



OFFICE OF THE TOWN MANAGER
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April 4, 2019

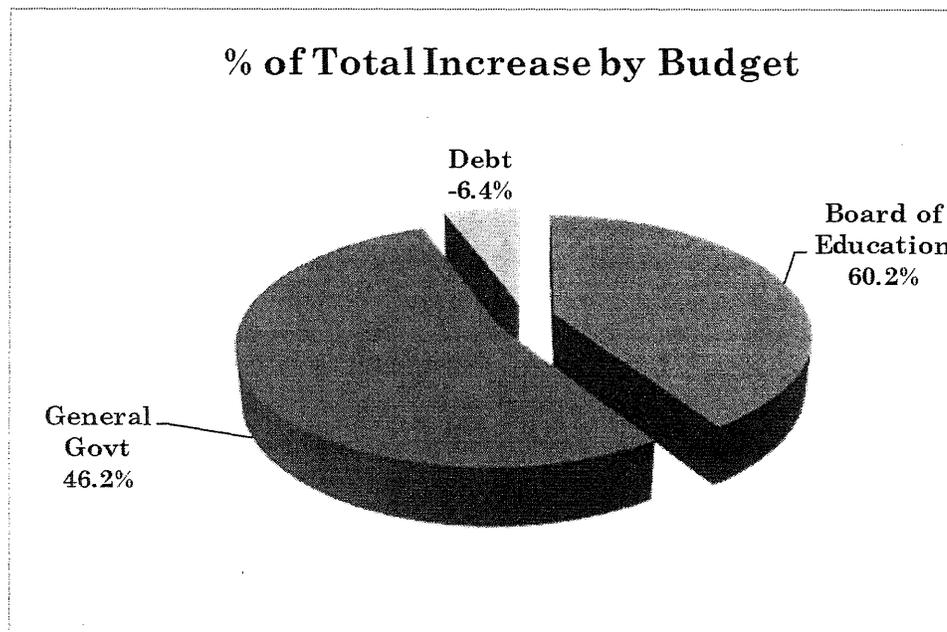
To the Coventry Town Council and Citizens of Coventry;

In accordance with the Coventry Town Charter, I am presenting to the Town the Town Council's recommended budget for Fiscal Year 2019-20 in the amount of \$41,341,564. The Town, Debt Service, Capital, and School budgets have increased by \$529,078. This is a 1.30% spending increase in year over year compared to last fiscal year. State aid reductions this year will require local property taxes to make up the difference. The proposed mil rate required to fund the proposed FY 20 budget is 32.60 which is an increase of 0.4 mil or 1.24%. **State Education Aid (ECS) is has been reduced by \$542,288 (6.55%) and other grants by \$33,000 for total reduction of \$575,288 over last year's adopted budget which is equal to 0.60 mils. This accounts for all of the proposed increase. These aid reductions are also scheduled to increase next year.** It is very important to note that the State budget is not yet finalized and payments toward the Teachers retirement may remerge even though they were killed by the Education Committee. The Governor's proposed budget also included a \$80,784 cost shift to the Town which is equal to 0.08 mils.

This budget was originally developed by the Town Manager with the goal of minimizing any tax increase but still addressing urgent community needs. Working with Staff and the Schools we were able to absorb a portion of the reduced aid and maintain essential services. While there are adversities, there are also opportunities. We have received significant grants for road and bridge improvements which will soften long term obligations. We also have paid off significant debt allowing us to consider other public work improvements such as roads, our share of a bridge and a school parking lot. The Council adjusted the budget by reducing the Town budget by \$47,848, Education budget by \$75,000, Debt Service by \$33,000 and Capital by \$80,000. With modest revenue increases this allowed a 0.35 mil reduction in the Manager's proposed budget.

