

Town of Coventry, CT



Town Council's Proposed Budget For Fiscal Year 2015-2016

**Presented at a Special Budget Meeting on
Thursday May 21, 2015
For consideration at an Adjourned Town
Meeting/Referendum on
Tuesday June 2, 2015**



OFFICE OF THE TOWN MANAGER
(860) 742-6324

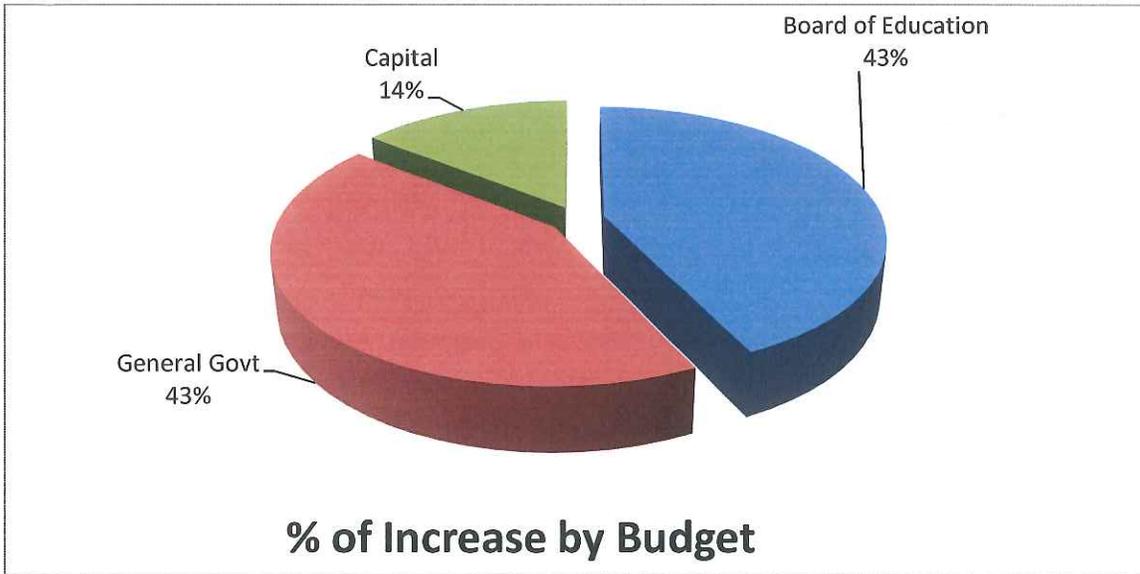
May 15, 2015

To the Coventry Town Council and Citizens of Coventry;

In accordance with the Coventry Town Charter, I am presenting the Town Council's second recommended budget for Fiscal Year 2015-16. The Town, Debt Service, Capital, and School budgets have increased \$639,574 to \$39,727,778 or a 1.64% increase over the adopted budget for Fiscal Year 2014-15. The proposed mil rate required to fund the proposed FY 16 budget is 31.2 mils. This is a .31 or .99% increase from this year's post revaluation restated mil rate of 30.89. After the budget defeat the Council cut \$136,000 which is equal to a .14 mil reduction in the requested increase, or slightly over a 30 % reduction in the originally proposed increase.

