

Town of Coventry, CT



Town Council's Proposed Budget For Fiscal Year 2013-2014

**Presented to the Annual Town Meeting on
Saturday, April 27, 2013
Coventry High School**



OFFICE OF THE TOWN MANAGER
(860) 742-6324

March 28, 2013

To the Coventry Town Council and Citizens of Coventry;

In accordance with the Coventry Town Charter, I am presenting the Town Council's recommended budget for Fiscal Year 2013-14. The Town, Debt Service, Capital, and School budgets have increased \$1,223,284 to \$38,462,213 or a 3.28% increase over the adopted budget for Fiscal Year 2012-13. The proposed mil rate required to fund the proposed FY 14 budget is 27.97 mils. This is a .97 or 3.58% increase from this year's mil rate. This is after a year of no tax increase. The Town Council reduced the proposed tax increase impact by .32 mils or 1.2% less than originally proposed. This equals a Council cut of \$316,957 in the amount of property taxes requested

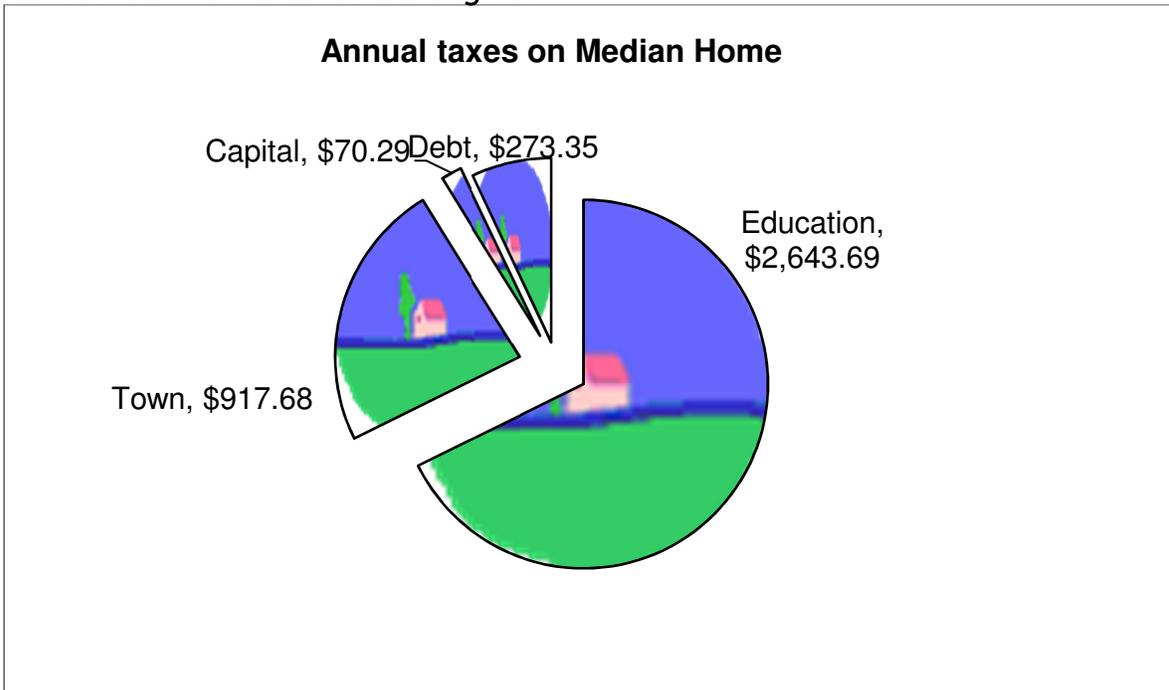
This budget was developed by the Town Manager with the goal of avoiding any tax increase. This was simply not possible given the increase in insurance and negotiated wages without lay-offs or State mandate relief. The State revenues picture is far from certain and will have to be watched closely as the budget process moves forward. It is a relief that the Governor and Legislature recognize that cuts in State Aid ultimately cause increases in property taxes, but we will still need to watch the State Legislature closely as they grapple with very serious State Budget issues. Even with this acknowledgment the Governor's budget cuts over \$70,000 in aid which is responsible for 5.5% of the requested tax increase. Mandates such as teacher evaluations, curriculum changes and revaluation are responsible for approximately another 20% of the increase. So 25% of the proposed increase can be attributed to State factors. This could become very substantial next year if the proposal to virtually eliminate car taxes is accepted. This change would increase house taxes by an estimated 8.8% since we do not have a commercial tax base to shift it to.

