



OFFICE OF THE TOWN MANAGER  
(860) 742-6324

February 26, 2020

To the Coventry Town Council and Citizens of Coventry;

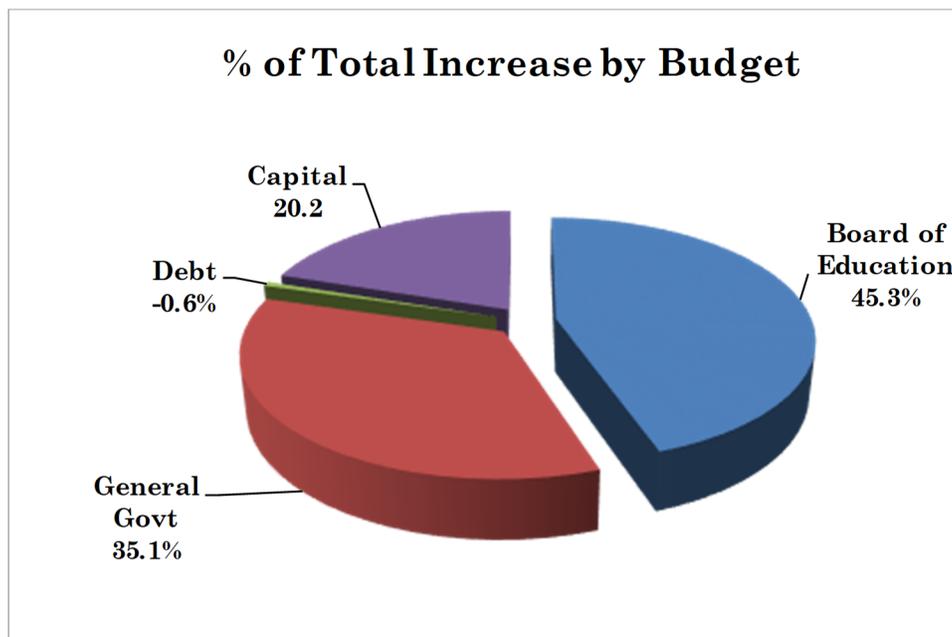
In accordance with the Coventry Town Charter, I am presenting to the Town the Town Manager's recommended budget for Fiscal Year 2020-21 in the amount of \$42,533,880. The Town, Debt Service, Capital, and School budgets have increased by \$1,192,316. This is a 2.88% spending increase in year over year compared to last fiscal year. This is around the CPI urban increase in the last twelve months of 2.5%. 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 21 budget is 32.20 which is unchanged from the prior year. Comparisons this year are complicated by the implementation of the Statutory revaluation. Our grand list grew by 4.58%, but that is a combination of market adjustments and new construction. In fact, some households will see a reduction in their overall property taxes and others would have seen an increase even if the spending remained constant. Please see the Revenue section for further discussion and impacts on sample property comparisons.

**State Education Aid (ECS) is has been reduced by \$149,599 (-1.8%) over last year's adopted budget which is equal to 0.15 mils. The ECS grant reductions are scheduled to continue into the future until FY 2028 at a rate of approximately \$165,000 per year subject to adjustments for enrollment.** To put this context, at the end of the phase down, it will be a shift of at least 1.0 mil of taxes per year from State aid to local property taxes. The good news is all of the other grants are stable. It is very important to note that I am using the Governor's proposed budget revenue estimates and these are subject to change, but I predict that these numbers are the worst-case scenario.

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 future capital improvements such as school roofs.