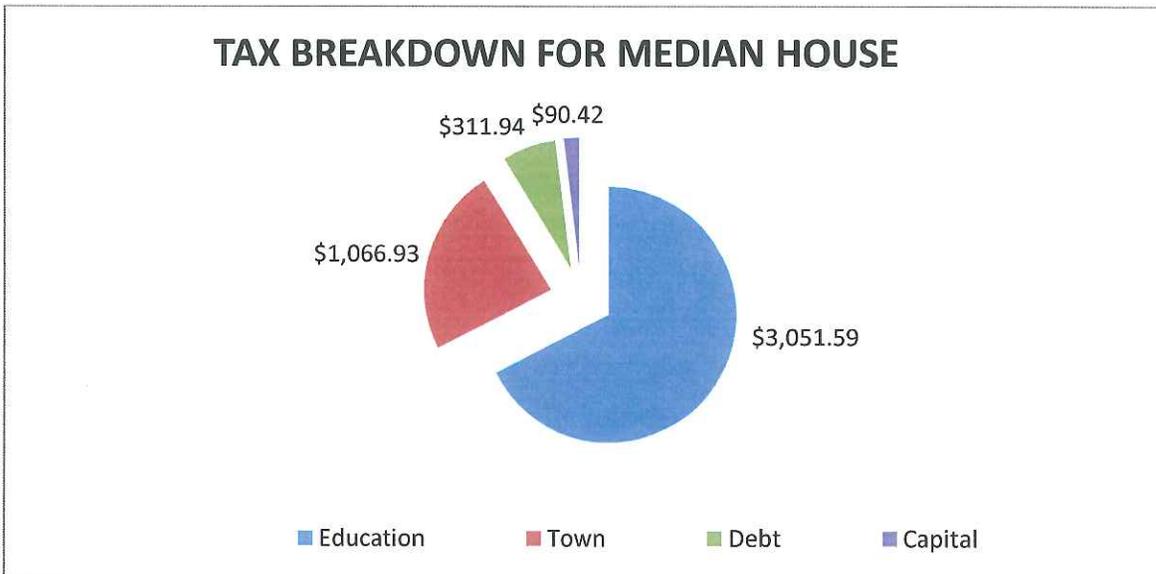
This budget was initially developed by the Town Manager with the goal of minimizing any tax increase but still addressing urgent community needs. The Town Council then made adjustments. A zero increase was simply not possible without lay-offs or State mandate relief. It is a relief that the Governor and Legislature recognize that cuts in State Aid ultimately cause increases in property taxes. Even with this acknowledgment the State budget has modest reductions of over \$31,000 and does not provide either real mandate or property tax relief.

The Town staff is 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 growth and continued real estate sales, the economy is not predicted to come roaring back and more likely will be a slow climb to better times. We continue to see positive signs of recovery. However, we recognize that tax increases and fee increases will not be easily absorbed by many in our community so they have been kept as small as possible. Once again no increase is proposed for trash fees. The chart below shows where the increase is going by budget.



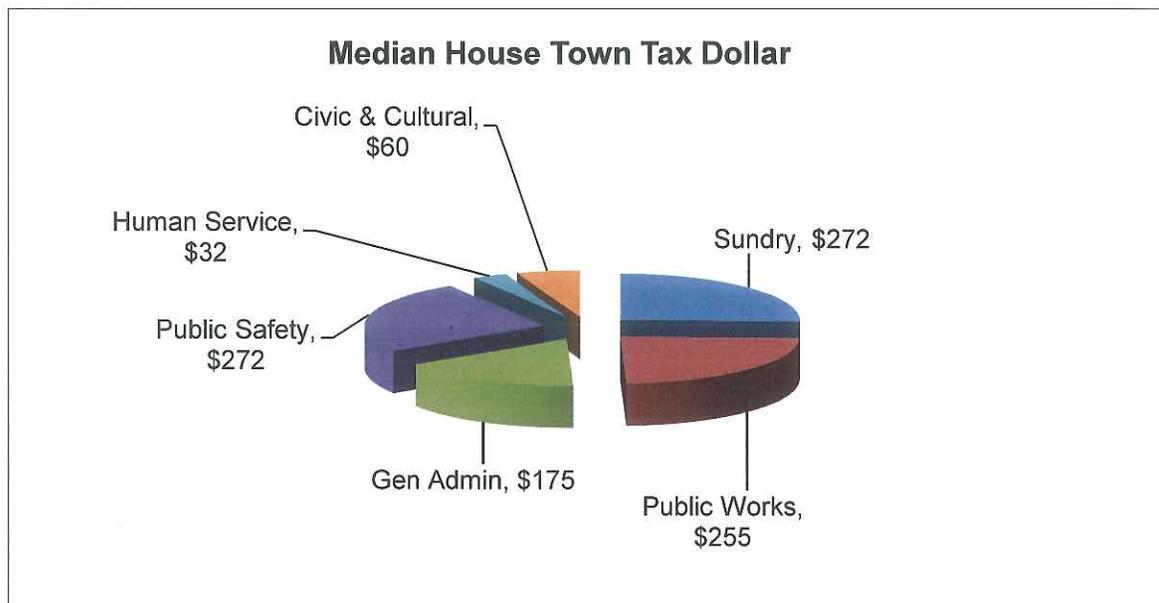
This budget should not be classified as a status quo budget. Both the Town and school district have proposed changes to move the community forward. The focus is on prioritizing services and developing the most cost effective ways to accomplish them. "Status Quo" alludes to standing still. Neither agency 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 3.17% increase

