Minutes
Coventry Town Council Meeting
March 11, 2019
Town Hall Annex

1. The meeting was called to order at 7:00 PM.
Present for the Town Council: Joan Lewis, Lisa Conant, Carolyn Arabolos, Jonathan Hand, Mike Sobol, Julie Blanchard, Matthew O’Brien
Present for the Board of Education: Jennifer Beausoleil, Mary Kortmann, Eugene Marchand
Also present: John Elsesser, Town Manager; Amanda Backhaus, Town Finance Director; David Petrone, Superintendent of Schools, Robert Carroll, School Director of Finance and Operations

2. 18/19-56: FY 2019/2020 Budget:
A. Board of Education: Jennifer Beausoleil began by suggesting that since the budget hearing was held recently, rather than going through that presentation again that the Board would answer questions. The Board of Education is proposing a 1.17% increase which is a status quo budget that preserves programming. Joan Lewis agreed that there is no need to go into the presentation again and that the Board will answer questions as they arise. Jennifer noted that the budget proposal and supporting materials are on the school website under the budget section.

Joan Lewis opened up the meeting to questions.

Carolyn Arabolos thanked the Board of Education and school officials for their time and commended them on the accomplishments they talked about at the Town hearing. On page 7 of the budget on the first two lines of certified and non-certified salaries, she said it looks like the estimates are significantly lower than the budgeted amount last year. How did that factor into the proposed numbers for 2019/20? David Petrone replied that this year was an outlier in that there were so many mid-year retirements or late notices from departing teachers. Usually we get more advance notice. We had five to six mid-year retirements and late notices related to resigning or retiring. Jennifer Beausoleil said that occasionally we will see one or two notices over the summer but this year we saw a larger number of senior staff resigning after the school year started. There is a chart in the budget that shows we have younger staff now, so we won’t be able to rely on vacancy savings. Mary Kortmann noted that the salaries in the existing budget are the people in those positions as of 2/14/19. David Petrone said that in most cases we are able to hire at a reduced salary - Masters +5. It important to get people with a little experience but we can’t always do that. Joan Lewis asked if the budget includes step increases. Mary Kortmann replied yes, you can see the percentage increases in the assumptions. It is based on lower salaries just like the police department budget.

Carolyn Arabolos noted that the numbers for the benefits also appear to be trending lower. David Petrone replied that we look at this every year. We are doing an audit to make sure of eligibility. Employee contributions are increasing. Mary Kortmann said we absorbed the market increase and people are contributing more. John Elsesser said that we got an email from ECHIP about a week ago with good news for us. We had a couple of employees hit the stop-loss threshold so now we are looking at an increase 3.7% instead of 5%, although they are recommending we stay with 5%. We have some good reserves in that account to cushion against shocks that may come. We have individual stop loss but not an aggregate. We feel comfortable to make that accommodation in both of our budgets. Amanda Backhaus said this would be a reduction of $40,000 for the Board of Education, and 10% for the Town. John said that some of the new hires on not on the family plans, which is another reason why costs are lower. Carolyn asked what employees are paying this year vs. last. Robert Carroll replied that it varies by union. Secretaries pay 12%, teachers pay
24%. Jennifer Beausoleil said that this is more in line with the private sector. Robert Carroll said there is a contract highlights page in the budget that gives some of this information. Matthew O’Brien noted it is page 20 in the budget. David Petrone said that next year nurses will pay 16%, paras will pay 14%, custodians will pay 17% and Administrators will pay 25.5%. Robert Carroll said we always try to get at least a half percent from teachers during negotiations. Jennifer Beausoleil said that the other thing about ECHIP is the amount we are required to pay is based on a census at a certain point, so staff changes don’t reflect until the next year.

Mike Sobol said that contracted services has a sizable increase. David Petrone replied that this is based on the Council’s recommendation to increase that. We worked hard to inventory our equipment and maintenance records. Bill Trudelle has worked hard to improve those areas. Mary Kortmann said that a list is on page 8 of the proposed budget. Joan Lewis asked what the technology increase represents. Robert Carroll replied that it includes the various software packages we use. Some are on three-year renewal cycles and it could be that something is hitting next year. David Petrone said we also just upgraded our firewall software. Robert Carroll said that increases for software are shown on page 90. David Petrone said that one of the biggest contracts is with FrontLine, which is our payroll software. That went up quite a bit and is out of our control.