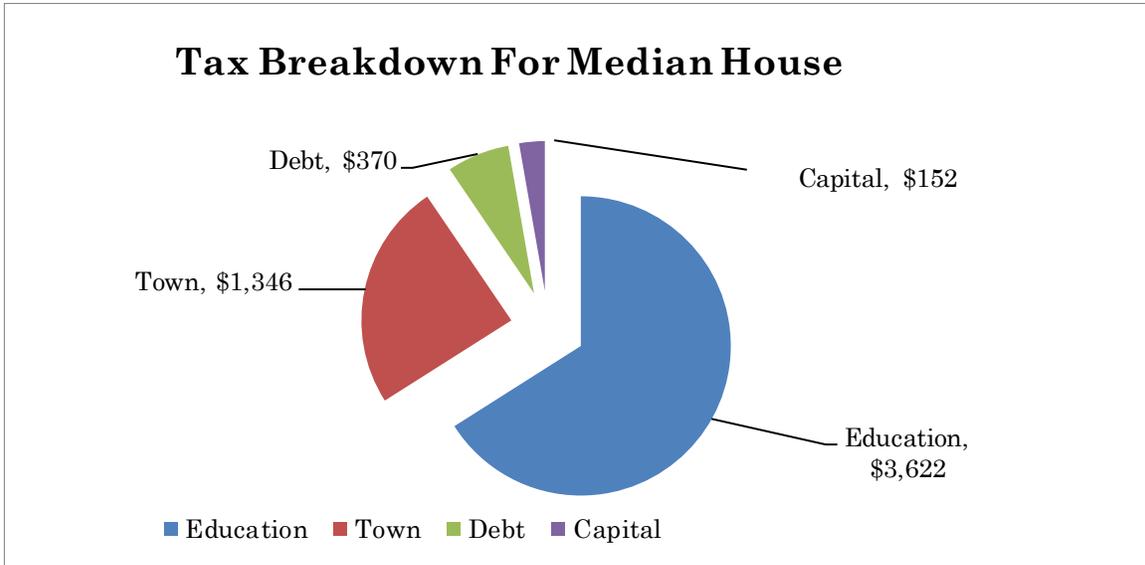
The Council and staff are very aware of the economic conditions that exist in our state and nation. While Coventry is better off than many communities, and continues to see some grand list growth and real estate sales, the state economy is not predicted to come roaring back and more likely it will be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

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



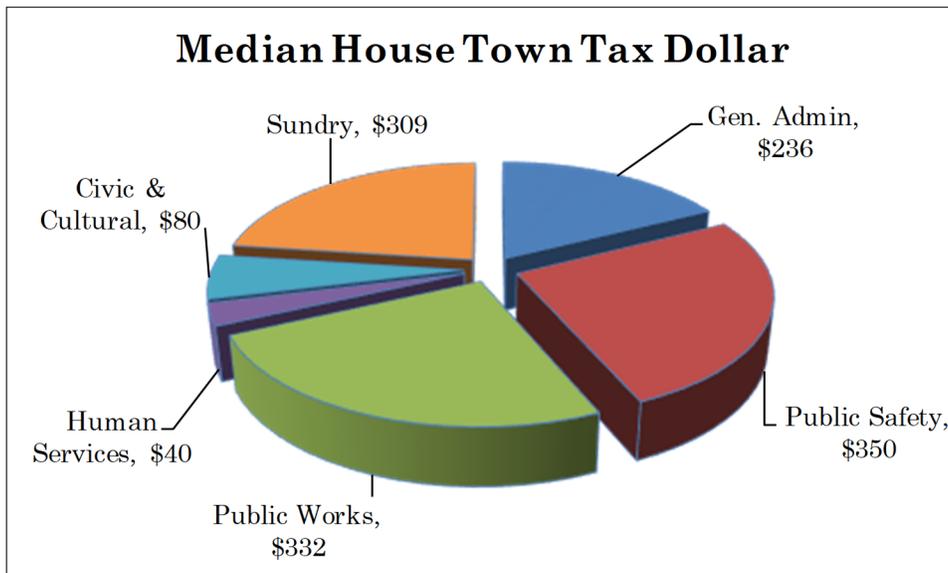
This budget should not be classified as a status quo budget. Both the Town and school district have proposed changes to move the community forward. The focus is on prioritizing services and developing the most cost effective ways to accomplish them. "Status Quo" alludes to standing still. Neither agency 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 \$418,704 increase: 4.18%

The General Government is seeking an increase of \$418,704. 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 \$240,500 increase: 25.8%**

The Capital Budget is proposed to increase by \$240,500 above current levels to \$1,172,500. The proposed amount makes progress toward the sustainability level, but viewing the future needs will not avoid steep increases in the future. 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 \$6,897 decrease: 0.24%**

Debt Service will decrease by \$6,897. Debt service is only 6.7% of the annual budget. The previously scheduled decrease is now proposed to be used to cover the cost of a proposal to implement several long-standing projects. These include school roof replacement on the school additions added twenty two years ago, replacing the fire alarm system at the high school/middle school complex, resolving the library water intrusion, addressing code issues and renovating the 32 year old addition (and match a \$850,000 state grant), and finally constructing a girls softball complex. There is also a proposal to use lease purchasing to replace one dump truck. (See Debt Service section of budget).