The General Government is seeking an increase of \$291,821 or 3.17%. 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 proposed position of Fire/EMS Administrator was created through reorganizing existing staff and funding for backfilling which will avoid the expense of an additional full time employee. This will be a provisional appointment to start the work on July 1 for a three year transition and evaluation period. A new Public Works employee is proposed for a fall start to address concerns raised about plowing and field maintenance. We have added a lot of roads and athletic fields and have not added staff. We can no longer meet expectations. The Council added a Police Officer to start mid-year. The following chart shows how the tax dollars on the median house are divided by service delivery area.



Capital Budget – a 14.16% increase

The Capital Budget is proposed to increase by \$98,580 above current levels. The proposed amount makes modest progress toward the sustainability level of \$1,000,000 per year. It still does not reach spending levels of the mid 90's when adjusted for inflation. 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 be frozen to assist in balancing the budget.

Debt Service – a 1.63 % decrease

Debt Service will decrease by \$43,808, or 1.63%. Debt service is only 6.9% of the annual budget. Please see the included chart for a visualization of the Town's long term debt picture. One new five year lease purchase for a large Dump Truck is requested for \$40,000. No lease purchases are expiring.

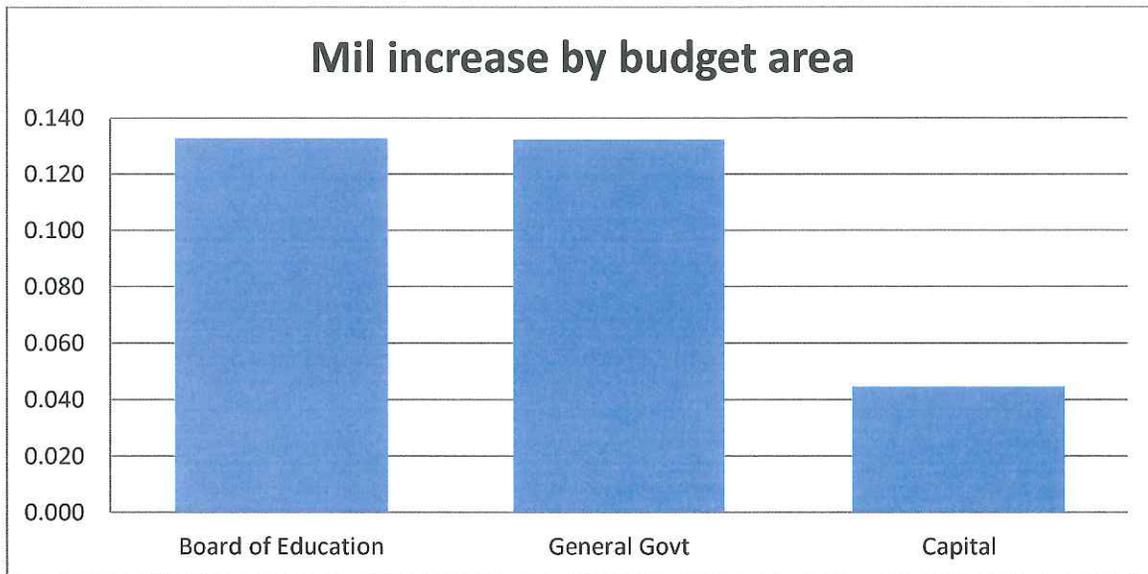
Board of Education – a 1.1% increase

The Board of Education budget requested \$528,981 in additional funds for a total request of \$27,047,045, a 1.99% increase. The Town Council reduced this by \$150,000 to \$26,897,045 or 1.43%. This reduction was made to reflect historical turn-over savings. After the budget defeat an additional \$86,000 was reduced with over half of that being Health insurance savings. Additionally \$275,000 in education capital projects is proposed comprised of computers, classroom furniture, a replacement van, and architectural design fees. Please refer to the separate Board of Education budget document for a more in-depth discussion of their spending proposal.