The Town staff and elected officials are 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 the 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. No new local fee increases are proposed including trash fees.

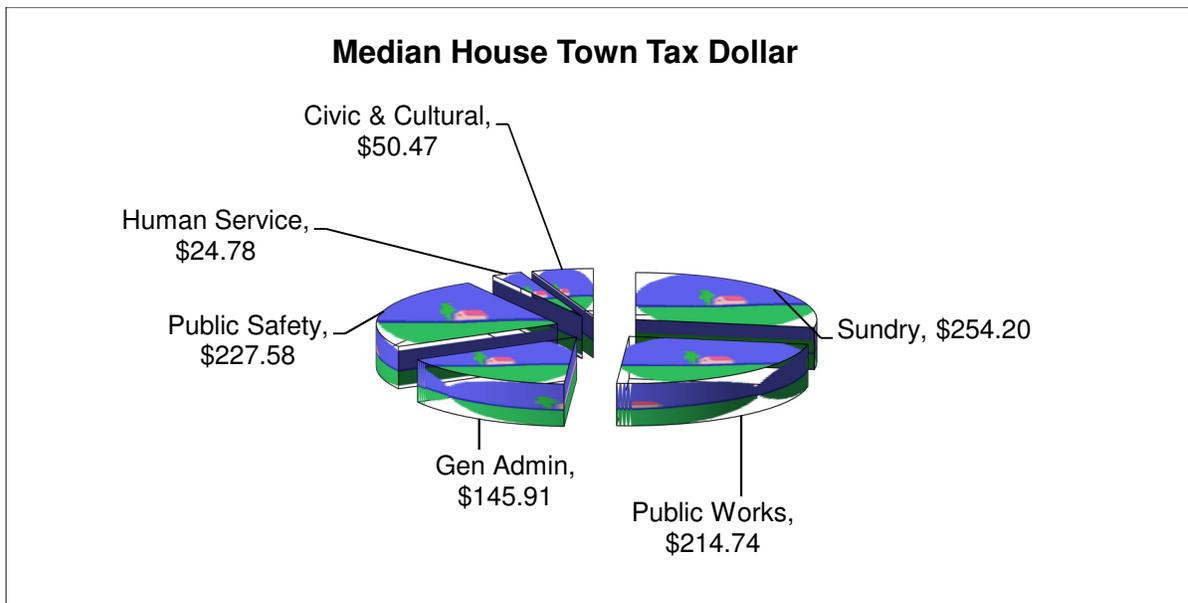
This budget should not be classified as a status quo budget. Both the Town and school district have proposed changes to move the community forward. The focus is on prioritizing services and developing the most cost effective ways to accomplish them. “Status Quo” alludes to standing still. Neither agency 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 3.71% increase

The General Government is seeking an increase of \$322,942,192 or 3.71%. We have tried to make adjustments without creating too many negative impacts on service to the citizens. Almost half of the proposed increase is related to a 16% health insurance increase. We have evaluated many options to reduce expenses and to bring in additional revenues. One such revenue initiative is conducting a second tax sale. 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 chart below shows how the tax dollars on the median house are divided by service delivery area.



Capital Budget – a 8.81% decrease

The Capital Budget shows a modest decrease of \$67,285. The proposed amount delays progress toward the sustainability level. It still does not reach spending levels of the mid 90's when adjusted for inflation. It does however make progress toward the goal of having \$1,000,000 a year available for capital spending. 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 proposed by the Governor, portions of the capital budget (especially LoCIP and TAR projects) could be frozen to assist in balancing the budget.

Debt Service – a 4.13 % decrease

Debt Service will decrease by \$115,867, or 4.13%. Debt service is only 7.0% of the annual budget. This is a onetime decrease due to using project proceeds to pay-down debt as required by Federal regulations. Please see the included chart for a visualization of the Town's long term debt picture. Two new five year lease purchases for a large fine cut mower and a ToolCat with attachments are requested. This will still be a net decrease of \$46,088 after other old lease pay-offs.