Julie Blanchard asked how ECS is factored in. Did the Board account for reductions or project what would be reduced in that area? David Petrone replied we don’t think anyone knows where we will be. It is a moving target. We have tried really hard to find every savings we can, reduce staff and serve more kids, and keep kids in the District. We appreciate the partnership we have so that when cuts come we can sit at the table to strategize. Jennifer Beausoleil said at the time we are preparing our budget we have an estimate for excess costs. David Petrone said we would guess there is a reduction coming. Matthew O’Brien said were expecting a reduction of $350,000 and now we are hearing it is $550,000. David Petrone replied that is an estimate. The last couple of years we have been right on in our predictions of what the final State numbers would be. John Elsesser said that special education is a little easier. The State can’t cut that because we will lose the federal funds. We have been very cautious on excess cost – and don’t think there will be a dramatic change. There are real questions about whether the State is meeting their obligation. Jennifer Beausoleil said our estimates were based on students in the District on 2/14/19. There is no padding or placeholders.

Matthew O’Brien thanked the Board of Education for their answers. He didn’t see the attachments until today so if he has additional questions he will forward them to Joan. He attended the Superintendent’s budget presentation last week and was pleased to hear about the great progress our schools are experiencing. Our schools have come a long way in the past few years. He is impressed with the significant increases in student test scores and improved performance, and congratulated the Superintendent and Board of Education for providing the leadership that is driving student achievement higher. He is also pleased that the District is using data and outcomes to drive changes in staffing and the development of alternative programming for students not destined to go to college. He is also pleased that the District is thinking outside the box to attract out-of-district students to Coventry in order to generate additional revenue that could be used to benefit our schools. We should continue to support our schools and make certain our progress is not cut short by the cuts that the State is imposing in our funding and the obligations they are proposing, such as teachers’ pension costs, down to our towns. He said that the Town Charter directs that the Board of Education present their proposed budget to the Town Council along with any other information that the Council requires, and that the Town Council is tasked with making a final decision on the schools’ budget that will be sent to the Town meeting and referendum. It is clear that the Council has a role in analyzing the Board’s request and to
determine that the schools' request is appropriate and justified. The Council must evaluate the Board's proposal in light of the prior year performance, the current year performance, and the projected results and budget proposed. He sees the Council's role as one more layer of transparency built into the budget process and he has asked the Board for information that will enable him to understand their budget proposal. He has not received the cooperation and answers that he needs. The Council must play a role in making sure that budget initiatives allow the Board to do what they are trying to do and that the mechanisms we put in place are done in a manner that protects our taxpayers. Identifying potential risks, like possible impacts to Coventry's MBR or NCEP that may affect us in the future and minimizing those impacts is an important part of the Town Council's role. He has been trying to get the Town Council to fulfill their responsibility on this issue but has received little cooperation. He asked that we work together and cooperate so we can ensure that our schools continue their upward trajectory and do so in a way that protects our taxpayers and minimizes the impact on their wallets.

Joan Lewis said that the Board has discussed potential impact on MBR and NCEP with regard to possible tuition-paying students and believes the answer is that there isn't an impact. David Petrone replied that we have an opinion on that matter from Kevin Chambers, a consultant for the State Department of Education, which he distributed. (attached to minutes). Matthew O'Brien said that he has been doing some of his own research and it seems if money is spent on those students, there is no impact, but if money is used for other things that may be a different situation. David Petrone said at this point MBR will not exist after 6/30/19 of this year. John Elsesser said what they replace it with is unknown. Mary Kortmann said there is no breakdown so there is no way to know. Amanda Backhaus said she understands it would impact NCEP but not MBR. Mary said that they subtract the tuition before they use the number. John Elsesser asked whether the accounting is material if it is only one or two students. David Petrone said we have been saying all along that if we were to get a large influx of students that would be under a totally different agreement. He said we hope you appreciate we are trying to think out of the box and bring income in. This type of agreement would not have worked 10 years ago. We are coming up with creative non-traditional ways to bring revenue into the District.

Carolyn Arabolos asked what is behind the increase in instructional improvement on page 7. David Petrone replied that the increase there is very minimal if you take out salaries. These are things like copier services, etc. Instructional supplies shown here have been shifted from one area to another - we look at each of those on a line by line basis. Our policy is if there is a shift over $1,000 then we must quantify it with supportive materials.

Mike Sobol asked if there are any major licensing renewals coming up. David Petrone replied that those costs are outlined on page 90. Everyone thought with technology we would save on textbooks. We are, but there are licensing fees to cover. A lot of thought is given to what we have and whether it meets our goals. Centralizing has allowed us to plan better and anticipate renewals. Sometimes we go for a longer contract that will save us money. John Elsesser said that the State also passed a law on student privacy that has led to some master agreements with certain vendors. Sometimes vendors refuse to comply and then we must switch.

