

Budget in Brief

**Proposed Fiscal Year 2019/20 Budget
Town Meeting: Saturday, April 27, 2019
10:00 A.M. Veterans Auditorium,
Coventry High School, Ripley Hill Road**



Overview

Responding to the expectations of Coventry residents for better and more efficient services, Town and Board staff reviewed programs and services and prepared budget proposals that address the stated goals of the Town Council and Board of Education. This review was undertaken in the context of the very weak State and improving National economies. Existing services have been maintained and infrastructure repairs, services to students, seniors, and public safety have been given a priority. The Town Manager's recommended budget demonstrated that most agency budgets were submitted with only a modest or no increase, made up with a decrease elsewhere. No new full time Town staffing is proposed. The full budget was reviewed and modified by the Town Council, resulting in a reduction from requests of \$316,632.

“The Town Council’s budget proposals for the Town, Board, Capital and Debt Service call for a \$529,078 spending increase.”

The Town Council's budget proposals for the Town, Board, Capital and Debt Service call for a \$529,078 spending increase from the prior year adopted budget. This year's process was complicated by very uncertain State revenues and proposed new expenses. The proposed budget will require a mil rate increase of 0.4 mils or 1.24% and the proposed mil rate will increase to 32.60. The proposed budget has been sent to the Annual Town Meeting scheduled for Saturday, April 27, 2019, in the CHS Veterans Auditorium at 10:00 A.M. The full budget document is available on the Town's website, www.coventryct.org, under Finance. The adjourned Town Meeting vote is scheduled for Tuesday, May 7, 2019. There is also a question seeking authorization for issuance of up to \$4,000,000 bonds for the planning, design, engineering, construction, reconstruction and improvements of various town roadways, parking lots, and bridges, which is detailed in the explanatory text on page 4 of this document. The first interest and principal payments are included in the proposed budget and will be totally offset by retiring debt. There is additional information on this project and the many presentations and estimated fiscal impact on the Town's web page.



Budget Process

Budget Summary

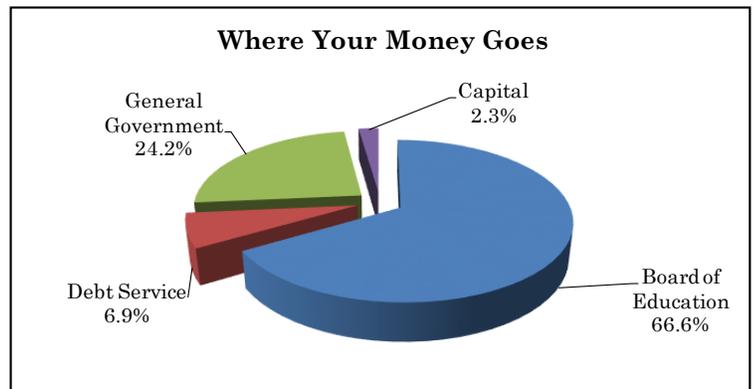
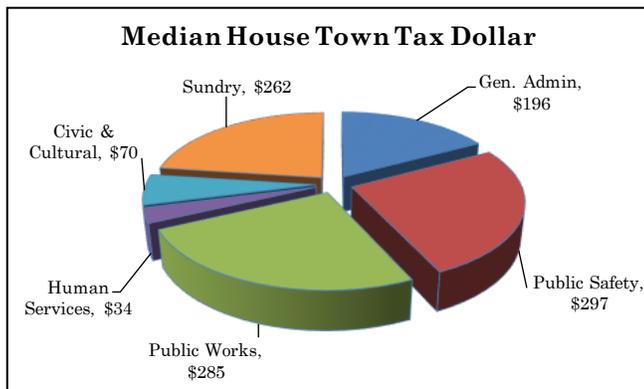
The expenditure part of the budget is broken down into the areas of General Government, Board of Education, Debt Service and Capital totaling \$41,341,564, an increase of \$529,078 or 1.30% compared to the adopted FY18/19 budget. The Board of Education budget is a \$244,250 increase over the adopted budget. The Council reduced the Board's request by \$75,000. The Town budget, including the Library and Fire services, increased by \$318,946. A breakdown of the budgets are illustrated below.

"The combined budgets are a 1.30% increase over the FY 18/19 budget."