## **Board of Education - a \$540,009 increase: 1.96%**

The Board of Education budget requested \$540,009 in additional funds for a total request of \$28,066,606, a 1.96% increase. Additionally \$3,030,000 in education capital projects is proposed. This is broken down by capital and reserve account expenditures of \$300,000 for network/classroom computers, classroom furniture, and matching an E-Rate grant to install new fiber connections to Coventry Grammar and G.H. Robertson schools and a grant match for a replacement accessible student van. Bonding for the replacement of the school roofs in sections of the High School Complex and G.H. Robertson and replacing the fire alarm system for the High School/Middle School Complex are proposed and subject to a full approval and referendum process. Please refer to the separate Board of Education budget document for a more in-depth discussion of their spending proposal.

## **Adopted 2020 – 2022 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.]

**Coventry Town Council Goal statement:** The State of Connecticut has suffered and continues to suffer from the negative effects of its immense financial disorder; including \$100 Billion of unfunded liabilities, mishandling of the Special Transportation Fund, and ever-growing debt burden. Because of this mismanagement, the State Legislature has proposed and implemented numerous tax increases and is now exploring even more taxes on Connecticut residents and business owners including highway tolls. It is prudent to plan for large budget cuts to Coventry's State grants in the immediate future beyond the planned ECS cuts. The Town Council's top concern is to protect the interests of our taxpayers, and to mitigate the threat of real damage to Coventry's public schools, town services, and the general well-being of our Town because of irresponsible State management and the expected funding cuts to municipalities. Through proper planning and by aligning our efforts with this critical concern in mind- we present the following goals to preserve and protect The Town of Coventry:

### **FISCAL RESPONSIBILITY:**

#### **1) Prioritize town projects on "Needs" vs. "Nice to have" without negatively affecting long-term planning.**

- Redirect the library renovation project towards solving the water intrusion problem in the most reasonable way possible, maintaining and stabilizing the building while working to assess and recommend improvements for computer and internet technical issues. Once we get firm costs, we will consider matching the \$850,000 grant if we feel the proposal is warranted. *\*The Library Renovation Committee will be presenting to the Council in March. A placeholder bond project is included in the Capital Budget.*
- Complete the projects paid for in the already passed in the recent bond referendum. *\*The second year of the 3-year Road bond project is planned and detailed in the Capital Budget. The Northfields subdivision is the largest of the projects. School projects are also planned for this summer pending the outcome of the Design Build unit ventilator RFP. The Jones Crossing road project is complete.*

**2) We will work to maintain the current tax rate or lower it while providing sufficient resources for needed services and projects.**

- Gather information from surrounding towns regarding joint fiscal environments. Evaluate the information and consider hiring a consultant to study the feasibility of combining the Town and BOE Finance Departments. If a study is undertaken, share results of study and have an open dialogue with the Board of Education on results and recommendations. *\*Staff will work with CCM to gather information for the first phase of the study. If the information seems promising, the Council will need to decide next steps including considering funding and hiring a consultant.*
- Communicate with our elected State Legislators and encourage them to pursue spending cuts at the State level with the least negative effect to municipal governments, eliminate unfunded and burdensome mandates on the Town and Board, and streamline efficiencies in government departments. *\*We have worked with CCM and COST to get Coventry priorities on their legislative lists including: Simplifying sewer expansions, State provision of water in cases of contaminated wells, State aid for tree removal, releasing TAR and other grants funds and 5G coverage for rural areas. We will testify on specific bills of interest to our town.*
- Ensure continued excellence in fiscal reporting resulting in award-winning, clean audits and continued increases in our positive bond rating with the goal of reaching the highest rating possible. *\*Plans include continuing to submit for GFOA's Certificate of Achievement for Excellence in Financial Reporting Award for our audit and for the first time in years submit our Annual Budget for the GFOA's Distinguished Budget Presentation Award.*

