

Expenditures

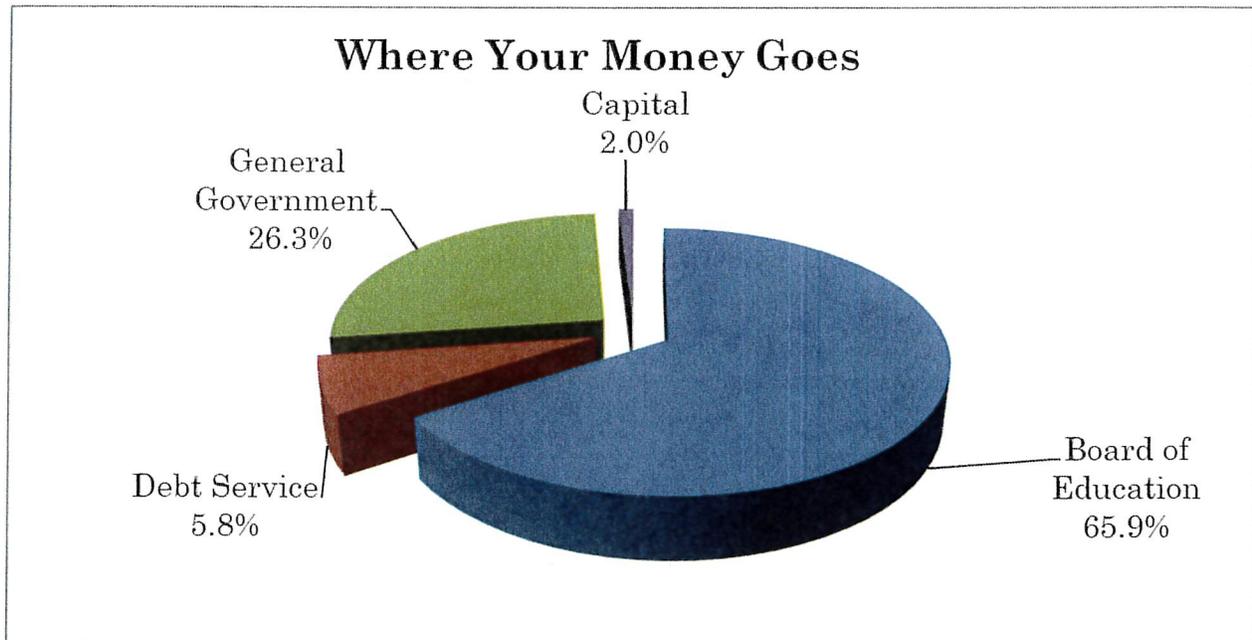
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EXPENDITURES

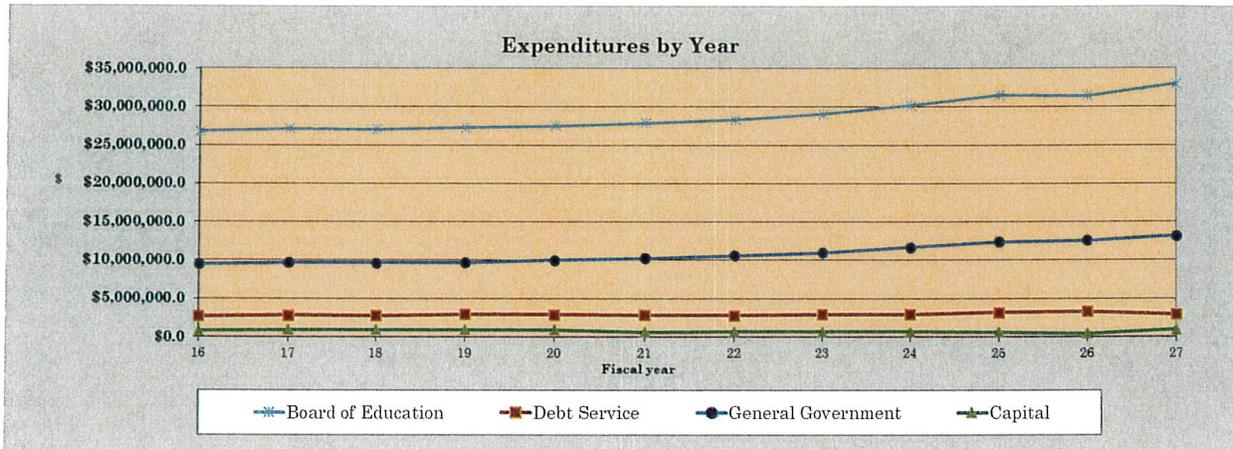
The expenditure part of the budget is broken down into the categories of General Government, Board of Education, Debt Service, and Capital Expenditures which includes the Reserve for Capital & Nonrecurring Expenditures (CNREF). The requested expenditures for the FY year 26/27 total \$50,103,318, an increase of \$2,275,047 or 4.76% over the adopted FY 25/26 budget.