Board of Education – a 4.34% increase

The Board of Education budget requested \$1,158,494 in additional funds for a total request of \$26,124,425, a 4.64% increase. The Town Council reduced by \$75,000 to \$26,049,425 or 4.34%. This budget is being driven by unfunded State mandates for a new teacher evaluation program and core curriculum changes. A shocking 16 % increase in health insurance rates is the largest increase in the budget. Additionally \$150,000 in education capital projects is proposed comprised of \$120,000 for computers and \$30,000 to continue a multi-year project of replacing classroom furniture. Please refer to the separate Board of Education budget document for a more in-depth discussion of their spending proposal.

Revenues: State Revenue a modest decrease

The Governor's budget proposes a land mark shift in the relationship of State/Town funding. No increase in the Education Cost Sharing grant is proposed and student transportation, casino fund, revenue sharing and PILOT funds are eliminated. A onetime hold harmless grant is proposed, which will disappear next year. The Governor also proposes to virtually take away our car taxing authority which could cause an 8.8% shift to house taxes. This also would not be effective until next fiscal year. State aid has been shifted to capital with increases proposed to LoCIP and Town Aid for Roads (TAR). Given the potential for a significant State budget deficit, it is extremely unlikely to expect any sizable increases as the State Legislature works on the State Budget. Additional State borrowing is unlikely. Towns will have to be diligent to even hold on to the current State aid levels. As is traditional, my budget uses the Governor's proposed budget revenue estimates.

Property taxes cannot on their own produce an adequate income stream to support a quality education system. Our grand list grew 1.1%; investment income continues to be very low while development-based revenues have remained lower than hoped. This year new growth in our grand list will produce \$262,725 in additional tax revenue at the current tax rate. Another tax sale is planned. All combined local revenues have been increased by only \$7,200 or 1.8%.

COVENTRY TOWN COUNCIL

2012-2014 Goals & Priorities

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.*

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.*

FINANCIAL MANAGEMENT:

- Deliver fair and equitable Board of Education, Town and Capital budgets that are fiscally responsible and reflect a balance of competing priorities with available economic resources.
- Ensure that Council decisions to expend public funds are judicious and align with the Town’s short and long-term goals.
- Continue reporting the Town's financial condition using the CAFR standard.
- Continue work toward the goal of increasing the unreserved Fund Balance to 10% of total General Fund Expenditures.
- Work toward funding the Capital Non-Recurring Expenditure Fund (CNREF) to build reserve for the financing of depreciable assets.
- Continue to strive toward achieving an 80% funded ratio for Town Employees’ Pension Plans.
- Communicate the “whys” of budget decisions to our townspeople, including a full explanation of any proposed building projects and infrastructure improvements.
- Seek opportunities for sharing services both regionally and between the Town and Board of Education, thereby increasing efficiency and reducing costs. Work with the BOE and WINCOG to identify possible opportunities.
- Develop strategies to reduce liability from other post-employment benefits.
- Continue joint meetings with the Board of Education Fiscal Committee and Town Council Finance Committee to identify and address areas of concern.

Manager’s Proposed Strategy

- *Proposed a budget which did not add additional employees and cut minor programs such as CPM 101, and fraud audits. Also held Trash and Permit fees constant. Council cut to a Zero increase.*
- *Continued the major revision of the Capital Improvement budget looking out to ten years and reviewed goals for funding levels for capital projects tailoring new debt issuances to*

- tie into retiring debt to minimize future tax increases. Continued funding for CNREF account.*
- *Avoided using any fund balance to offset taxes. Now at 8.6%*
 - *Budgeted more than the actuary's recommended amount for the Town pension plan. Funds were included in the budget to cover the audit expense of continuing to prepare a Comprehensive Annual Financial report (CAFR) for submission to GFOA for peer review.*
 - *Will televise more of the budget meetings and have separate presentation of the Capital budget plan. Will continue with Budget in Brief as a simple budget hand-out. Continue to monitor broadcast quality.*
 - *Continue to work with our Board, WINCOG, and other towns for service and equipment sharing. Target areas of IT and Economic Development.*

LAND USE & ECONOMIC DEVELOPMENT:

