

TOWN OF COVENTRY

Budget Primer



BUDGET OVERVIEW/INTRODUCTION:

Every year, the Town of Coventry prepares an operating and capital budget in order to balance expenses and revenues. Budget expenditures include critical resources such as public education, roads and infrastructure, police, fire and EMS services, and snow plowing. The budget runs from July 1st, to June 30th of the following year. Town residents can participate in this process by attending budget presentations, providing public comment, and voting in the annual budget referendum.

BUDGET PROCESS:

In the fall of the year before the upcoming budget year, the Town Manager and Finance Director send out guidance to all departments, agencies, boards, and commissions based on the Council's goals. Department heads submit their budgets to and meet with the Town Manager to review and evaluate proposed changes. The Board of Education also submits their budget, which cannot be modified by the Town Manager, but is included in their budget. In the spring, the Town Manager presents a recommended budget to the Council, who conducts public hearings to collect input from Town staff and residents, making changes to the budget as they do so. With this feedback, they finalize the proposed budget which is then presented at the Town Meeting, and voted on at referendum. If it passes, the budget is formally adopted. Otherwise, it returns to the Council for modifications before being sent back out for another referendum. Coventry residents are encouraged to participate by attending and providing public comment at meetings where the budget is presented and the Town Meeting, and voting in the referendum to ensure their input is considered.

TAXES AND REVENUES:

The largest source of revenue within the Town of Coventry is property taxes. The rate of property taxes paid by a resident of Coventry is determined by the mill rate. When the Council proposes a budget, they also propose a corresponding mill rate to raise sufficient revenue to cover expenses. The mill rate is derived from the amount of taxes levied in dollars for every thousand dollars of property value. For example, with a mill rate of 5 and a property worth

\$100,000, an individual would pay \$500 in property taxes. In Connecticut, property taxes are calculated based on 70% of a property's assessed value.

Motor vehicles taxes are similar to property taxes, wherein a mill rate is set based on revenue needs and state limits. The value of a vehicle for tax purposes is determined based on a depreciation scale from the manufacturer's suggested retail price, also multiplied by 70%. For an estimate of the change in property and motor vehicle taxes a resident can expect, the Town of Coventry has a Tax Calculator on its website at <https://www.coventry-ct.gov/675/Tax-Calculator>.

Though taxes are the main source of revenue for the Town, they are not the only one. Coventry also receives revenue in the form of intergovernmental transfers from the State and Federal level to support things like education and infrastructure. Other revenue sources also include administrative fees, as well as state or federal grants which may support a variety of projects ranging from recreation to waste management.

General Fund Expenditures by Service Area FY 2026/2027 Proposed Operating Budget (Text in red to be replaced with relevant numbers)

Mansfield Board of Education	\$22,047,750
Region 19 Contribution	\$10,188,150
Public Safety	\$ 3,639,250
Government Operations (inc. energy)	\$ 2,430,760
Public Works	\$ 2,261,700
Community Services	\$ 1,609,370
Community Development	\$ 619,800
Other/Town-Wide (benefits, capital etc.)	\$ 6,035,470
TOTAL:	\$48,832,250

OPERATING BUDGET/GENERAL FUND:

The General Fund is used for general operating expenses throughout the Town. This includes education, infrastructure maintenance, fire services, police services, Human Services, and administration. Most recurring government services that residents interact with are paid out of the general fund. The Town maintains a balance in the general fund to maintain cash flow, prepare for unexpected or emergency expenses, and to maintain a good credit rating for bonding.

SPECIAL FUNDS:

In addition to the general fund the Town has several special funds which have specific sources of revenue and provide specific services. The Coventry Resource Recovery Authority (COVRRRA) provides trash and recycling collection and collects fees to support it. Similarly, the Water Pollution Control Authority (WPCA) oversees sewage treatment and assesses fees to both support current sewer usage and prepare for future infrastructure improvements. The Recreation Fund is primarily funded through program fees which it uses to run programs, pay seasonal and part-time staff, and may also serve as a match for recreation focused grants. The Ambulance Fund is largely funded by bills to insurance providers, but also receives support from the General Fund to ensure 24/7 ambulance coverage for Coventry residents.

CAPITAL BUDGET:

The capital expenditures budget covers projects exceeding \$10,000 in cost with a life expectancy of five years. This may include major infrastructure projects, large renovations to town facilities, new constructions, and large equipment purchases such as vehicles. The Town makes a Capital Improvement Plan (CIP) which sets out not just current capital expenditures, but projects which are expected to be needed in the coming five years. This ensures that the Town is well prepared for large expenses that may come in the future, and can begin allocating funds accordingly.

DEBT MANAGEMENT

While the Town presents a balanced budget as a part of each fiscal year, it is sometimes necessary to borrow funds for large or unexpected purchases. To do so, the Town issues bonds, the interest rates of which are dependent on the Town’s bond rating, a measurement of how reliable the Town is as an investment. The Town is consistently rated as high quality and low risk, lowering interest and saving

money for Coventry residents. To pay for this debt, the Town spends a percentage of its budget on debt service, a value that may be higher or lower in any given fiscal year based on the amount of debt which has been taken out.

IMPORTANT DATES AND RESOURCES:

In the Fall of the previous year, the head of each department files their budget estimate with the Town Manager. Per the charter the Town Manager is required to present a budget to the council before *March 22nd*, but this usually happens in *Early March*.

For the 2026-2027 Fiscal Year these dates are on the following days:

- Department head budgets to Town Manager: December-January, 2025
- School Board budget to Town Manager: February, 2026
- Town Manager’s Proposed budget to Council: March 2nd, 2026
- Council Public Hearings on the Budget:
 - ◊ Public Hearing on budget as presented by Town manager and Superintendent of Schools - March 5th, 2026
 - ◊ Meeting with Board of Education and Library – March 9th, 2026
 - ◊ Meeting with Public Works and Parks and Recreation with audience of citizens – March 12th, 2026
 - ◊ Meeting with Fire/EMS and Police Department – March 16th, 2026
 - ◊ Meeting for budget deliberations – March 23rd, 2026
 - ◊ Meeting for budget deliberations with audience of citizens – March 30th, 2026
- Council’s final budget adoption: April 6th, 2026
- Annual Town Meeting: April 25th, 2026
- Ajourned Town Meeting/Referendum: May 5th, 2026

FOR MORE INFORMATION

To learn more information about the budget process generally and this Fiscal Year’s specifics, go to www.coventry-ct.gov, or call the Town of Coventry at 860-742-6324. Information about upcoming meetings and events will be posted both online and in person at the Coventry Town Hall located at 1712 Main Street in Coventry, CT.