

Budget in Brief

Proposed Fiscal Year 2018/19 Budget
Town Meeting: Saturday, April 28, 2018
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 \$25,244.

“The Town Council’s budget proposals for the Town, Board, Capital and Debt Service call for a \$498,511 spending increase.”

The Town Council’s budget proposals for the Town, Board, Capital and Debt Service call for a \$498,511 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 1.25% and the proposed mil rate will increase to 32.4. The proposed budget has been sent to the Annual Town Meeting scheduled for Saturday April 28, 2018, 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 8, 2018. There is also a question seeking authorization for issuance of up to \$3,700,000 bonds for the planning, design, engineering, renovation, construction, reconstruction and reconstruction for improvements to various buildings and bridges, which is detailed in the explanatory text on page 4 of this document. There would be no tax impacts due to borrowing for this project until FY 19/20 at the earliest. There is additional information on this project and the many presentations and estimated fiscal impact on the Town’s web page.

4/5/2018



Budget Process

Budget Summary

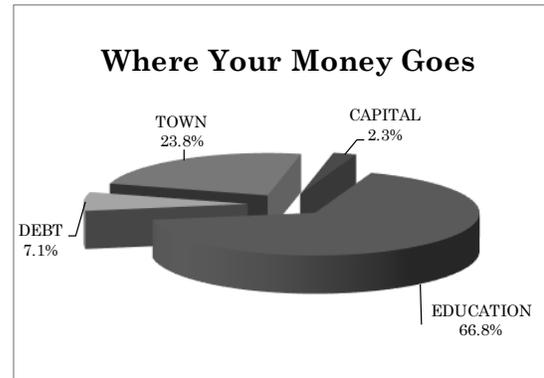
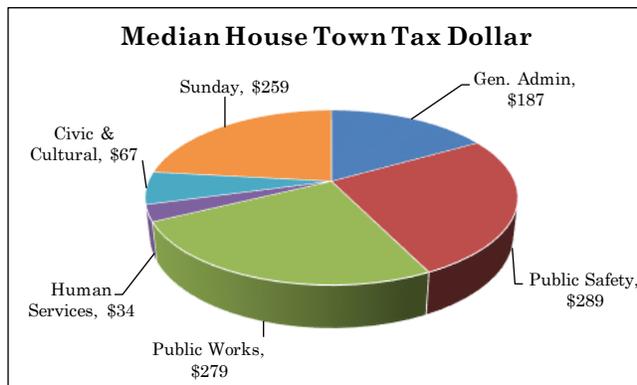
“The combined budgets are a 1.24% increase over the FY 17/18 budget.”

The expenditure part of the budget is broken down into the areas of General Government, Board of Education, Debt Service and Capital totaling \$40,812,486, an increase of \$498,511 or 1.24% compared to the adopted FY17/18 budget. The Board of Education budget is a \$237,663 increase over the adopted budget. The Town budget, including the Library and Fire services, increased by \$80,738. A breakdown of the budgets are illustrated below.

Budget Area	Adopted Budget	Requested Budget	\$ Change	% Change
	FY 17-18	FY 18-19		
General Government	\$9,612,418	\$9,693,156	\$80,738	0.84%
Board of Education	\$27,044,684	\$27,282,347	\$237,663	0.88%
Debt Service	\$2,724,073	\$2,904,983	\$180,910	6.64%
Capital	\$932,800	\$932,000	(\$800)	(0.09%)
Total	\$40,313,975	\$40,812,486	\$498,511	1.24%

Town Operating Budget Summary

The Town operating budget recommended for FY 18/19 is \$9,693,156; an increase of \$80,738. No increases are proposed for Town General Fund fees except legal ads for land use applications which allowed a \$7,650 reduction in the budget. The \$5.00 reduction in COVRRRA trash fees from last year will remain in place. WPCA (sewers) have kept fees unchanged from the prior year. Our health insurance experience has allowed rates to remain unchanged, and higher employee premium sharing resulted in budget savings of \$6,700. We have added additional funds for winter salt and overtime for snow removal (\$21,000). We increased tree work to address blight issues particularly with ash trees (\$10,000). The Capital budget decreased by \$800 but still includes \$217,000 of Education projects.



To learn more about the fiscal year 2019 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 18/19 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, 2018.

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 and 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 even have directly imported items to reduce costs. 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.

	ACTUAL TOTALS FY16/17	ORIGINAL ADOPTED** FY17/18	COUNCIL REQUESTED FY18/19
Expenses:			
General Government	\$ 9,442,532	\$ 9,612,418	\$ 9,693,156
Board of Education	27,085,095	27,044,684	27,282,347
Debt Service	2,742,554	2,724,073	2,904,983
Capital	1,186,233	932,800	932,000
Total:	\$ 40,456,414	\$ 40,313,975	\$ 40,812,486
	\$ Change from FY16/17 Actual	(142,439)	356,072
	% Change from FY16/17 Actual	-0.35%	0.88%
	\$ Change from FY17/18 Original		498,511
	% Change from FY17/18 Original		1.24%

** Budget totals may be further reduced as a result of Governor's State Revenue Holdbacks. Actual results may differ from adopted.