- Schedule a Consortium in February 2012 and introduce a project to conduct a 6 month-long review of the recommendations contained in the Plan of Conservation and Development by the Consortium participants (i.e. members of Conservation, the Open Space Working Group, Economic Development, Inland/Wetlands, Parks and Recreation, Planning & Zoning, Town Council, Water Pollution Control Authority, and Zoning Board of Appeals).
 - Request that each agency provide to the Council Steering Committee a written status report at the end of the 6 month time period on those recommendations for which they have been assigned in the POCD.
 - Steering to review and invite members of the agencies to meet to further discuss their results and plan for additional steps to achieve the POCD's recommendations.
 - Steering to roll up the results in a final status report and present it to the Town Council and at an October-November 2012 Consortium.
- Gather information from citizens on ideas for use/sale of Bradbury Lane garage and property. As part of the 2-23-2012 Consortium agenda, plan to break large group into smaller discussion groups to identify such ideas. Schedule future meetings as appropriate to gather additional feedback.
- Continue to budget annually for open space in the Capital Improvement Plan, and add to the Land Acquisition Fund through donations, fees "in lieu of," grants and other non-taxpayer options such as land trusts. Consider bonded funding to take advantage of open space preservation opportunities as they become available, including acquiring development rights.
- Support our farmers and farmland by promoting the Coventry Regional Farmers Market, agri-tourism and farmland preservation programs, including assistance in submitting applications when requested.
- Enhance tourism information to promote all of Coventry's historic properties and retail businesses. Encourage visitors from one of the Town's attractions (i.e. Coventry Regional Farmers' Market) to patronize/visit other Coventry attractions, including the Visitor's Center on Main St. Make the tourism information available at strategic locations.
- Encourage economic development that is appropriately scaled and aligns with the POCD and the rural character of the community. Work toward realization of the

vision for Coventry Village Center in conjunction with the realignment of Main Street.

Manager's Proposed Strategy

- *Work with Council to schedule and facilitate consortium meetings.(Feb 2013)*
- *Completed Housing Incentive plan and waiting for State approval. Continue to work with the Steering committee to review reports of Boards on POCD.*
- *Enhance regional GIS system with corrected information and additional layers. Update tax maps. Work with Economic Development Commission to market available space. Also will work with RT 6 Corridor study towns and Chambers of Commerce.*
- *Will work with the Farmer's Market to develop "branding" program and linkages to other local businesses. Work to develop sponsorship program. Implement Barn rentals.*
- *Continue to work with State DOT on Rt. 31 project to keep on schedule.*
- *Strengthen ties with Landmarks Society and assist in their Hale Homestead Visitor's center project and marketing efforts*

CITIZEN INVOLVEMENT AND COMMUNICATIONS:

- Continue focus on attracting citizen volunteers for Boards and Commissions.
- Continue improving the quality of Town communications, including refreshing the web site, televising Council and BOE meetings, quarterly newsletters, monthly Coventry Community e-blast and press releases.
- Continue to send *Handbook for Elected and Appointed Officials and Volunteers* to all newly elected/appointed officials and volunteers.

Manager's Proposed Strategy

- *Reformat the Town's Web page through the Civic Plus award project*
- *Continue to spread the word on vacancies on Town boards and commissions, including issuing press releases.*
- *Continue to add more agency minutes to web, fine tune the web GIS, add new land transactions (deeds) to the web to allow title run downs, work toward on-line permit tracking for land-use permits through CRCOG grant, and further enhance on-line payment options. Continue to enhance Coventryvision and produce more local content, including a local talk show.*
- *Review and update the volunteer handbook for board and commission members. Write occasional articles for Courant "town section" , local "patches" and continue monthly e-blasts*

MUNICIPAL INFRASTRUCTURE AND SERVICES:

- Enhance public safety and well-being by budgeting/adding to staff an additional police officer in 2012-2013 time frame.
- Undertake a comprehensive study of the town-wide road system to determine extent of needed repair/rebuilding of roads. Develop ten year plan complete with prioritization, projected costs and appropriate funding mechanisms.
- Decide what to do with the old town garage, based upon the report from the consultant; i.e. reuse, demolition or combination.
- Oversee the progress of the town in carrying out the work in connection with the CPM101 performance management program. Review the interim reports as they become available.

- Fund and undertake energy conservation study for all town owned properties utilizing the same consultant that produced the 2011 study/recommendations for the schools. Develop implementation plan for Town and school projects.
- Continue pursuit of 80% Federal funding for South Street reconstruction project.
- Continue work on improvements to association roads that are now town owned and upon acceptance and improvement of any additional association roads.
- With the newly awarded STEAP and potential “Safe Routes to School” grants, undertake extending pedestrian walkway from the end of the ARRA project to the middle school, as the first priority. Use the required Town match for the “curve project” to complete the sidewalks to the library.
- 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 - 2014.
- Complete renovations of security systems of the Town Hall and improvements to the building’s energy efficiency and to the Town Clerk’s Office.
- Support the enhancement/update/replacement of all Town computer hardware and software as appropriate to keep current with improvements in technology.
- Complete the upgrade to our town-wide financial system that is underway.