Budget Area	Adopted Budget	Requested Budget		
	FY 18-19	FY 19-20	\$ Change	% Change
General Government	\$9,693,156	\$10,012,102	\$318,946	3.29%
Board 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	-	0.00%
Total	\$40,812,486	\$41,341,564	\$529,078	1.30%

Town Operating Budget Summary

The Town operating budget recommended for FY 19/20 is \$10,012,102; an increase of \$318,946. The Council reduced the Town Manager's request by \$47,848. No increases are proposed for Town General Fund fees including COVRA trash fees and WPCA (sewers) fees. Our health insurance experience has allowed rates to increase only 3.7%, and higher employee premium sharing is anticipated. We increased tree work to address blight issues particularly with ash trees (\$7,200). The Capital budget has remained unchanged from the prior year, and includes \$180,000 of Education projects.



To learn more about the fiscal year 2019/2020 proposed budget, you can view the full Town budget document online at www.coventryct.org under Finance. Copies of the Town and Board of Education budgets are also available for viewing in the Coventry Town Clerk's office during regular office hours.

YOUR OPINION COUNTS!



If you have questions or concerns about the FY 19/20 proposed budget, please don't hesitate to email John Elsesser, Town Manager at Jelsesser@CoventryCT.org or call the Town Manager's Office

at 860-742-6324.

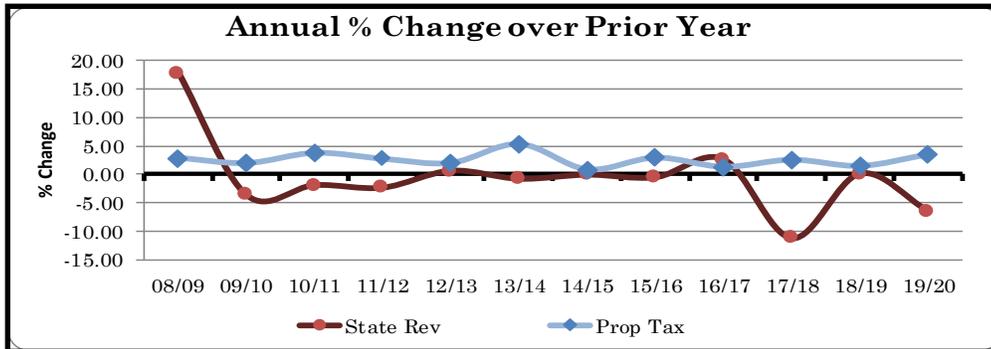
TAX RELIEF FOR SENIORS

Guidelines for additional tax relief for qualified Coventry seniors and disabled persons are available in the Town Assessor's Office. This includes a new local tax credit program. Call 860-742-4067.

Application Deadline: May 15, 2019.

Operational Efficiencies and Cost Containment Efforts

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



This chart shows the mil rate increase over time in relation to reductions in State Aid. Note, even in years of dramatic State Aid reductions, the full decrease in State Aid was not passed on in mil rate increases.

Board of Education Summary

The Board of Education budget is proposed at \$27,526,597; an increase of \$244,250 or 0.90% from their originally adopted FY 19 budget. Details are available on the web at www.coventrypublicschools.org. The Council reduced the Board's request by \$75,000. This recognized post budget submission savings in medical insurance premiums and an additional \$35,000 in budget reductions to be determined by the Board.

Revenues

The property tax is the major revenue source (78.1%) for Coventry. This is an increase of 1.75%, required mostly due to estimated State revenue reductions of \$575,288. The 2018 grand list increased by 1.24%. Calculated on the new grand list, one mil will now raise \$966,842 of taxes. With no increase from the FY19 approved mil rate of 32.20 mils, this would result in additional revenue of \$384,172. The Town Council's proposed budget requires a mil rate of 32.60 to balance the budget. This is an increase of 0.4 mils or 1.24% compared to FY 2018/19.

Intergovernmental revenues, mostly State aid, are the second largest source (20.5%) of revenues for Coventry. This is a reduction of 1.70% from the prior year adopted budget. These revenues are based on the assumed State budget which is not yet set. Our estimates include a net year-to-year reduction in State aid of \$575,288 which is equal to approximately 0.60 mil. The State budget should be adopted prior to setting our mil rate.

Other local revenues consist of a variety of fees for permits, services and interest earnings. This source of revenue is expected to decrease by \$20,000 due mostly to a decrease of \$50,000 from the sale of town property of, offset by expected increases in building permit revenue due to increases in private construction projects.

Mil Rate

Assessed value is 70% of the October 1, 2018 fair market value. It is estimated that the median house in Coventry is now assessed at \$144,900. This means that half the properties are above this point and half are below. The proposed mil rate of 32.60 carries a tax impact on a median valued household of \$393.65 per month, or \$4,724 a year. This is a proposed increase of \$58 annually or \$4.83 per month. Over the years, the Coventry taxpayer has assumed a greater proportion of the tax revenue needed to support annual operations due to declines in State aid.