Budget Area	Approved Budget FY25/26	Proposed Budget FY26/27	\$ Inc/Dec	% Change
General Government	\$ 12,593,776	\$ 13,190,595	\$ 596,819	4.74%
Board of Education	31,457,874	33,000,696	1,542,822	4.90%
Debt Service	3,314,306	2,912,837	(401,469)	-12.11%
Capital	462,315	999,190	536,875	116.13%
TOTAL EXPENDITURES	\$ 47,828,271	\$ 50,103,318	\$ 2,275,047	4.76%

The following chart shows a breakout of the various budget areas by percentage which, when combined, create the annual budget.



The next illustration shows historical trends for the same categories.



General Government

The Town operating budget recommended for FY 26/27 is \$13,190,595, which represents a \$596,819 or 4.74% increase compared to the current adopted budget. The Town budget makes up 26.33% of the total operating budget. The following table presents a summary of the operating budget by function.

	Approved Budget FY25/26	Proposed Budget FY26/27	Inc/(Dec)	%
General Administration	\$ 2,248,207	\$ 2,380,068	\$ 131,861	5.87%
Public Safety	3,389,032	3,338,389	(50,643)	-1.49%
Public Works	2,806,572	2,904,987	98,415	3.51%
Human Services	356,276	365,690	9,414	2.64%
Civic and Cultural	761,999	800,142	38,143	5.01%
Sundry	3,031,690	3,401,319	369,629	12.19%
Total	\$ 12,593,776	\$ 13,190,595	\$ 596,819	4.74%

Personnel Services

Steelworkers, Supervisors and Police Union contracts are all in negotiations for a contract beginning July 1, 20226. Nonunion employees are expected to receive comparable wage increases. Increased wages also means an increase to social security payments. Since no contracts have been settled at this time, estimated wage increases are included in a contingency line called "Negotiated Union Contracts". This budget maintains the current level of Town staffing. Due to turnover, there were new hires, many of whom are receiving step increases based on their union contract.

Due to Medical inflation and claims our health insurance rates are projected to have an 8% increase due to increased claim trends and medical inflation.

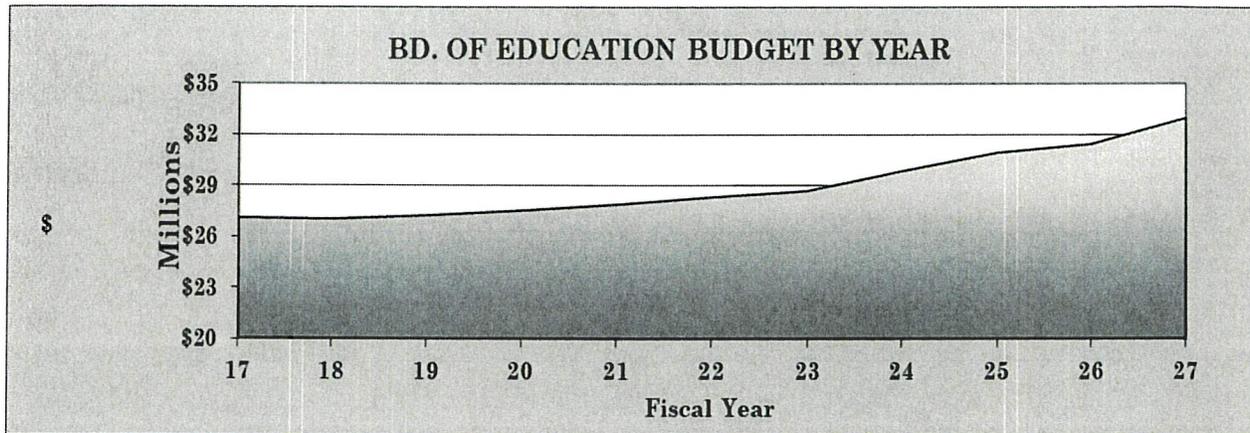
Pension expenses have remained at \$629,361 as recommended by the actuary. We continue to contribute the amount based on the annual actuarial review. Our unfunded pension liability is solid and was 76.70% funded as of July 1, 2025.