Manager’s Proposed Strategy

- *Recruit, hire and train a replacement Police officer*
- *Continue to work with Fire Agencies to increase coordination. Conduct a study on structural relationships to better assure accountability.*
- *Develop the new easement adjacent to the former Bradbury Lane garage and develop Millbrook walkway plan*
- *Revise the South St project as a local project and keep Pucker Street Bridge replacement on schedule.*
- *Change Summer Roads improvements to a new rideability index and add milling to chip seal program.*
- *Have Town Engineer complete the review of associations’ road turnover.*
- *Find an alternative to the CPM 101 programs.*
- *Coordinate and construct sidewalks from STEAP grant and SRTS.*
- *Evaluate transfer station options including a regional center.*
- *Work with Energy Committee and Board of Education to develop an energy retro-fit and major maintenance bond project, and promote Solarize Ct program. Seek additional PV opportunities, complete exterior lighting retrofit.*
- *Complete changes to Town Hall building including enhanced security systems.*

COMMUNITY QUALITY OF LIFE

- Support and follow through to conclusion Coventry 300th celebration including the myriad of activities planned by the 300th Committee, the 300th Parade Committee and construction of the Nathan Hale statue. Provide regular updates at Council meetings.
- Support the Human Services and Parks and Recreation departments in their efforts to increase attendance and programs at the Senior Center.
- Evaluate alternative housing options for a diverse population, such as multi-family housing, self-care facilities, workforce housing and mixed-use housing.

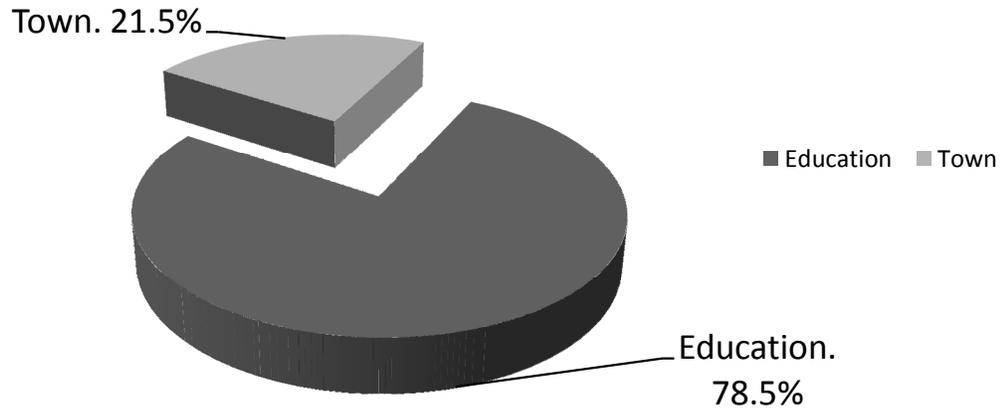
- In partnership with BOE, Administration and STEPS, investigate the near term possibility and funding for establishing full day kindergarten and pre-school for all 3-5 year olds .
- Support Recreation Commission as it works on feasibility study for recreational opportunities at Camp Creaser and planning for renovations of the baseball fields at Miller-Richardson.
- Develop and implement plan to improve parking at Laidlaw Park, including improving handicap accessibility.
- Encourage and support the Open Space Working Group in its endeavor to assess and plan for improving/renovating existing public open spaces, trails and parks. As the Conservation Commission completes town trail maps, post them on the Town web site.
- Continue and expand inter-municipal cooperation for trail systems such as the Hop River Rail trail and the Willimantic River Greenway. Produce trail maps and make them available at strategic locations and on the web site.
- Continue to promote and support initiatives for green environmental systems in all new Town building projects and renovations of existing facilities by utilization of alternative energy options such as solar photovoltaic panels. Be a model of best practices.
- Preserve Coventry Lake's water quality by supporting the activities of Coventry Lake Conservation Advisory Committee.