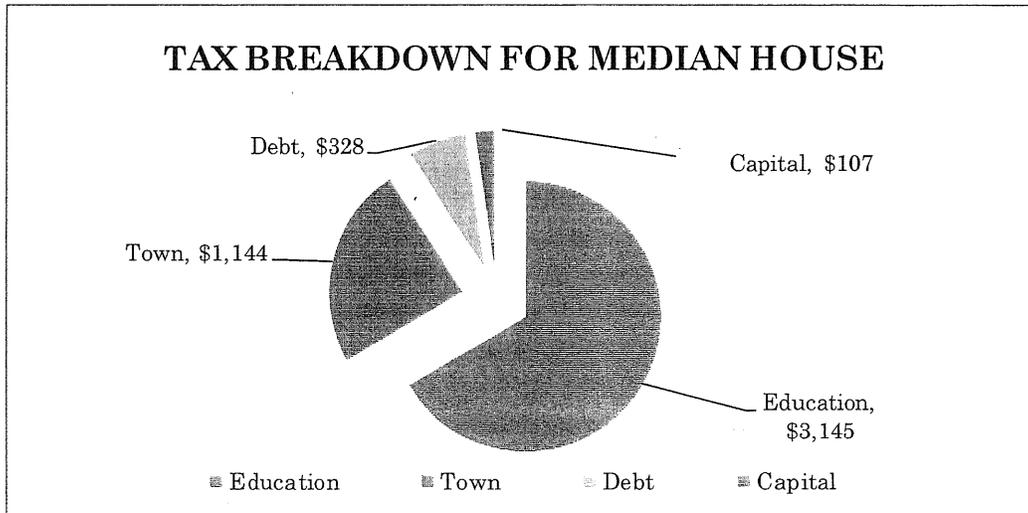
The Council and staff are very aware of the economic conditions that exist in our state and nation. While Coventry is better off than many communities, and continues to see some grand list growth and real estate sales, the state economy is not predicted to come roaring back and more likely it will be a slow climb to better times. This is compounded by the new emerging issue of crumbling concrete foundations. We already have lost almost a million in grand list value and believe it will get much worse before the crumbling concrete foundation issue is resolved.

We continue to see positive signs of economic recovery. However, we recognize that tax increases will not be easily absorbed by many in our community, so they have been kept as small as possible. The chart below shows the percentage of the total proposed increase allocated by budget.



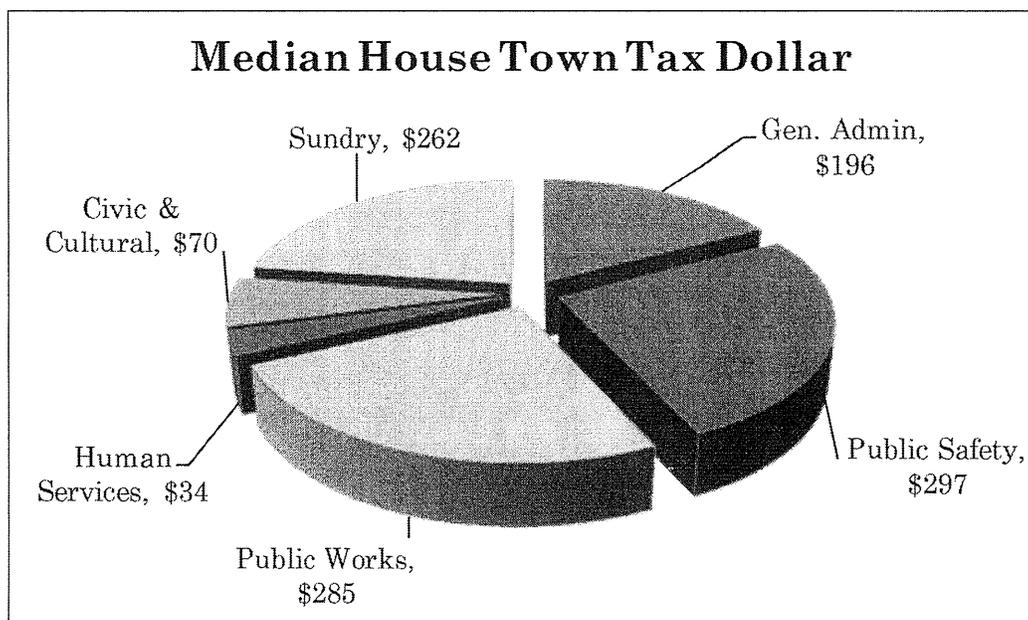
This budget should not be classified as a status quo budget. Both the Town and school district have proposed changes to move the community forward. The focus is on prioritizing services and developing the most cost effective ways to accomplish them. "Status Quo" alludes to standing still. Neither agency believes the times allow this as an alternative. Instead, we are moving forward toward a goal of providing better and more cost effective services. Resources are being reallocated to areas of need. Some services may be reduced and/or curtailed. Others with demonstrated need may receive more attention.