Matthew O'Brien said he is curious about the group homes in Coventry and their impact on the budget. He knows that some of those students are nexus. He is curious if we know how many come. Jennifer Beausoleil said we are not sure we can answer that because of FERPA. David Petrone said we still do have students who come to us through the group homes without a nexus and Coventry must pay for them. We have no control over that. We get notified that they are coming and what their needs are. It is almost impossible to plan for. Mary Kortmann said if it happens mid-year we have to pay the start-up costs all over again. In the case of a group home
where you have “x” number of beds - five kids could cycle in and out and we have to pay the “deductible” five times.

John Elsesser noted that the Town and Board of Education are sharing the cost to re-purpose van. We are collaborating on signage so that we can transport students to Goodwin College for the manufacturing program. This will also solve a problem on the Town side. With our mentoring program we are sometimes transporting kids and it has to be done in a marked vehicle.

Mike Sobol asked about the reduction of $47,000 in transportation costs. Mary Kortmann replied that Special Education transportation costs went down. Mike asked about the contract renewal for school buses. Eugene Marchand replied that a meeting is coming up and we will be making a recommendation. We have one more year on the contract. Things have gone well this year. There were few complaints or transportation committee meetings. David Petrone said we are looking at an app so that parents can track their students’ buses. Matthew O’Brien asked if there was a change in regular education due to an increase in buses. David Petrone said no. We left the option to reduce buses if need be. Jennifer Beausoleil said one of factors is an increase in the availability of sidewalks. There hasn’t been enough of an increase in sidewalks to cut a bus but we do have the ability to cut based on enrollment. It is a challenge because Coventry is very spread out so we can’t cut too much.

Carolyn Arabolos noted the decrease in utilities on page 20 and recognized John Elsesser and Bob Carroll’s negotiation of lower fuel costs. She asked about item #7, Special Education NCEP, and what caused that to increase. Robert Carroll replied it is a complicated formula. We increased our expenditures by .88 and decreased enrollment resulting in a net 3.3% change on NCEP. Matthew O’Brien asked what date that is calculated on. Robert replied that it might change because of the auditor’s process.

Carolyn asked about object 420, disposal services, on page 21 and if there was a rationale about no hazmat removal. David Petrone replied that usually we try to get enough materials together to do it one time and we just did it last year. It will be cyclical.

Carolyn asked if there is a map on page 23 to indicate what the grants are used for. Jennifer Beausoleil replied that these are the various grants that the auditors track. There are a lot of companies out there that offer grant opportunities that designate volunteer hours that could come to schools.

Joan Lewis asked where the new social worker is going to be. David Petrone replied through k-12. There are cases at each of the sites but it depends on where the needs are. We want the flexibility to shift to support students and staff. Jennifer Beausoleil said it is a big advantage to be able to shift without creating a burden on a specific school. Mary Kortmann said we also have some families with kids at multiple schools so that can create a connection to follow families. For the past two years the highest needs school has been CGS, but that shifts. Sometimes it is the high school.

Julie Blanchard asked about library media services on Page 16 and the reduction in salaries from $48,000 to $42,000. Robert Carroll said that we currently have two employees in the secretarial union. We are eliminating two part-time positions and putting in a certified employee. That will give us a full time media specialist at both sites. The overall impact to the budget was in our presentation. It was a shift in the money. We did something similar at CGS last year.

Jonathan Hand extended his appreciation and thanks to the Board and staff for putting forward
such a conservative budget. It is evident looking through it that they have worked hard to contain
costs while maintaining programs.

B. Capital Improvement Plan (CIP) Budget

John Elsesser gave an overview of the CIP budget (presentation attached to minutes). The CIP
looks at the big picture about what is coming up. It allows you to do priority setting, and put
projects together. It helps with financial ratings. It also helps in getting grants to show you have
thought about it in advance.

We have been trying to increase our CIP budget over the years. If you can pay cash, then you
avoid the expense of bonding. If something big comes up, you can handle it. This year for the
first time we have gotten to the $1 million threshold which is what he has been proposing for
several years.

Highlights of the proposed CIP budget include:

