

SPECIAL TOWN COUNCIL MEETING

March 30, 2009 – 7:00 p.m.

Present: Frank Hyde, Raymond Spear, Glen Shibley, Laura Flanagan

Interim Town Manager Paul Sprague

Absent: Kenneth Cloutier

Manager Sprague gave a general and broad overview of the budget, stating that this is a difficult time, with economic uncertainty.

Along with the constraints of Senate Bill 3050 providing a ¼% decrease, the State cut Coventry \$847,000 on municipal side, 1.2 million school side for this fiscal year.

The Levy is a combination of municipal taxes. The levy includes residential and commercial property taxes, personal property taxes and motor vehicle taxes. For FY2008-2009, the Certified Levy is \$59,107,574. Accordingly, the maximum Levy for FY2009-2010, based on the 3050 cap of 4.75%, is \$61,915,184.

For the current fiscal year, the state has proposed to cut the entire general revenue sharing element, for Coventry that would be a cut in this year's spending of \$847,000. which the state had originally promised. The school side is looking at a \$1.2 million cut.

The FY2009-2010 Municipal Budget assumes the State will eliminate General Revenue Sharing and will level fund the State Reimbursement Auto Tax (\$2,900,000), Meal & Beverage Tax (\$320,000), Telephone Tax (\$300,000) and Library Grant (\$60,000). This is consistent with the Governor's proposed Budget for FY2009-2010.

The major reductions are a decrease in Interest in Investments due to lower interest rates and less money to invest and a reduction in Building Permit and Recording Fees due to the decline in housing development and sales.

The current economic conditions have resulted in a significant reduction in non-tax revenues for FY2008-2009. This situation is expected to continue through FY2009-2010, therefore this budget projects a decrease of \$578,000 in Town and Miscellaneous Revenues.

Expenditures are projected to increase by \$900,345 or 4.1%. The Budget includes no payroll increases for any Municipal employees, except for step increases. The collective bargaining agreements with both the Police Union and the Municipal Employee Union expire June 30, 2009. The increase includes requests for one additional dispatcher for the Police Department, an additional maintenance worker for Park and Recreation and a part-time custodian in Building Maintenance due to the acquisition of the Annex. The Police Department has requested \$247,000 for a new radio communication system, \$175,000 to sprinker the Police Station and \$120,000 for four (4) new police cars. The Snow Removal budget has been increased by \$138,060 or 57.4% to reflect the increase in the cost of salt and the level of plowing effort over the last two years.

The School Department's FY2009-2010 Budget Request is \$64,870,966. This represents an increase of \$2,105,688 or 3.4% over FY2008-2009. The major increase in Expenditures is a projected \$2,068,636 in Payroll and Benefits.

The School Department is requesting \$43,555,812 from the Levy; an increase of \$1,975,084 or 4.75%. Non-Tax revenues are expected to increase by \$130,604. This will result in a balanced budget for

FY2009-2010. The School Department Budget projects a third year of level-funding of unrestricted State Aid to Education of \$17,677,703.

Through these difficult times, we have attempted to avoid layoffs, utilized attrition for various positions when an employee retires or leaves the workforce. The finance director and I have met with the department heads to review their needs and proposals.

Town Manager noted that public hearings on municipal and school budgets will be held April 15 and April 16, 2009. Budget adoption is May 18, 2009.

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Town Clerk