Capital Expenditures

Capital Expenditures within the General Government budget are \$999,190. An increase of \$536,875 from the prior year budget.

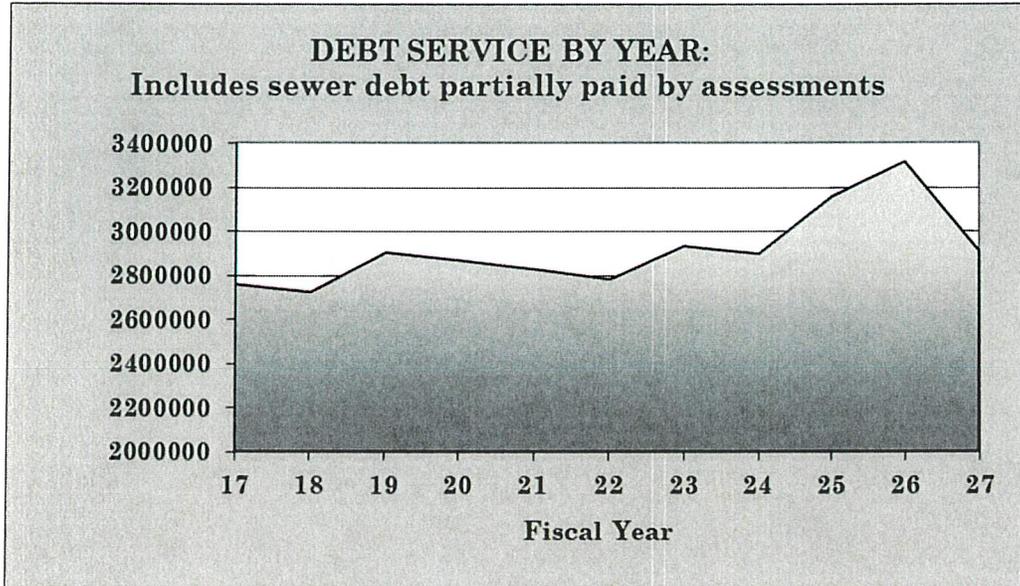
Board of Education

The Coventry Public Schools prepares an independent budget utilizing the same process the Town agencies go through. The Superintendent of Schools gathers and prepares a budget, which is reviewed and modified as necessary by the Board of Education and then forwarded to the Town Council for review and modification. The Town Council, under Connecticut law, has the authority only to reduce the bottom line of the Board's budget, not specific programs. The Board of Education submitted a budget request of \$33,000,696 an increase of \$1,542,822 or 4.9%, above their adopted FY 25/26 budget. Please see the separate Board of Education budget for details.