Manager's Proposed Strategy

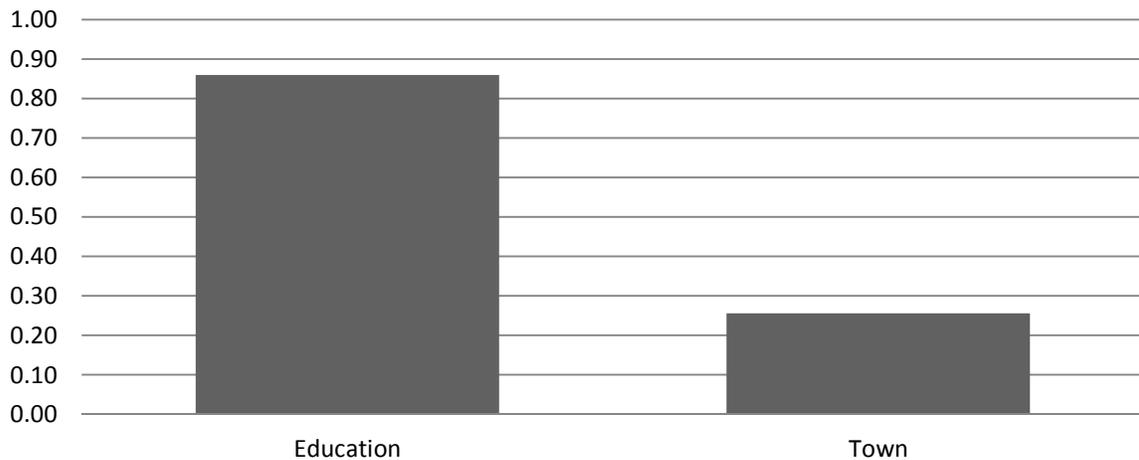
- *Enhance coordination of Recreation and Human Services in providing quality senior experiences at the Senior Center. Start a lunch meal program.*
- *Work with new Energy Committee to evaluate Town and School Buildings. Consider energy saving bonding for 2014. Host third energy fair. Promote SolarizeCT program.*
- *Work with School Readiness Council and Graustein Foundation on birth to 8 planning, and budget partial match for Graustein grant. Council authorized 5 hours per week of staff time in lieu of funds*
- *Submit Housing incentive plan to OPM. Seek CDBG housing re-hab grant.*
- *Start use of the Miller-Richardson/ Landfill sports area and start minor construction of baseball fields using set-aside LoCIP funds; repair existing backstops. Find water source*
- *Complete accessibility project at Laidlaw park and implement Kaboom Grant (if received), and start a long range facility plan. Develop a long range facility plan for Creaser Park and update well and electricity.*
- *Work with Conservation Commission on trail stewardship program and help publicize new trail maps.*
- *Support lake water quality initiatives and annual July Lake forum.*
- *Work with CTDEEP and DOA on open space grants and development right purchases.*

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

Percentage of increase by budget



Mil increase by budget area



2013-14 Budget Summary

The 2013-2014 Budget is an increase in spending of \$1,223,284 or 3.28% over the previous year. It will require a .97 mil increase (3.58%) to fund it. The following chart illustrates 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 2012/2013 and 2013/2014.

COMPARISON OF FY 2012/2013 and FY 2013/2014 BUDGETS

REVENUES

	Adopted FY 13	Requested FY 14	Inc/Dec	%
Property Tax	\$26,837,249	\$28,123,682	\$1,286,433	4.8%
Intergovernmental	\$9,996,042	\$9,925,693	(\$70,349)	(.7%)
Reserves	0	0	0	0.0%
Other Local	\$405,638	\$412,838	\$7,200	1.77%
	<u>\$37,238,929</u>	<u>\$38,462,213</u>	<u>\$1,223,284</u>	<u>3.28%</u>

EXPENDITURES

Gen. Government	\$8,706,287	\$9,029,229	\$322,942	3.71%
Bd. of Education	\$24,965,931	\$26,049,425	\$1,083,494	4.34%
Debt Service	\$2,803,386	\$2,687,519	(\$115,867)	(4.13%)
Capital	\$763,325	\$696,040	(67,285)	(8.83%)
Total	<u>\$37,238,929</u>	<u>\$38,462,213</u>	<u>\$1,223,284</u>	<u>3.28%</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 the Annual Town Meeting on Saturday, April 27th at 10:00 a.m. in the Veterans Auditorium, and subsequently to vote in a town-wide referendum on May 7, 2013. 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

