Town Meeting
Saturday April 28, 2018
10:00 a.m.
Veterans Auditorium

Town of Coventry
Council’s Recommended Budget
FY 2018-2019

Joan Lewis, Council Chair

www.Coventryct.org
Highlights of Proposed Budget

Change from Adopted FY 17/18 Budget

- Education increase $237,663
- Town increase $80,738
- Capital decrease $(800)
- Debt increase $180,910

Total change $498,511

The proposed budget increases total spending by $498,511 or 1.24%

- Spending increase of 1.24%
- Questionable State Revenues
- Council budget includes proposed Mil rate of 32.4
## COMPARISON OF FY 2017/2018 and FY 2018/2019 BUDGETS

### REVENUES

<table>
<thead>
<tr>
<th></th>
<th>Adopted FY 18</th>
<th>Requested FY19</th>
<th>Inc/Dec</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>$30,665,263</td>
<td>$31,646,479</td>
<td>$981,216</td>
<td>3.20%</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$9,021,711</td>
<td>$8,551,657</td>
<td>($470,154)</td>
<td>5.21%</td>
</tr>
<tr>
<td>Reserves</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Local</td>
<td>$627,001</td>
<td>$614,450</td>
<td>($12,551)</td>
<td>2.00%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$40,313,975</td>
<td>$40,812,486</td>
<td>$498,511</td>
<td>1.24%</td>
</tr>
</tbody>
</table>

### EXPENDITURES

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gen. Government</td>
<td>$9,612,418</td>
<td>$9,693,156</td>
<td>$80,738</td>
<td>0.84%</td>
</tr>
<tr>
<td>Bd. of Education</td>
<td>$27,044,684</td>
<td>$27,282,347</td>
<td>$237,663</td>
<td>0.88%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$2,724,073</td>
<td>$2,904,983</td>
<td>$180,910</td>
<td>6.64%</td>
</tr>
<tr>
<td>Capital</td>
<td>$932,800</td>
<td>$932,000</td>
<td>($800)</td>
<td>0.09%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$40,313,975</td>
<td>$40,812,486</td>
<td>$498,511</td>
<td>1.24%</td>
</tr>
</tbody>
</table>
Where is the Increase Going?

% of Total Increase by Budget

- Debt: 35.2%
- General Government: 13.8%
- Board of Education: 51.0%
## Council Adjustments

<table>
<thead>
<tr>
<th>Budget</th>
<th>Request</th>
<th>Council</th>
<th>$ Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$9,684,650</td>
<td>$9,693,156</td>
<td>$8,506</td>
</tr>
<tr>
<td>Education</td>
<td>27,312,347</td>
<td>27,282,347</td>
<td>(30,000)</td>
</tr>
<tr>
<td>Debt</td>
<td>2,908,733</td>
<td>2,904,983</td>
<td>(3,750)</td>
</tr>
<tr>
<td>Capital</td>
<td>932,000</td>
<td>932,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$40,837,730</strong></td>
<td><strong>$40,812,486</strong></td>
<td><strong>($25,244)</strong></td>
</tr>
</tbody>
</table>
## Detail of Changes to Town Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>FY17/18</th>
<th>FY18/19</th>
<th>Total %</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$ 6,874,098</td>
<td>$ 6,993,429</td>
<td>72.1%</td>
<td>$ 119,331</td>
<td>1.7%</td>
</tr>
<tr>
<td>Contractual</td>
<td>1,566,557</td>
<td>1,522,596</td>
<td>15.7%</td>
<td>(43,961)</td>
<td>-2.8%</td>
</tr>
<tr>
<td>Supplies</td>
<td>887,611</td>
<td>883,415</td>
<td>9.1%</td>
<td>(4,196)</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Capital</td>
<td>30,500</td>
<td>25,400</td>
<td>0.3%</td>
<td>(5,100)</td>
<td>-16.7%</td>
</tr>
<tr>
<td>Utilities</td>
<td>253,652</td>
<td>268,316</td>
<td>2.8%</td>
<td>14,664</td>
<td>5.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 9,612,418</td>
<td>$ 9,693,156</td>
<td>$ 80,738</td>
<td>0.8%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>FY17/18</th>
<th>FY18/19</th>
<th>Inc/(Dec)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Administration</td>
<td>$ 1,611,591</td>
<td>$ 1,635,307</td>
<td>$ 23,716</td>
<td>1.47%</td>
</tr>
<tr>
<td>Public Safety</td>
<td>2,512,616</td>
<td>2,511,177</td>
<td>(1,439)</td>
<td>-0.06%</td>
</tr>
<tr>
<td>Public Works</td>
<td>2,357,942</td>
<td>2,422,030</td>
<td>64,088</td>
<td>2.72%</td>
</tr>
<tr>
<td>Human Services</td>
<td>295,285</td>
<td>295,883</td>
<td>598</td>
<td>0.20%</td>
</tr>
<tr>
<td>Civic and Cultural</td>
<td>572,634</td>
<td>580,859</td>
<td>8,225</td>
<td>1.44%</td>
</tr>
<tr>
<td>Sundry</td>
<td>2,262,350</td>
<td>2,247,900</td>
<td>(14,450)</td>
<td>-0.64%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 9,612,418</td>
<td>$ 9,693,156</td>
<td>$ 80,738</td>
<td>0.84%</td>
</tr>
</tbody>
</table>
Where do we get our Revenue?