The following chart shows how the proposed taxes on a median house are allocated between the four budgets.



Town Operating Budget – a \$318,946 increase: 3.29%

The General Government is seeking an increase of \$318,946. We have tried to make adjustments without creating too many negative impacts on service to the citizens. We have evaluated many options to reduce expenses and to bring in additional revenues. The budget is presented to show how some of the proposed budget initiatives are designed to address the adopted goals of the Town Council. Please review that section found later in this budget letter. The following chart shows how the tax dollars on the median house are divided by service delivery area.



Capital Budget – a zero increase

The Capital Budget is proposed to be frozen at current funding levels. The proposed amount does not make progress toward the sustainability level, and viewing the projected needs will not avoid steep future increases. Historically many proposals were delayed until more funds were available. The long backlog of essential projects and equipment replacement continues to grow. Many of these projects increase in costs over time and the Town ends up borrowing to “catch up”. If we could, we should be paying cash now to reduce the long term costs to the community, but ability and willingness to pay are real factors which always must be considered. We continued the practice of limiting lease purchases to equipment costing at least \$50,000. Please see the Capital section of the budget for a list of proposed projects and purchases. The Capital program can also be used as a hedge against receiving less than expected State Aid. If the revenue does not come through as promised by the State, portions of the capital budget could again be frozen or reduced to assist in balancing the budget.

Debt Service – a \$34,118 decrease: -1.17%

Debt Service will decrease by \$34,118. Debt service is only 6.9% of the annual budget. A majority of the previously scheduled decrease is now proposed to be used to cover the cost of a proposal to implement a road bond in the amount of \$4,000,000 to be implemented over the next 3 years. The Council was able to lower interest rates assumptions after the Fed announced no planned increases for the remainder of this calendar year. It is a good time to lock in rates for new borrowings. There is also a proposal to use lease purchasing to replace one dump truck and replace radios for the public works department to allow them to use the new State radio system and also communicate with the Police Department. (See Debt Service section of budget).

Board of Education – a \$244,250 increase: 0.9%

The Board of Education budget requested \$319,250 in additional funds for a total request of \$27,601,597, a 1.17% increase. The Council reduced this by \$75,000, with \$40,000 coming from health insurance rate increase reduction and the balance to be found by the Board. This is a \$244,250 increase of 0.9%. Additionally, \$680,000 in education capital projects is proposed comprised of computers, classroom furniture, and replacement of the parking lot at the Coventry Grammar school (in bonding package). A pick-up truck was deferred one year. Please refer to the separate Board of Education budget document for a more in-depth discussion of their spending proposal.

2018 – 2020 COUNCIL GOALS

The Town Council provides the oversight and leadership required to establish policies which guide the direction of the Town and ensure the optimum delivery of services to residents in the most cost-effective manner possible. Members of the Town Council serve without compensation and elect their own chairperson and vice chairperson. The policies that are established by the Town Council are delegated to the Office of the Town Manager for execution. [Note: The Council goals are in bold and the strategy to work toward these goals follows each. Strategies with budget impacts are in italics.]