Board of Education Summary

The Board of Education budget is proposed at \$27,282,347; an increase of \$237,663 or 0.88% from their originally adopted FY 18 budget. Details are available on the web at www.coventrypublicschools.org. The Council reduced the Board's request by \$30,000. This recognized post budget submission savings in salaries based on teach retirement notification.

Revenues

The property tax is the major revenue source (78.6%) for Coventry. This is an increase of 0.8%, required mostly due to estimated State revenue reductions of \$554,276. The 2017 grand list increased very 1.4%. Calculated on the new grand list, one mil will now raise \$953,453 of taxes. With no increase from the FY18 approved mil rate of 32.0 mils, this would result in additional revenue of \$522,038. The Town Council's proposed budget requires a mil rate of 32.4 to balance the budget. This is an increase of 0.4 mils or 1.25% compared to FY 2017/18.

Intergovernmental revenues, mostly State aid, are the second largest source (19.9%) of revenues for Coventry. This is a reduction of 5.21% from the prior year adopted budget. These revenues are based on the assumed State budget with some mid-year cuts are expected. Our estimates include a net year-to-year reduction in State aid of \$554,276 which is equal to approximately 0.58 mil.

Other local revenues consist of a variety of fees for permits, services and interest earnings. This source of revenue is expected to decrease by \$12,551 due mostly to decrease in police special duty fees from private construction projects.

Mil Rate

Assessed value is 70% of the October 1, 2017 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 32.4 carries a tax impact on a median valued household of \$391.23 per month, or \$4,695 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 \$3,700,000 for the planning, design, engineering, renovation, construction, and reconstruction for improvements to various buildings and bridges, be approved?
 YES _____ NO _____”

On May 4, 2014 the Town Council appointed the Energy & Building Efficiency Building Committee to research ways to reduce energy use into various town and school buildings. Through a bid process they hired BL Companies to provide engineering and architectural assistance. As their work continued they were also assigned responsibilities of looking into physical school security enhancements, Building Code concerns, American Disability Act Violations, and the conversion of heating system to connect to the new CT Natural Gas line. Many of their projects have been completed through other grants and funding sources. Some of their recommended work for George Hersey Robertson School (GHR) and Coventry Grammar School (CGS) remains for future consideration. Additionally, the Booth and Dimock Library building committee has been working on renovations and addition concepts but with the failure the full project referendum some of the replacements of mechanical systems for the current building were included with this package to allow bundling of similar work for bid purposes and avoid duplicate bonding expenses. Finally, the sudden partial failure of concrete on the Jones Crossing Road Bridge, and reduction to one lane, requires action before the bridge is entirely closed.

Project list		
<u>Code work/regulatory</u>		
1	Revise connecting fire doors at CHS	\$249,113
2	Remove oil/propane tanks at CHS, CNHS, GHR, CGS Library, Town Hall, School admin	
	Install replacement tanks at GHR, CGS, Library	\$251,485
3	remove/replace asbestos flooring at CHS	\$157,542
	Subtotal	\$658,140
<u>Energy/HVAC/Mechanical</u>		
4	Convert preschool electric rooftops units to gas	\$108,750
5	Boiler replacements at GHR, CGS, Library	\$390,000
6	Library Chiller replacement	\$75,000
7	CHS/CNHS complex unit ventilator replacement	\$522,500
	exhaust and fresh air modifications	\$806,250
	Café heating modifications	\$6,000
	CHS front office HVAC modifications	\$23,125
	Variable fan displacement	\$40,000
	Gym air handling unit	\$100,000
	Electric sub metering	\$13,500
8	Library elevator rebuild	\$24,500
	Subtotal	\$2,109,625
<u>Jones Crossing Road bridge replacement</u>		
9	Replace culvert and road/intersection improvement	\$700,000
<u>Design fees for all projects</u>		\$157,235
<u>Bonding expenses</u>		\$75,000
<u>Project total</u>		\$3,700,000

As the projects list details (see sidebar) there are nine project categories. Some of the school code projects (oil tanks, fire doors and asbestos removal) are eligible to receive partial State aid currently estimated at 58.93% of cost. This could reduce the project costs by \$354,988. Working with IBIC, the Town’s financial advisor, there would be no impact to the upcoming July FY 18/19 budget. They estimate that after State aid the net borrowing would have a .37 mil impact in FY 20 which should be entirely offset by a .72 mil reduction due to retirement of existing debt.

The foregoing question will be submitted to the legal voters of the Town for a vote by paper ballot on Tuesday May 8, 2018 during the hours between 6:00 o'clock A.M. and 8:00 o'clock P.M. (EST); that the voting take place in the polling places established for voting districts #1 and #2, and that voters entitled to vote by reason of Section 7-6 of the General Statutes of Connecticut, as amended, may vote at District #1. Absentee ballots will be available at the office of the Town Clerk as provided by law. The polling places are as follows:

District 1-Coventry Fire Association Station
1755 Main Street, Coventry

District 2-

North Coventry Fire Department Station
3247 Main Street, Coventry