**INFRASTRUCTURE:**

- 3) Support infrastructure projects to support residents and existing businesses, encourage and attract new businesses, fix insufficiencies/construction errors and improve town services and ability to respond to emergencies. Oversee the protection of the Town's investments by maintaining all town equipment, buildings, and infrastructure.** *\*The budget includes adding CO detection metering to the 3 firehouses currently without it. The Community Center roof is proposed for replacement. The Transfer station is a target project for renovation or relocation. Minor projects are planned for the Senior Center. DPW staff is touching up paint inside the Town Hall. LED Lighting conversions are planned for the Library, Sewer Treatment Plant and both Elementary schools. All four Firehouses were completed this year as well as the High School/ Middle school complex. Funds for new software for the Library energy management system is in the Capital Budget, as well as for replacement key-entry systems for Town Hall and Fire Stations.*

- Evaluate the final offering for a Micro-Grid project to determine the value of the offer and recognize the value of the increased capabilities. Move forward with the Micro-Grid project if the final offer makes sense economically for the town. If the town does not move forward with this proposal, we will continue to explore other options. *\*We are continuing weekly meetings and design reviews. We believe a decision point is within several months and construction, if approved, could start this summer. The School Building and Energy Efficiency Committee is seeking Design Build contractors to implement the prior bonded work and designs will anticipate the microgrid to allow future air conditioning or dehumidification. We continue to seek virtual net metering for other mid-sized Z-Rec projects as alternative, or in conjunction with, Micro-grid projects. Also, we are rebidding the Town and BOE's electric supply contract.*
- Work with our electrical provider to remove as many trees as possible that threaten our town electrical service and focus additional State, Town, and Grant resources on identifying and removing any trees (that the town is responsible for) that may represent a problem for Coventry citizens. *\*The Town has provided a list of hazardous trees to Eversource. We have added an additional \$20,000 to the operating budget for tree removal.*
- Secure the promised TAR funds from the state and put in place a plan to enable the town to catch up on the postponed road work due to the delay of state funding. *\*We will be ready to implement the postponed projects this spring assuming funds are released. A list is in the Capital Budget.*
- Develop a short-term maintenance plan for the Community Center at Patriots Park. *\*A replacement roof is in the LOCIP Plan. Other minor improvements will be reviewed.*
- Study the current community center, evaluate the building, and determine if a future replacement would be the most fiscally responsible solution to pursue. *\*Concept planning can start with the Recreation Commission. A replacement roof at the current center is in the Capital Budget as a LOCIP project as it cannot wait longer for replacement.*
- Work with the CHS Walls Code Compliance Building Committee to resolve the high school walls structural deficiencies for the safety of Coventry students in the most cost-efficient manner. *\*The Committee is working with the engineer to develop a plan for several walls as trial improvements. It is hoped that some work can occur this summer. Funding will be needed.*

- Encourage the Senior Housing Options Committee to identify the scope of the need for alternative senior housing options and to consider market-based solutions. Ask the Planning and Zoning Commission to review regulations to address affordability. *\*The Committee has started their work and is being supported by the Planning Office. They have an aggressive work plan to complete within 6-months. This will include a review of Zoning regulations.*
  - Maintain current Town properties and assets, and explore having the Town take the lead for building facilities maintenance and janitorial care of all Town and School buildings. *\*I suggest this start with a discussion between the Council Finance Committee and Board Fiscal Committee.*
  - Work to complete projects for the realignment at the intersection of Swamp Road and Route 44, South Street LOTCIP project, Main Street Community Connectivity sidewalk and both Folly Lane and Hop River Road Bridge replacements. *\*Swamp Road intersection was delayed by State DOT until the summer of 2021. The Main Street connectivity project and Folly Lane Bridge are anticipated for Summer of 2020. We will be seeking funds for South St. LOTCIP for design. Early Fall construction on this project is possible.*
  - Pursue grants for Orchard Hills Senior housing renovations and upgrades. *\*CDBG grant application for \$1.5 Million for renovations at Orchard Hills is being submitted before the April deadline and we will await decision in late summer.*
- 4) Continue our efforts to improve sports facilities. Conduct a study to determine additional needs.** *\*I will have the Recreation Commission call together a coalition of the sports teams, Public Works and School Athletic Director to conduct a short and long-term needs assessment.*
- Work to provide short-term solutions to the immediate needs for Girls' Softball fields and determine the most advantageous and economical way to find suitable permanent fields for their use. *\*Engineering studies of new locations for Softball fields are underway. A placeholder was put in the Capital Budget for consideration for Bonding for construction.*
  - Continue to improve the other sports fields through increased water availability, rest room facilities where appropriate, and continue the coordination of maintenance and care with the Recreation Department, Board of Education and various town sport leagues. *\*We will be finishing Miller Richardson irrigation system in advance of the spring opening. We are working on septic testing at Laidlaw and put LOCIP grant funding in the Capital Budget to allow for the installation of trailer bathrooms acquired through State surplus. Middle School Softball fields' drainage is complete and ready for spring. We will continue to push to get permits to do minor repair to the Football field.*