GOALS:

Goal One – Community Cohesion & Collaboration: Work in collaboration with our Board of Education and other Boards/Commissions to ensure a respectful partnership in providing the efficient use of resources, financial and otherwise, to benefit our students, seniors, persons with special needs and all members of the community.

Strategy 1: Hold at least four joint Finance/Fiscal committee meetings between the Town Council and Board of Education each year.

Strategy 2: Invite Boards and Commissions in to Steering/Liaison Committee to provide updates and share problems/concerns and opportunities.

Strategy 3: Hold at least two Land Use Consortium meetings annually.

Strategy 4: Develop a program to recognize the contributions of our volunteers and actively recruit new volunteers. *Funds for annual firefighter meal and increased recognitions added.*

Strategy 5: Continue supporting homeowners with crumbling concrete foundations by lobbying State/Federal officials for relief and promoting existing opportunities for grants and tax relief. *Coordinate the CDBG testing program for regional towns, assist homeowners qualify for assessment reductions, advocate for State to start the funding for repairs. Waive building permit fees for repairs, reduce assessments for impacted homes, assist in providing information on the web page and in e-blasts.*

Strategy 6: Focus on the needs of seniors and study transportation and programming needs at our Center, Orchard Hills and in the community, and consider additional inter-generational events. *Continue to tweak the senior meals issues, broaden senior programs for more recreational content, Programing funds increased slightly, 6 additional staff hours a week proposed for Senior Aide.*

Goal Two – Community Stewardship: Be good stewards of our environment, Town character, our parks, and be supportive of local farming.

Strategy 1: Continue efforts in Sustainability CT and obtain a Silver Level certification.

Strategy 2: Collaborate with Coventry Lake Advisory & Monitoring Committee and continue appropriate aquatic invasive species treatments. *Funds included to assist in fanwort treatment of Eagleville lake and Hydrilla treatment in Coventry Lake.*

Strategy 3: Continue improvements to our parks, athletic fields/recreational facilities and open spaces such as: connecting open spaces, park improvements, Depot Road Park and a long-term sidewalk plan. The Hale greenway plan will be finalized to develop strategy for next steps. Will prioritize working with Conservation Commission to rebuild Patriots Park Woodlands trails using Locip funds. Continue efforts to install a septic system in Laidlaw park, complete nine holes of the Disc golf course at Creaser Park. Will continue next stages of Miller Richardson including efforts to irrigate the major league field and parking enhancements. Work with new Softball Fields Committee to develop short term and long term strategies for better fields. Improve access to existing open spaces. Print additional trail maps and develop more.

Strategy 4: Open the Millbrook Place facility for public use for community/cultural events. Funds are included for building maintenance. Recreation has been renting the facility and hosting rec classes. Special Arts events and Main Street events are a priority.

Strategy 5: Plan for the future of the Caretaker's House at Patriots Park in conjunction with long-range planning for the park. A decision to demolish the Caretaker's house has been made and work will be completed and overflow parking established.

Strategy 6: Using Local Capital Improvement Program (LOCIP) funds, continue improvements to Miller Richardson Field. Irrigation and parking enhancements planned. Soil analysis and improvement strategies for the football field grass are underway.

Strategy 7: Complete the update to the Plan of Conservation and Development. Funds for updated GIS mapping and printing included. A Community survey is underway.

Goal Three – Public Safety: Support our police and volunteer Fire/EMS staff to address our public safety needs.

Strategy 1: Continue efforts to better coordinate/consolidate the Fire/EMS services and promote volunteer services. Efforts to standardize procedures, equipment and training are underway. Physical standards have a budget impact. A merger study committee is underway to assess feasibility and means.

Strategy 2: Enhance training for volunteer Fire/EMS personnel including joint training exercises to promote safety, collaboration and partnership. Working toward more joint cross training.

Strategy 3: Study long-term police dispatch and communication needs for public safety including use of the FirstNet network. We are shifting the Police to a State run radio system and this budget proposes to also shift Public works radios. Tolland County Dispatch is also evaluating but until they make a decision they will remain with current system. Our Local emergency planning committee will review FirstNet for mobile phones.