Revenues: State Revenue-Status Quo

The State budget proposes no property tax or significant mandate relief. It continues the trend of level funding which means that all increased spending is on the back of the property tax. This can be shown as easily as comparing the \$639,574 in requested spending increases to the \$608,658 in requested current tax increases. The Education Cost Sharing grant, student transportation, casino fund, revenue sharing and PILOT funds are proposed to remain virtually unchanged. Modest reductions in other State revenue total \$17,984.

Property taxes cannot on their own produce an adequate income stream to support a quality education system. Due to revaluation our grand list shrank by 6.88%; investment income continues to be very low while development-based revenues have started to increase but remain lower than in past years. This year new growth in our grand list will produce \$275,599 in additional tax revenue at the current comparable tax rate. A small tax sale is planned for this year but we had to lower anticipated revenues by \$100,000 of one time revenue from the sale of property acquired from the last tax sales.



COVENTRY TOWN COUNCIL GOALS 2014-2016

COVENANT WITH CITIZENS OF COVENTRY: We pledge to work hard, to listen to you, to acknowledge that we have heard you and that we will consider your issues in our deliberations. We cannot promise to be all things to all people, but we will promise to communicate the “whys” of our decisions and to encourage people to ask questions. Citizen input is welcome at regular Council meetings or via email to the Coventry Town Council Chair at councilchair@coventryct.org.

MISSION STATEMENT: The Coventry Town Council seeks to promote and support a high quality of life for its citizens. We are dedicated to safeguarding town assets while providing sound fiscal management and excellent customer service to all citizens, the business community and Town employees.

GOALS:

Goal One: Enhance Town & School Safety.

We will continue to improve our schools and community to keep them secure and safe:

Strategy 1: We will review in collaboration with the Board of Education existing school and community safety protocols and make changes that are consistent with current best practices.

Budget Proposal: \$75,000 is included in Capital budget for architectural entrance designs work and proposed future referendum package includes projects for school security. An additional police officer will be added mid-year.

Strategy 2: The Executive Committee for the Town Council will meet with the Executive Committee for the Board of Education (Chair, Vice Chair & Secretary) once a quarter to review any changes or updates that may be needed for our school systems. The Chair of the Town Council will report back to the Council.

Budget Proposal: No cost impact; Joint finance meetings continue

Strategy 3: The Council liaison for the Emergency Coordinating Committee will meet with the Town's Local Emergency Coordinating Committee once a month and report back to the Council.

Budget Proposal: No cost impact: underway

Strategy 4: We will establish a committee to examine and implement the fire departments strategic action plan and review the need for a Fire Administrator. The committee will consist of the following: 2 North Coventry Fire, 2 CVFA, 2 Town Council Members, and 4 community members at large (not council or members of the Fire organizations). The Fire Department Committee will be formed in January of 2014 and will report back to the Council every other month until a final recommendation on the strategic action plan is ready for Council consideration.

Budget Proposal: Pending the recommendation of the committee this budget proposed a restructuring to create the position of provisional Fire/EMS Administrator.

Goal Two: Review Government structure and staffing levels.

Strategy 1: We will review the 22-year-old Coventry Town Charter. A committee will be established in March of 2014 and the committee will be comprised of 5 full members and two alternates in accordance with applicable State statutes. The current Town Charter is out dated and has wrong information about committees. This will be a full review of the Town Charter, with recommended updates and changes. The Town Charter Committee will report back to the Council on a quarterly basis until the review is complete.

Budget Proposal: No legal funds were included but the Council could start identifying potential revisions and if Labor attorney expenses come in lower could start the process.

Strategy 2: We will study conducting an independent labor audit of existing town positions and practices. This will enable us to determine what level of staffing we should be at to operate effectively now and for the future. The audit will be done by an outside vendor and will report back to the Council after the audit is finished with a presentation of their findings. The audit will start in May 2014.