## **ENVIRONMENT:**

- 5) Continue lake management treatments to contain and eradicate the Hydrilla and fanwort invasive species. Work with the State's new program that provides a dedicated stream of funding for invasive plant treatments and secure the maximum amount of funding we can through this program.** *\*Funds include assisting in fanwort treatment of Eagleville Lake and hydrilla treatment in Coventry Lake. We are seeking State funding and anticipate \$25,000 for Hydrilla.*
- 6) Protect our rural character while working to support our existing businesses and create an environment that will help attract new business.** *\*We are completing the Plan of Conservation and Development. We are also working on completing a four-town economic development strategy with CERC (now AdvanceCT). In addition, we are working with several interested businesses for new construction, pushing the Bolton Sewer connection, presenting small business workshops, working with the Main Street program, and seeking funds for a water tower to reduce insurance in Village area and allow mixed use.*
- 7) Support striving toward Sustainable CT Gold Certification, when available.** *\* We are continuing to monitor for announcements on the Gold Certificate and are working with funding sponsors for a possible crowd-sourced grant for a greenhouse at Camp Creaser through the Sustainable CT program to grow the Community Gardens.*
- 8) Continue to support our Open Space Stewardship Committee in efforts to continue to improve and maintain Town-owned land.** *\*We will continue to prioritize limited LOCIP funds on connecting trails. We have included funds to buy trail maintenance tools for volunteers in Conservation Commission budget. We re-opened Old Tolland Turnpike as a walking path to connect Gardner Tavern neighborhood to Main Street and Community Connectivity sidewalk slated for construction. We are working with Bolton and Andover on Plans for a Timber Harvest of the former Rt 6 land (Nathan Hale Greenway) as a first step in creating a well-worn pathway. We are also developing plans for grant submission to reestablish Bear Swamp Road as a Recreational Pathway.*
- 9) Support continued investment in Forestry management for public safety.** *\* \$20,000 is sought for additional diseased tree removal. We will also discuss the Council using the Municipal Projects grant.*
- 10) Continue to explore partnerships for open space acquisition.** *\*We worked with Joshua's Trust to help them acquire land on the Willimantic River. We are working with the Library Board for donation of land behind the library.*

## **PUBLIC SAFETY**

- 11)** Work with the Board of Education to continue to improve security in our schools including consideration of one or more resource officers. *\*We started Staff discussions on a school resource officer grant and discovered that Connecticut towns do not qualify. I suggest that a Council/Board of Education discussion occur to re-focus the proposed school security person to a school resource officer funded by both agencies.*
- 12)** Continue to support the police department. Continue to support their technological capabilities that enhance their ability to perform their duties more efficiently and safely. *\*Core basics for this budget include replacing two cruisers with new hybrid interceptors. The gasoline budget was reduced in anticipation of savings. A proposal for a new police boat was delayed while we examine a state surplus boat for functionality. New weapons were acquired this year and the new radio systems has greatly improved communications.*
- 13)** Continue to work with our Volunteer Fire Departments to develop a single Volunteer Fire Department serving the entire Town of Coventry. Work with the Fire and Emergency Service Department to retain current members, attract new members, and make certain they have the resources needed to properly train them, and support the equipment and apparatus needs of the department while managing costs effectively. *\*Phase 1 of the merger has been approved. We are working on the next phase for interim leadership of joint Department 18. Funds are included in the Fire/EMS fund for first phase of uniform and branding. We are awaiting committee recommendations of incentives (and stipends). The Capital Budget includes funds for the ET rebuild, small rescue/service truck replacement, gear/hose, and CO2 monitoring in the stations.*
- 14) Explore, when appropriate, opportunities to work with other towns including possibly providing Public Safety services to other towns for appropriate fees.** *\*We will set up a meeting in fall with area Towns to solicit interest. In the meantime, we are working on building closer relationship with Tolland County Dispatch to provide radio support which would be required.*