- A major refresh of our IT system. All of our equipment is old. We need to get to virtual
  backups and change the way we are doing business. Not only are we making decisions
  for this year, we are looking out to see what’s coming.
- TAR and LOCIP funds are remaining.
- We are proposing a $4 million bond for roads and bridges.
- We are trying to build the Capital Non-Recurring Expenditures Fund (CNREF).
- The Education item is the parking lot redesign at the grammar school.
- Urban forestry: we have a crisis right now with ash and oak trees. We also put increase in
  our operating budget. Mike Sobol asked what responsibility Eversource has. John replied
  that they are responsible for trees that are near the power lines. We work with them to
  attempt a liberal interpretation of that but if there is no line they won’t take it. They are
  getting a little tougher. They are not a CT company.
- The maintenance vehicle is the first pick-up truck for the schools. They have been asking
  for one for several years.
- The engine tanker refurbishment is part of a long-range refurbishment plan. The vehicle
  is 12-13 years old. We are looking at replacing ET 101 next year. It was obtained in
  1991. The life expectancy is 20 years and we are well beyond that. Age of vehicles is
  shown in the back of the budget.
- Lake management. There is $45,000 left from this year. We are putting in $60,000 for
  next year. We want to do the Hydrilla treatment in June so this money will go toward the
  next phase. We are also hoping to get a State grant. Our ability to do Fanwort treatment at
  Eagleville Lake will depend on whether we get State funds or not.
- LOCIP funds are set at $100,000. The list includes work at the Community Center where
  the roof is leaking. Camp Creaser also needs repairs to two roofs. One is on the picnic
  pavilion and the other is the building that ARC used. Matthew O’Brien noted that it is a
  State park – do they have some responsibility? John replied no. Some guardrail issues
  need to be addressed. Under open space stewardship, we want to clear access to the lots
  by Walgreens and off Sam Green Road. These funds won’t be available until next April
  but we have a little money in the bank that we could use to accelerate a few of these
  items. The roofs are a priority. The sidewalk extension is to finish the project to get to
  the driveway.
- Other minor funds: neither COVRA or Sewer are raising rates this year.
- CNREF includes $90,000 for the CNG payment and $80,000 for reserves. We would like
to put more in. Depending on how things go we might want to make a year-end transfer.
Mike Sobol asked why the $90,000 payment to CNG is in CNREF. Amanda Backhaus replied that it helps keep debt service payments in the general fund which is a more accurate representation.

- Debt service by year shows that we have remained relatively constant since 2009. We are well below the State average. The debt ratios are from the audit which looks at indicators of per capita debt. The ratios are good and general obligation bonds are less. Projected debt service by year shows the potential $4 million bond and lease purchasing. There are several years with big drops. We will have the capacity to do the school roofs, unit ventilators, etc. down the road. We will have to time them properly to avoid spike increases. Often you can do a project and not pay for it for a year. This year we are proposing going to bonding right away because rates are creeping up and we would want to lock it in. We have to issue debt anyway for the current school project. It is a good situation to be in overall.

- The bonding proposal includes a list of roads/bridge/parking lot to be addressed. The total is $4,441,338 with a credit from CT Water for total of $4 million. Not included are seismic code compliance work for the tall walls at the high school or a new softball complex. We did not put in a ToolCat vehicle for the schools but we support the purchase in general as we think it makes sense for their snow blowing needs. Mike Sobol mentioned a trailer as a possible alternative. John replied that their vans have trailer hitches now. They need more clearance at times. Matthew O’Brien said they could buy it now out of their 1% if it’s really a priority.

10. Adjournment:
Motion #18/19-229: Matthew O’Brien moved to adjourn the meeting at 9:06 PM. The motion was seconded by Carolyn Arabolos and carried on unanimous vote.

Respectfully submitted,

Laura Stone
Town Council Clerk

Note: These minutes are not official until acted upon by the Town Council at its next regular meeting. Those meeting minutes will reflect approval or changes to these minutes.
Tuition Students: NCEP Calculation

Kevin Chambers
Education Consultant
State Department of Education
860-713-6455

Opinion:

Students from other districts are not included in the ADM calculation, only students of fiscal responsibility. This would be your students in your schools plus any of your students that are being sent out such as special education, Voag, Magnet students. Students sent to a charter school or to CTHSS are also not included.
MULTI-YEAR SUMMARY

SHOWS THE BIG PICTURE:
- Robust Planning & Zoning Review (PPZ-1.1)
- Assists in obtaining grants
- Aims to develop positive financial posture
- Can save money through coordination
- Allows priority setting
- Helps prioritize the accomplishment of the improvements
- A multi-year planning instrument used to identify the need for capital projects and to coordinate the funding

WHAT IS A CIP & WHAT?

March 2019
John Elsesser, Town Manager

CAPITAL IMPROVEMENT PLAN
FY 19/20-25/26
### OTHER MINOR FUNDS

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<th>Proposed FY 2019</th>
<th>Actual FY 2019</th>
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<td>$100,000</td>
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<tr>
<td>6: Police</td>
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<td>5: General</td>
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<td>4: Park Improvements</td>
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<td>3: Capital Improvements</td>
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<td>2: Recreational Improvements</td>
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**TOTAL:** $300,000

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### HOW TO PAY FOR IT WHERE IT GOES

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<td>20: Other</td>
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**TOTAL:** $1,000,000

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**NOTICE:** 100% STATE GRANT
$62,000 for reserves.
$18,000 is for a vehicle, that and $90,000 is for CNG payment.
To CERP of $170,000 of which
Annual contribution

Purchases Capital Reserve for CERP

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WHAT IS NOT INCLUDED

- 3/22/2019

Summer Roads Cont'd