Budget Proposal: Proposing to clarify the scope of work and review other Town's studies. Some workload analysis may be able to be accomplished by the proposed intern in the Manager's office

Strategy 3: We will seek opportunities for sharing services both regionally and between Town and Board of Education, thereby increasing efficiency and reducing costs.

Budget Proposal: No cost impacts. Town has hired a school janitor to clean several buildings, started quarterly joint facilities meetings and continue quarterly technology meetings. The Manager and Superintendent have agreed to several shared goals. The Budget includes purchasing a joint catchbasin cleaner with Mansfield, invasive aquatic reduction with Mansfield, Economic Development work with Mansfield, Bolton, Tolland, Andover and Columbia. We continue to work with CRCOG on joint purchasing

Goal Three: Protecting our rural character through land preservation and stewardship.

The Town of Coventry will improve upon its facilities, or cooperate in the purchase and maintenance of open space, be an active partner in all aspects of land preservation and monitor goals as set forth by the POCD.

Strategy 1: We will determine the feasibility of all methods of land preservation including continuing to budget annually for open space in the Capital Improvement Plan, adding to the Land Acquisition Fund through donations, fees "in lieu of", grants and partnering with land and farmland preservation trusts. Consider bonded funding to take

advantage of open space preservation opportunities as they become available including acquiring development rights.

Budget Proposal: Make a \$25,000 capital contribution to open space fund. Conclude grant for Williams parcel and Reynolds farm. Consider the work of Open Space task force and next steps for any potential open space borrowing or other options.

Strategy 2: We will restructure the existing ad-hoc Open Space Work Group, and Conservation Corps Coordinating Committee, into an ad-hoc Open Space Oversight Committee, which would report quarterly to the Steering Committee. This will help to implement the recommendations from the Open Space Work Group as well as monitor all open space land owned by the Town. They would also participate in all policy and administrative discussions regarding open space and land preservation. This would be implemented in March of 2014. The Town of Coventry will purchase and maintain open space.

Budget Proposal: First draft of a revised committee/volunteer structure completed. Some Locip funds proposed for open space stewardship for minor maintenance projects.

Goal 4: Assure Sound Fiscal Management of the Town.

Strategy 1: Continue to work toward the goal of increasing the Unreserved Fund Balance to 10% of General Fund Expenditures.

Budget Proposal: Goal achieved. Budget does not propose to withdraw funds from Fund Balance and revenues will be conservatively budgeted to assure hitting the target. Proposed to revisit goal to match our peer group which has fund balances of closer to 14%

Strategy 2: Work toward funding the Capital Non-Recurring Expenditure Fund (CNREF) to build reserves for the financing of depreciable assets.

Budget Proposal: A contribution of \$50,000 was included.

Strategy 3: Continue to strive toward achieving an 80% funded ratio for the Town Employees' Pension Fund.

Budget Proposal: Goal achieved

Continuing to Support:

- Encourage economic development that is appropriately scaled and aligns with the POCD and the rural character of the community. Work with the businesses in the village and the Town's Economic Development Commission to best utilize the improvements to the village area and provide support.

Budget Proposal: STEAP grant for sidewalks pending. Water grant including tower was submitted which would increase fire protection and allow mixed development use. Library architect for space study under way. Working with UCONN on Tech Park, growth plans and traffic study. Obtained village grant and Lake/Cross Street grant.

- Focus on attracting citizen volunteers for Boards and Commissions.

Budget Proposal: No budget impact

- Follow through to conclusion realignment of Main Street by the State from just west of Rte. 275 to the Visitor's Center. Expected date for commencement of this project – 2015.

Budget Proposal: No budget impact

- Support Human Services and Parks and Recreation departments in their efforts to increase attendance and enhance programs.

Budget Proposal: Continue to increase senior programs with expanded hours funded in fall of 2014. This budget picks up the full year's expense of that expansion and proposes additional funds for senior programing.

- Parks and Recreation Commission in planning for renovations and improvements to all parks and trails.