## **GOVERNMENTAL TRANSPARENCY:**

- 15) Increase transparency where possible and ensure that the Council has the proper time to review and/or vet what is proposed.**
- Educate the public on the budget and mil rate setting process. Consider creating educational videos regarding the budget process to assist in the education. *\*We will update budget presentations and Budget in Brief, as well as try a Facebook live on the budget process. We are also purchasing an update to our website called Civic Engage/Send, which will allow graphics and a more dynamic linkage to social media.*

- Review and repeal unnecessary or obsolete ordinances or policies. *\*We are currently working through Steering Committee to identify target ordinances and policies for consideration.*
- Reduce local government regulatory roadblocks for citizens, when possible, and streamline services. *\*PZC is reviewing regulations in light of new Plan of Conservation and Development.*

**16) Continue joint Town Finance/BOE fiscal committee meetings and have an open dialogue with the Board of Education to obtain comprehensive information for the Town Council and community.**  
*\*We have set meeting dates for quarterly meetings.*

## **ECONOMIC DEVELOPMENT:**

**17) Continue to work with Bolton/Vernon and the State to secure permission for the extension of the Bolton/Vernon sewer line into Coventry along Route 44. Focus on the need to improve failed septic issues and the potential for future economic development.**

- Continue to work with WPCA to determine how we can increase capacity and meet any new requirements that the State places on the operation of the sewer plant. *\*WPCA is proposing capital projects to reduce the risk for water infiltration and await the results of recent DEEP plant inspection before looking other options. We can consider updating the facilities study from 10 years ago.*
- Continue to support Main Street business development. *\*Funds for Main Street program are included in the economic development budget.*
- Work to promote/educate small and home businesses. *\*EDC continues education workshops, including a 12-week Facebook for Business, scheduling a follow-up Google Workshop, and coordinating a business plan workshop with Willimantic Chamber and Small Business Development Center for fall.*
- Review the Regional Economic Development Plan and implement as appropriate. *\*We will consider setting up a regional working group to implement portions of the CERC regional plan.*
- Continue to support both Farmers' Markets and develop and strengthen linkages to local businesses. *\*We need to renegotiate the lease with the Antiquarian and Landmarks for summer of 2021.*

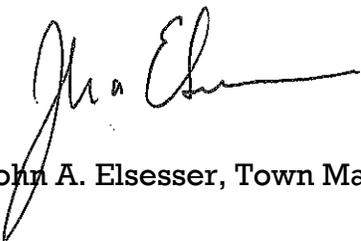
## 2020-2021 Budget Summaries

The 2020-2021 budget request calls for an increase in spending of \$1,192,316 or 2.88% increase over the previous year. It will require an increase 0.0 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 2019/2020 and 2020/2021.

### COMPARISON OF FY 2019/2020 and FY 2020/2021 BUDGETS

	<u>Adopted FY20</u>	<u>Requested FY21</u>	<u>Inc/Dec</u>	<u>%</u>
<b><u>REVENUES</u></b>				
Property tax	\$ 31,904,484	\$ 33,296,000	\$ 1,391,516	4.36%
Intergovernmental	8,842,630	8,612,030	(230,600)	-2.61%
Reserves	-	-	-	0.00%
Other Local	594,450	625,850	31,400	5.28%
Total	\$ 41,341,564	\$ 42,533,880	\$ 1,192,316	2.88%
<b><u>EXPENDITURES</u></b>				
Gen. Government	\$ 10,012,102	\$ 10,430,806	\$ 418,704	4.18%
Bd. Of Education	27,526,597	28,066,606	540,009	1.96%
Debt Service	2,870,865	2,863,968	(6,897)	-0.24%
Capital	932,000	1,172,500	240,500	25.80%
Total	\$ 41,341,564	\$ 42,533,880	\$ 1,192,316	2.88%

  
 John A. Elsesser, Town Manager