

# Budget in Brief

**Proposed Fiscal Year 2017/18 Budget**  
**Town Meeting: Friday, November 17, 2017**  
7:00 P.M. Large Lecture Hall,  
Coventry High School, Ripley Hill Road



## Overview

Responding to the expectations of Coventry residents for better and more efficient services, Town and Board staff reviewed programs and services and prepared budget proposals that address the stated goals of the Town Council and Board of Education. This review was undertaken in the context of the very weak State and improving National economies. Existing services have been maintained and infrastructure repairs, services to students, seniors, and public safety have been given a priority. The Town Manager's recommended budget demonstrated that most agency budgets were submitted with only a modest or no increase, made up with a decrease elsewhere. No new full time Town staffing is proposed. The full budget was reviewed and modified by the Town Council and reduced from requests by \$2,957,014.

“The Town Council’s budget proposals for the Town, Board, Capital and Debt Service call for a \$236,827 spending decrease.”

The Town Council’s budget proposals for the Town, Board, Capital and Debt Service call for a \$236,827 spending decrease. This year’s process was complicated by very uncertain State revenues and proposed new expenses. The long delay in the State adopting a budget caused chaos to our process.

The proposed budget will require a mil rate increase of .8 mils or 2.6% and the proposed mil rate will increase to 32.0. This increase was already set and billed so no supplemental bills will be required. The proposed budget has been sent to the Annual Town Meeting scheduled for Friday November 17, in the CHS Large Lecture Hall at 7:00 P.M. The full budget document is available on the Town’s website, [www.coventryct.org](http://www.coventryct.org), under Finance. The adjourned Town Meeting vote is scheduled for Tuesday, November 28, 2017. There is also a question seeking authorization for borrowing for the renovation and expansion of the Booth & Dimock Memorial Library which is detailed in the explanatory text on page 4 of this document. There would be no tax impacts due to borrowing for this project until FY 19/20 at the earliest. There is additional information on this project and the many presentations and estimated fiscal impact on the Library’s web page (available as a link on the Town’s web page).



## Budget Process

## Budget Summary

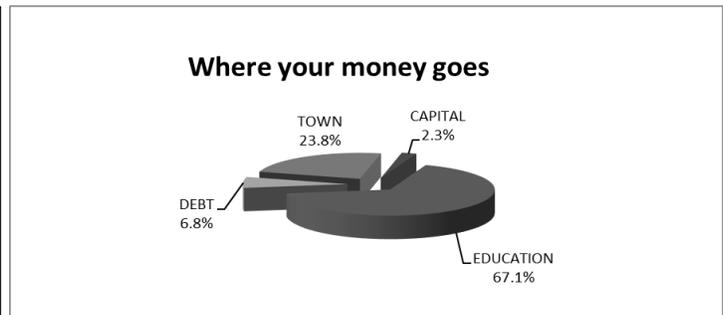
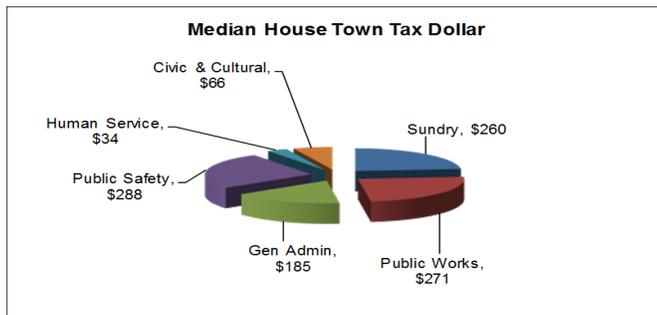
The expenditure part of the budget is broken down into the areas of General Government, Board of Education, Debt Service and Capital totaling \$40,313,975, a decrease of \$236,827. This is a decrease of .06% compared to the adopted FY16/17 budget. The Board of Education budget is a \$96,681 decrease over the adopted budget. The Town budget including the Library and Fire services decreased by \$68,126. The Capital and Debt Service budget are a combined decreased \$72,020. A breakdown of the budgets are illustrated