Budget Proposal: A very modest \$500 for trail maintenance has been added to the Conservation budget and \$10,000 in Locip. Design concepts for Millbrook trail extensions are underway with goal of a late spring grant application. Also working with DEEP to spread state purchased stone dust on Hop River Trail and future improvement grants for that trail. Printing additional trail maps and will release a trail app for smart phones. Planned work at Miller Richardson continues and an additional Facilities Maintainer I is proposed to address improved field maintenance

- Preserve Coventry Lake's water quality by supporting the activities of the ad-hoc Coventry Lake Advisory and Monitoring Committee.

Budget Proposal: Continue funding the annual lake monitoring and work with the committee on annual lake forum. Get permits and start construction of Lake Gate. Follow-up on invasive plant survey and implement treatment grant in Eagleville Lake.

- Improving the quality of Town communications, website, community broadcasts, quarterly newsletters, monthly e-blasts and news releases. Encourage increased enrollment in e-blasts with a goal of doubling participation.

Budget Proposal: Continue to reach out to get people to sign up for updates. Consider tax bill stuffer. Continue with use of Facebook

- In partnership with the Board of Education, Administration and STEPS, investigate the near-term possibility and funding for establishing preschool for all 3-5 year olds and partnerships in establishing a Family Resource Center.

Budget Proposal: If grant is obtained convert portable classrooms at middle school to preschool. Funds for driveway and parking are included in proposed road referendum.

Note: Goals are not in priority order and may be amended by the Town Council with timely notification to its citizens.

2015-16 Budget Summary

The 2015-2016 Budget is an increase in spending of \$639,574 or 1.64% over the previous year. It will require a .31 mil (.99%) increase over the restated post revaluation 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 2014/2015 and 2015/2016.

COMPARISON OF FY 2014/2015 and FY 2015/2016 BUDGETS

REVENUES

	Adopted FY 15	Requested FY 16	Inc/Dec	%
Property Tax	\$28,571,662	\$29,305,320	\$733,658	2.5%
Intergovernmental	\$9,927,092	\$9,884,108	(\$42,984)	(.4%)
Reserves	0	0	0	0
Other Local	\$589,450	\$538,350	(\$51,100)	(8.7%)
	<u>\$39,088,204</u>	<u>\$39,727,778</u>	<u>\$639,574</u>	<u>1.64%</u>

EXPENDITURES

Gen. Government	\$9,191,392	\$9,483,213	\$291,821	3.17%
Bd. of Education	\$26,518,064	\$26,811,045	\$291,981	1.10%
Debt Service	\$2,682,708	\$2,638,900	(\$43,808)	(1.63%)
Capital	\$696,040	\$794,620	\$98,580	14.16%
Total	<u>\$39,088,204</u>	<u>\$39,727,778</u>	<u>\$639,574</u>	<u>1.64%</u>

Public participation in the budget process is critical to determine how the proposed budget fits with the community's desire for service and willingness to pay. The public is invited to attend and participate in the Special Budget Town Meeting on Thursday May 21, 2015 in Town Hall Annex 7:00 P.M. The Town Meeting budget will be sent to a vote in a town-wide referendum on June 2, 2015. The budget process is always one of difficult decisions and balancing conflicting priorities. It is also a time each year for the Town to decide what type of community we wish to live in.

Sincerely,



John A. Elsesser
Town Manager

**Town of Coventry
Summary of Proposed Budget 2015-16**

Appropriations:		
General Government		9,483,213
Board of Education		26,811,045
Debt Service		2,638,900
Capital Expenditures		794,620
TOTAL APPROPRIATIONS		39,727,778
Revenues:		
Local Property Tax:		
Current Taxes		28,505,320
Delinquent Taxes		350,000
Int. & Penalties		200,000
Supplemental M V		250,000
Intergovernmental Revenues:		
Sewer Assessment		555,834
State of CT - Education		9,089,121
State of CT - Gen. Gov't.		221,153
Housing Auth. PILOT		18,000
Local Revenues		538,350
TOTAL REVENUES		39,727,778
Mil Rate Computation:		
Grand List		
98.15% Collection Rate		913,750=1 Mil
31.2 Mil Rate		0.99%
(from restated 30.89 mil)		0.31