Strategy 4: Review our current ambulance service staffing, financing and response time and make adjustments for continued improvements. This budget proposes to add two additional days of Vintek temporary staffing (16 Hours- Sat & Sun) to assist the volunteer staffing. To

assist in paying for it more aggressive insurance collections are required including billing residents who refuse to pay because they are still within deductible period.

Strategy 5: Complete Insurance Services Office (ISO) Fire Rating study to develop a water tower plan for hydrant coverage in the Village area. Will continue to work with CT Water to develop cost effective plan and appropriate funding source to construct a water tower to allow hydrants in the village.

Goal 4 – Economic Development: Grow our commercial/business tax base to achieve a healthier balance of residential and commercial properties.

Strategy 1: Finalize the Bolton/Coventry Gateway Plan for commercial and sewer expansion for commercial development and consider creating a joint tax district. Will complete the 4 town regional economic development study as next step for this project.

Strategy 2: Re-join the Main Street program to promote small business growth and work with the Economic Development Commission to host four small business training sessions a year. We have re-joined the Main Street program and are proposing assisting this group with a paid consultant/marketing person (\$5,000) to promote the Village, special events and create a better linkage to the farmer's market.

Strategy 3: Conduct a citizen preference survey and conduct market research to identify target opportunities. Will analyze results and use in the Plan of Conservation and Development and regional planning.

Strategy 4: Complete a Town sewer capacity study including water conservation and finalize a long-range sewer plan to make capacity available for commercial development. Continue to evaluate ways to reduce water infiltration and illegal use of Sump Pumps.

Strategy 5: Complete a study to analyze the benefits and costs of a water tower for fire suppression to promote economic development. Seek assistance in economic review of benefits of hydrants.

Strategy 6: Promote tourism, support the Farmers' Market and enhance linkages between local businesses. Plan on hosting some events with the new Main Street group, Chamber of Commerce and Arts Guild.

Strategy 7: Continue to explore opportunities for growth related to UConn and review implications of the UConn traffic study. Work with CRCOG and CTDOT to develop plan to implement recommendations (as appropriate) from this upcoming study.

Goal 5 – Fiscal Accountability and Responsibility: Develop and maintain our annual and future budgets to assure that they realistically reflect the community's changing needs and revenue sources without creating undue economic financial stress.

Strategy 1: Evaluate alternative revenue opportunities such as grants, fee increases for specialized services, sale of under-utilized assets and tax sales. Right size our fleet, sell off unnecessary land and other assets. Plan for another tax sale in spring of 2020.

Strategy 2: Aggressively work to advocate for fair and equitable State aid. Work through COST, CCM and CRCOG to push against further reduction in State aid.

Strategy 3: Develop a long-term plan for required bonding to minimize annual cost impacts while addressing infrastructure needs. Fine tune long term projects list to address community needs in a structured fashion to avoid spikes in debt service. Evaluate alternative financing projects such as ESCO's for energy upgrades.

Strategy 4: Consider methods for alternative service provision both between the Town and Board of Education and within the region. Continue and advance efforts for collaboration and coordination of services to improve quality and lower expense. Increasing payment to board for janitorial service to allow more time for cleaning.

Strategy 5: Develop cost reduction alternative strategies for providing services. Contracting to regional soil service to conduct wetlands review and inspections; buy hours from neighboring towns for building inspection coverage, jointly conduct revaluation with neighboring town, contract for IT support with other community, purchase HR time from other towns at lower price than Labor attorney. Work collaboratively with other Towns on trail maintenance.

Goal 6 – Infrastructure and Services: Continually look to future costs and savings to make critical infrastructure investments at the appropriate time, and provide necessary and cost-effective services to our citizens.

Strategy 1: Prioritize pending bonding projects and conduct financial modeling to time projects to minimize increasing debt service payments. These include but are not limited to a road bond, code/energy projects phase 2; school roofs and parking lots; bridges (Hop River Rd) and the Booth & Dimock Memorial Library renovations.