**“ The combined budgets are a .6% decrease over the FY 16/17 budget .”**

Budget Area	Adopted Budget	Requested Budget	\$ Change	% Change
	FY 16-17	FY 17-18		
General Government	\$9,680,544	\$9,612,418	-\$68,126	-.7%
Board of Education	\$27,141,365	\$27,044,684	-\$96,681	-.4%
Debt Service	\$2,760,106	\$2,724,073	-\$36,033	-1.3%
Capital	\$968,787	\$932,800	-\$35,987	-3.7%
<b>Total</b>	<b>\$40,550,802</b>	<b>\$40,313,975</b>	<b>-\$236,827</b>	<b>-.6%</b>

## Town Operating Budget Summary

The Town operating budget recommended for FY 17/18 is \$9,612,418; a decrease of \$68,126. Heating fuel, diesel and gasoline were locked in at low rates allowing budget reductions. No increases are proposed for Town General Fund fees except legal ads for land use applications. The \$5.00 reduction in COVRRRA trash fees from last year will remain in place. WPCA (sewers) has increased fees to cover increased system maintenance. Our health insurance experience is allowing a 7% reduction and savings were also found in retirement expenses. Energy savings due to solar and LED streetlights and conversion of four Town Buildings to natural gas were recognized. Funds were also included for Fire/EMS training (\$7,000) to try to rebuild the strength of the volunteer Fire service. We increased tree work to address blight issues particularly with ash trees (\$10,000). The Capital budget decreased by \$35,987 but still includes \$250,000 of Education projects. A part time senior center aide (15 hours/week) has been added at the request of the Seniors (\$10,920).



To learn more about the fiscal year 2018 proposed budget, you can view the full Town budget document online at [www.coventryct.org](http://www.coventryct.org) under Finance. Copies of the Town and Board of Education budgets are also available for viewing in the Coventry Town Clerk's office during regular office hours.



### YOUR OPINION COUNTS!

If you have questions or concerns about the FY 17/18 proposed budget, please don't hesitate to email John Elsesser, Town Manager at [Jelsesser@CoventryCT.org](mailto:Jelsesser@CoventryCT.org) or call the Town Manager's Office at 860-742-6324.

**Tax bills: Bills were sent out in late June as allowed by State Statute. A Mil rate of 32 mils was established as a best guess of where we would need to be after the State Budget was adopted. During the Summer & Fall months residents were advised that depending on how severe the state aid cuts were supplemental bills may be a possibility. We are pleased to confirm that with some additional reductions no additional bills are required.**

## Operational Efficiencies and Cost Containment Efforts

**"Your ideas and suggestions are always welcome."**

The hard economic times faced by the State of Connecticut have created the need for towns to tighten budget controls. But as always, there is a silver lining. Increased interest in regional and collaborative efforts have created several innovative approaches which the Town of Coventry has been able to participate in to save money and improve services. We have received many grants and sold off old equipment, and purchased used surplus equipment at unbelievable deals. We have worked with volunteers and sports leagues to improve athletic facilities and experimented with new road treatments. We even have directly imported items to reduce costs. We continue to evaluate how we do business to strive for ways to provide better service at less cost. Your ideas and suggestions are always welcome. Please send them to [Jelsesser@CoventryCT.org](mailto:Jelsesser@CoventryCT.org).

## Board of Education Summary

The Board of Education budget is proposed at \$27,044,684; a decrease of \$96,681 or -.4% from their originally adopted FY 17 budget. Details are available on the web at [www.coventrypublicschools.org](http://www.coventrypublicschools.org). The Council originally, in April, reduced the Board's request by \$1,233,860. This recognized post budget submission savings in insurance and pension in the range of \$250,000 and restored the excess cost offset funds to the Board budget in the range of \$769,000. The balance of approximately \$215,000 required the Board to reduce their proposed spending plan. In September an additional \$136,681 was reduced.

## Revenues

The property tax is the major revenue source (76.0%) for Coventry. This is an increase of 2.7% required mostly due to State revenue reductions of \$991,678. The 2016 grand list increased very slightly from the prior year by only .1%. Calculated on the new grand list, one mil will now raise \$937,758 of taxes. The Town Council's proposed budget requires a mil rate of 32.0 to balance the budget. This is an increase of .8 mils or 2.6% compared to FY 2016-17. This was set and billed in June and no adjustments will be necessary. Tax growth was restrained due to impacts of reductions from crumbling foundations.