State Revenue Uncertainty

- The current ADOPTED State budget provides ECS funding to Coventry in the amount of $8,267,802.
- The Governor’s proposed FY19 State budget reduces Coventry’s ECS payment by $865,845 – only providing the Town with $7,401,979.
- The most current FY19 State budgets proposed by both Democratic and Republican leaders maintains the adopted State budget funding levels.
- Even if the funding level from the adopted State budget remains, the Town still risk mid-year cuts based on the deficit position of the State’s budget.
- The Council’s proposed budget is based on a mil increase of 0.4, or 1.25%. This is based on ECS funding levels of $7,832,879 (about ½ way between 2 budgets).
- The referendum determines the FY19 Expenditure budgets. The mil rate is established by the Town Council subsequent to the referendum.
- As the State finalizes their FY19 budget, there is potential that less than a 0.4 mil increase will be needed to cover FY19 costs.
Where do we get our Revenue?

• State revenues uncertainty

• Grand list growth of 1.47%. With no mil change, this generates an additional $522,038 in revenue – only slightly more than the spending increase ($498,511)

• 0.4 or 1.25% mil increase results in an additional $409,178 in property tax revenue (total increase in property tax revenue of $931,216)

• Local revenues decreased $12,551

• No use of Fund balance
Median house assessed at $144,900 ($207,000 market)
Total proposed tax: $4,695
Increase of $58 annually: $4.83 monthly
Cost of Town Service on Median House

General Government share of bill = $1,115 of $4,695 total (23.8% of total bill)
## Major Town Budget impacts

### GOOD NEWS

- Pension and Health Insurance funds are strong
- No increase in COVRRA or Sewer use fees
- No service cuts
- Grants have been strong: roads, arts, sidewalks, solar, bridges, Energy savings, Police equipment, Housing rehab., etc.
- Improvements to Parks and Buildings
- Fund Balance is at Council’s Goal

### Contractual Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building maintenance/equipment repair</td>
<td>($5,110)</td>
</tr>
<tr>
<td>Software licenses</td>
<td>$2,300</td>
</tr>
<tr>
<td>Bank reconciliation services</td>
<td>($2,000)</td>
</tr>
<tr>
<td>Workers’ Comp Insurance</td>
<td>($6,400)</td>
</tr>
<tr>
<td>Attorney’s fees</td>
<td>($5,000)</td>
</tr>
<tr>
<td>Fire fighter training</td>
<td>$7,000</td>
</tr>
<tr>
<td>Tree Removal</td>
<td>$10,000</td>
</tr>
<tr>
<td>Tax bill postage/printing</td>
<td>($2,000)</td>
</tr>
<tr>
<td>Legal advertising</td>
<td>($7,650)</td>
</tr>
</tbody>
</table>

### Supplies

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office supplies</td>
<td>($3,425)</td>
</tr>
<tr>
<td>Gasoline and Diesel</td>
<td>($400)</td>
</tr>
<tr>
<td>Treated salt</td>
<td>$15,000</td>
</tr>
<tr>
<td>Claims &amp; Losses</td>
<td>($10,000)</td>
</tr>
</tbody>
</table>
Personnel Expense Changes

- All four unions have approved contracts with raise increases effective July 1. Increases vary from 2.0% to 2.25% depending on union.
- Health Insurance – No premium increase due to good experience. Employee portion of benefits increases 0.75%
- No new full-time or part-time positions added.
- $6,000 additional funding for snow overtime added.
- Pension expense increased by $8,650 to maintain recommended funding levels.