Strategy 2: Develop plans and timing for a second road improvement bond. Plans call for considering another road bond of \$3,000,000 for FY20 since the roads continue to decline.

Strategy 3: Work with the Capitol Region Council of Governments (CRCOG) and neighboring communities to develop opportunities to share in the provision of municipal services at lower cost and for the efficient use of resources. Continue efforts to improve regional GIS through CRCOG, continue efforts with Health District, shared IT, building inspections, Equipment sharing.

Strategy 4: Explore the use of additional technology to enhance electronic government services such as better permit services, updated web presence. Web page update completed. Revamping Coventry vision efforts, instituting broader vehicle tracking and monitoring. Will study upgrade to mobile version of Permit view building permit/inspection software. Propose to drop Open Gov software due to update issues and expense.

Strategy 5: Develop strategies to address the Digital Divide issue of providing high-speed Internet access to economically-challenged citizens. Work with CCM and Broadband office to attempt to get discounts for families qualified for school lunch discounts, create hotspot homework locations.

Strategy 6: Evaluate the microgrid proposal and implement if advantageous. Schedule of pending grant calls for an April decision on the pending Micro-grid proposal. The Town, Schools and Orchard Hills will then need to decide whether to proceed.

2019-2020 Budget Summaries

The 2019-2020 budget request calls for an increase in spending of \$529,078 or 1.3 % increase over the previous year. It will require an increase 0.4 mils over the current mil rate to fund it. The previous charts illustrate how the proposed increase in spending and the tax rate are allocated between the various budgets.

The following chart compares major revenues and expenditures for Fiscal Years 2018/2019 and 2019/2020.

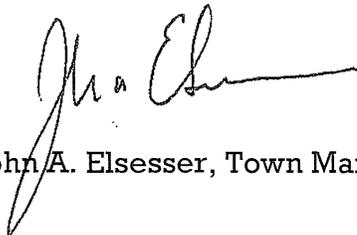
COMPARISON OF FY 2018/2019 and FY 2019/2020 BUDGETS

REVENUES

	Adopted FY 19	Requested FY20	Inc/Dec	%
Property Tax	\$31,157,098	\$32,281,464	\$1,124,366	3.61%
Intergovernmental	\$9,040,938	\$8,465,650	(\$575,288)	(6.36%)
Reserves	0	0		
Other Local	\$614,450	\$594,450	(\$20,000)	(3.25%)
Total	\$40,812,486	\$41,341,564	\$529,078	1.3%

EXPENDITURES

Gen. Government	\$9,693,156	\$10,012,102	\$318,946	3.29%
Bd. of Education	\$27,282,347	\$27,526,597	\$244,250	0.90%
Debt Service	\$2,904,983	\$2,870,865	(\$34,118)	(1.17%)
Capital	\$932,000	\$932,000	0	0%
Total	\$40,812,486	\$41,341,564	\$529,078	1.3%



John A. Elsesser, Town Manager

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**Town of Coventry
Summary of Proposed Budget 2019-2020**

Appropriations:

General Government	\$ 10,012,102
Board of Education	27,526,597
Teachers' Retirement	-
Debt Service	2,870,865
Capital Expenditures	<u>932,000</u>
TOTAL APPROPRIATIONS	\$ 41,341,564

Revenues:

Local Property Tax:	
Current Taxes	\$ 31,516,464
Delinquent Taxes	260,000
Int. & Penalties	180,000
Supplemental M V	325,000
Intergovernmental Revenues:	
Sewer Assessment	519,844
State of CT - Education	7,736,358
State of CT - Gen. Gov't.	209,448
Local Revenues	<u>594,450</u>
TOTAL REVENUES	\$ 41,341,564

Mil Rate Computation:

Grand List Taxable Levy	\$ 31,516,464
1 mil (at 98.87% collection)	966,842
Mil Rate	32.60

