times, and electronic versions of the Coventry

¹ The Special Master communicated with the Board on several occasions to schedule a tax sale for delinquent accounts but no firm date has been set, nor have publications or notices been prepared. The Special Master anticipates that once the Board has completed its planning for the October special meeting, the Board will attend to the next tax sale.

² The Special Master previously raised this issue on May 9, 2013 and sought approval of interim financing in his Petition to Approve Financing. While the Petition to Approve Financing was met with objections and ultimately denied without prejudice, the District finds itself again in the same predicament outlined in the Special Master's Petition to Approve Financing.

Patch and Providence Journal, notifying taxpayers that the District intends to pursue all unpaid tax accounts, including by tax sale of delinquent properties, on a date to be determined by the Special Master, and (b) your Special Master be granted such other and further relief as this Court may deem proper.



Richard J. Land, Special Master
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