Debt Service

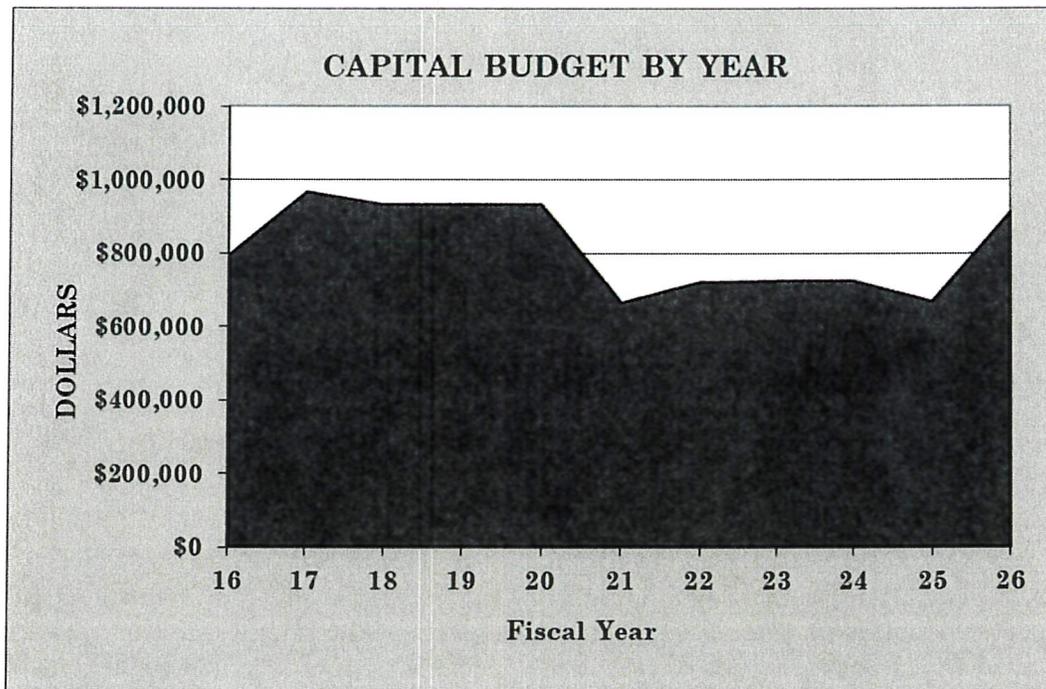
Debt Service as a percentage of the budget is 5.81% of the total budget, which is well below the 10% threshold of concern. In FY26 the Town retires two capital leases. Sewer debt continues to be partially paid by sewer assessments; the final sewer expansion payment will be in fiscal year 2027. There are two proposed lease purchases detailed in the Capital section of the budget document.



Capital Expenditures

The Capital Expenditures Budget request for the general operating budget is \$999,190, an increase of \$536,875 or 116.13% from the prior year's budget. The largest items are recurring expenses for summer roads, lake management, Town and School computer resources and replacement Police vehicle. Over the years many projects were deleted or delayed in an effort to hold down the impact of the overall tax increase, creating a backlog of projects. Please refer to the Capital section of the budget for further details and information on other funding sources.

Under the Local Capital Improvement Program (LoCIP), the State of Connecticut will reimburse the Town 100% of approved infrastructure improvements. Details of planned projects are contained in the Capital budget. Based upon auditor's advice, LoCIP has been established as a Special Revenue Fund. We receive approximately \$150,000 per year. These items are not part of the referendum and are voted on at the Town Meeting. \$153,065 is proposed for several projects this year.



Ambulance Fund Transfer

The Ambulance Fund Transfer proposed in the FY27 budget is \$288,146. The Ambulance Fund Transfer represents 0.57% of the total budget.

In March of 2020 at the start of the COVID 19 pandemic, it was determined that there was an immediate need to switch to 24 hours a day, 7 days a week ambulance services (previously the Town had contracted for 12 hours a day, 7 days a week). Preliminary revenue projections showed the services almosted cover themselves fully. As time went on, it has become very clear that the Ambulance Fund is not able to sustain the 24/7 ambulance service without additional funding from the taxpayers. One main reason for this is Medicare and Medicaid cost rates. When we bill for ambulance services, Medicare’s allowable reimbursement is approximately 50% of our total charges. Medicaid’s allowable reimbursement is approximately 30%. Medicare and Medicaid calls represent approximately 76.12% of all calls made by our ambulance. This severely limits the amount of revenue that can be generated from these calls.

Ambulance services are an important service that the Town provides to its residents. Without 24/7 ambulance coverage, residents will rely on mutual aid from other Towns and/or volunteer EMS crews. This will cause a significant increase in response times, which are very important in emergency situations.

Fiscal year 2025 has been the first year under the staffing model, proposed by the Fire Chief that Coventry hired 5 full-time staff members and up to 9 part-time staff members. Part-time employee count varies depending on hours needed to be covered. Overall we have had two successful years for the Fire/EMS service in Coventry.

It is recommended that the General Fund transfer to the Ambulance Fund be reduced from \$288,146 in FY 25/26 to \$213,711 for FY 26/27, a reduction of \$74,435. The chart below reflects the revenue trends for the five-year period. Fund Balance is projected to be \$166,766 at June 30, 2027 based on the proposed budget.