Personnel services, which makes up 72.1% of the Town Budget, is at an increase of $119,331 over prior year (1.7%).
Capital Budget Highlights

• Capital budget decrease of $800
• Sustainability level is $1,000,000 (proposed is at 93.2% of target)
• Includes $190,000 of Education projects

Note: FY 95 levels, which if adjusted for inflation, would be over $1,000,000
## Capital Projects

### GENERAL FUND CAPITAL EXPENDITURES:

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Summer Road Program (partial-see also Town Aid)</td>
<td>$337,000</td>
</tr>
<tr>
<td>2 School Computers</td>
<td>150,000</td>
</tr>
<tr>
<td>3 Town Hall Computer Upgrades</td>
<td>38,000</td>
</tr>
<tr>
<td>4 Classroom furniture</td>
<td>30,000</td>
</tr>
<tr>
<td>5 Police SUV vehicle</td>
<td>41,000</td>
</tr>
<tr>
<td>6 SCBA fire paks hoe</td>
<td>10,000</td>
</tr>
<tr>
<td>7 Fire gear</td>
<td>10,000</td>
</tr>
<tr>
<td>8 Open Space Fund</td>
<td>15,000</td>
</tr>
<tr>
<td>9 Revaluation YR2</td>
<td>45,000</td>
</tr>
<tr>
<td>10 CNREF</td>
<td>170,000</td>
</tr>
<tr>
<td>11 Plan of C&amp;D update-YR1</td>
<td>10,000</td>
</tr>
<tr>
<td>12 DPW pick-up truck</td>
<td>39,000</td>
</tr>
<tr>
<td>13 Coventry Academy outfitting</td>
<td>10,000</td>
</tr>
<tr>
<td>14 Taser replacements</td>
<td>10,000</td>
</tr>
<tr>
<td>15 Lake management</td>
<td>17,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$932,000</strong></td>
</tr>
</tbody>
</table>
Capital Projects (Continued)

**LOCIP:**

<table>
<thead>
<tr>
<th>#</th>
<th>Project Description</th>
<th>Funding Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Patriots Park improvements</td>
<td>Recreation fund</td>
<td>$10,000</td>
</tr>
<tr>
<td>2</td>
<td>Laidlaw Park improvements</td>
<td>Radio Tower fund</td>
<td>$15,000</td>
</tr>
<tr>
<td>3</td>
<td>Town Hall Renovations</td>
<td>Local LoCIP</td>
<td>$20,000</td>
</tr>
<tr>
<td>4</td>
<td>Large Drainage projects</td>
<td>Cafeteria fund</td>
<td>$40,000</td>
</tr>
<tr>
<td>5</td>
<td>Guardrail</td>
<td></td>
<td>$15,000</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$100,000</strong></td>
</tr>
</tbody>
</table>

**Other Funds:**

<table>
<thead>
<tr>
<th>#</th>
<th>Project Description</th>
<th>Funding Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Patriots Park improvements</td>
<td>Recreation fund</td>
<td>$5,000</td>
</tr>
<tr>
<td>2</td>
<td>Tower equipment</td>
<td>Radio Tower fund</td>
<td>$10,000</td>
</tr>
<tr>
<td>3</td>
<td>Millbrook Place vestibule</td>
<td>Local LoCIP</td>
<td>$10,000</td>
</tr>
<tr>
<td>4</td>
<td>Kitchen Equipment</td>
<td>Cafeteria fund</td>
<td>$27,000</td>
</tr>
<tr>
<td>5</td>
<td>Transfer Station relocation or improvement</td>
<td>COVRRA</td>
<td>$200,000</td>
</tr>
<tr>
<td>6</td>
<td>Medical/duty crew Fire vehicle</td>
<td>EMS fund</td>
<td>$35,000</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$287,000</strong></td>
</tr>
</tbody>
</table>
Debt Service is 7.12% of budget: a $180,910 increase. Budget includes one new lease purchase: Replacement Dump truck with a cost of $198,500, offset by a grant of $45,000. This will be a 7 year lease estimated at $26,200. Offset by retired leases of $31,295.

No Debt Service for additional projects are included in budget. Any projects that pass have assumed the first payments in FY 19/20 to take advantage of debt repayment decline.
Budget Vote!

- Vote: Tuesday May 8th
  6:00 A.M. to 8:00 P.M.
  District 1: CVFA Firehouse
  District 2: NCFD Firehouse

- Absentee Ballots will be available at the Office of Town Clerk during business hours