Explanatory Text prepared pursuant to CGS Sec. 9-369b.

Question: "Shall the resolution making an appropriation of \$4,000,000 for the planning, design, engineering, construction, reconstruction and improvement of various town roadways, parking lots and bridges, be approved? YES _____ NO _____"

On May 7, 2019 the above question will be on the ballot for consideration. The proposed project has three major components: Road and drainage treatments, grant match for replacement of the Hop River Road Bridge, and redesigning and reconstructing the parking lot at the Coventry Grammar school to separate bus traffic, and increase the number of parking spaces available. The \$4,000,000 is a net total cost after grants and other revenues from CT Water for final pavement restoration for the Northfields water main replacement project currently under construction. It also includes the costs of bond issuance, engineering, inspections, rights of way acquisition and related expenses. Please see the sidebar for proposed scope of work. The work is subject to change due to unexpected conditions and to remain within budget. It is anticipated it could take up to three years to complete the projects.

The first interest and principal payments for the bond are included in the proposed FY 2019/2020 budget, and if approved, will be fully offset by retiring debt. This means that these projects will not increase the Debt portion of the proposed budget, or require an increase in property taxes. If this question does not pass the Debt portion of the budget could be reduced. In addition to this bond the on-going Summer Roads program is envisioned to continue with a plan for work on other roads throughout town (see proposed budget for additional information).

Different road treatment plans are envisioned for selected road segments based on existing conditions, traffic volumes, and cost. Full depth reclamation is a process which grinds up the pavement, regrades the base and then repaves several layers of hot pavement. Cold in Place is a process which grinds up the pavement, rejuvenates it then redeposits it for reuse as the road base. It uses a large machine commonly called a train which does the work all in one process. A layer of hot asphalt is then overlaid on top as the road surface. The Cold Overlay process will use the asphalt millings we stock piled from the recent State administered Main Street paving projects to make new asphalt. This product will be used on select dirt roads to reduce on going grading and maintenance work. This process was used in the Waterfront Heights neighborhood several years ago with good results.

The road work will utilize a combination of private contractors and the Town Public Works Crew. The Town forces will concentrate on preparation work, drainage, materials movement, and finish work. Contractors will do a majority of the reclamation and paving. We plan on using State bid pricing to obtain volume discounts. The Hop River Road Bridge project will take several years for design and permits and will be bid out as a separate project. The Town of Columbia will pay a share of the grant match. The CGS parking lot is planned for 2020.

Proposed Scope of Work.

Full Depth Reclamation with Bituminous Overlay:
Northfields Subdivision, South St. (sections between Museum & South River Road) North Farms Rd. (Joshua La. to Cul-de-sac), Hickory Drive (WFM), Lake Shore Dr., High Meadow Ln.

Cold in Place Recycling with 1.5-inch Hot Overlay:
Lewis Hill Rd. plus lower section of Eastview Dr., Carson Dr., Gable Rd., Pine Lake Shore Dr.

Bituminous Cold Overlay:
Waterfront Manor, Mohegan Trail, Tunxis Trail, Violet Trail, Meadow Trail, Spring Trail, Laurel Trail, Birch Trail, Maple Trail, Forest Hills Drive, Dimock Road, Catalina Drive, Orcutt Road.

Northfields/Swamp Rd. intersection realignment:
Build new connector from existing Northfields Rd. to the new proposed (grant funded) Swamp Rd./Rt 44/ Bread & Milk St. intersection to allow existing Northfields intersection to RT 44 to be closed.

Drainage:
Minor drainage improvements for Northfields Rd., Nathan Hale Dr., Pine Lake Shore Dr.

Hop River Bridge Replacement:
16.5 % (Town Portion) of the \$3M Bridge Replacement cost.

Coventry Grammar School Parking Lot :
CGS parking lot redesign & replacement to separate bus traffic and increase parking.

Engineering, survey, inspection and other expenses including bond fees.

The foregoing question will be submitted to the legal voters of the Town for a vote by paper ballot on Tuesday May 7, 2019 during the hours between 6 A.M. and 8 P.M. (E.T.). Electors will vote at the polling places established for voting districts #1 and #2. The voters who are entitled to vote by reason of Section 7-6 of the Connecticut General Statutes, as amended, may vote at District 1. The polling places are as follows:

District 1-Coventry Fire Association
1755 Main St., Coventry, CT

District 2-North Coventry Fire Department
3247 Main St., Coventry, CT