Intergovernmental revenues, mostly State aid, are the second largest source (22.4%) of revenues for Coventry. This is a reduction of 4.3%. These revenues are based on the adopted State budget but some mid-year cuts are expected. Our estimates include a net year-to-year reduction in State aid of \$991,678 which is equal more than one mil. Additionally, the sewer assessment fund will not have enough funds to pay for the full sewer bond payments so there was a reduction of \$120,000 in an inter-fund transfer.

Other local revenues consist of a variety of fees for permits, services and interest earnings. This source of revenue is expected to increase by \$76,451 due mostly to police special duty fees from private construction projects (\$27,000) and an anticipated insurance dividend (\$24,000).

## Mil Rate

Assessed value is 70% of the October 1, 2014 fair market value. It is estimated that the median house in Coventry is now assessed at \$144,900. This means that half the properties are above this point and half are below. The proposed mil rate of 32.0 carries a tax impact on a median valued household of \$386.42 per month, or \$4,637 a year. This is a proposed increase of \$116 annually or \$9.66 per month. Over the years, the Coventry taxpayer has assumed a greater proportion of the tax revenue needed to support annual operations due to declines in State aid. No supplemental bills are warranted.

**Explanatory text prepared pursuant to CGS Sec. 9-369b  
for Friday, November 17, 2017 Annual Town Meeting and Tuesday, November 28, 2017 Referendum  
on the Booth and Dimock Memorial Library Building Expansion and Renovation Project**

**Question:** Shall the resolution making an appropriation of \$5,400,000 for the planning, design, renovation, construction, reconstruction and improvements to the Booth & Dimock Memorial Library be approved?

YES \_\_\_\_\_ NO \_\_\_\_\_

**Background:**

In 2013 the Booth & Dimock Library Board of Trustees conducted and adopted a Library Space Planning Review per the guidelines of the CT State Library, which determined that they needed 12,000 square feet of additional space and other needs. The Board presented findings to the Coventry Town Council which on March 3, 2014, appointed a building committee to review the space planning report and provided funding to hire an architect to assist in the review. DRA Architects of South Windsor was hired and working with the committee was able to reduce the square footage to an 8,000 square foot addition plus renovations and site work.

The Town Council reviewed these concepts and authorized submission of a grant application to the CT State Library. A \$1,000,000 grant was awarded.

The building committee met with the Town Council in early 2016 and was tasked to review the proposed budget, ownership issues, parking requirements, seek other funding options and confirm the State's grant conditions. With completion of these tasks, the Council is forwarding the project to voters for their consideration.

With the \$1,000,000 grant the net project cost will be \$4,300,000 (assuming other grants don't reduce this further). IBIC, the Town's financial advisor, has estimated that the project will require debt payments in fiscal year 2020 of \$462,402 annually. When combined with existing obligations due to paying off other debts the combined debt service will still decrease by an estimated \$215,027 from fiscal year 2019.

If approved, the Library project will have an estimated impact of .49 mils which equates to \$71.48 per year (\$5.96 monthly) for the median household in town. Combined with other existing debt this would have a total debt service in 2020 of 1.85 mils compared to a combined total debt of 2.08 mils in 2019, a .23 mil reduction in estimated debt service. This assumes other debt is not approved.

If the referendum is approved, design and permitting would take place over the winter and State grant funds are anticipated for release in Spring, with a Summer construction start likely.

The foregoing question will be submitted to the legal voters of the town for a vote on Tuesday, November 28, 2017, during the hours between 6:00 o'clock (a.m.) and 8:00 o'clock (p.m.) (EST); that the voting take place in the polling places established in voting districts #1 & #2; and that those voters entitled to vote by reason of section 7-6 of the General Statutes of Connecticut, revised to January 1, 2017, as amended, may vote at District #1. Absentee ballots will be available at the office of the Town Clerk on November 20<sup>th</sup>, 2017, as provided by law. The polling places are as follows:

District 1 - Central Fire Station  
1755 Main Street

District 2 - North Coventry Fire Station  
3427 Main Street