

Town of Coventry, CT



Town Manager's Proposed Budget For Fiscal Year 2026-2027

**Presented at the Public Hearing on
Thursday, March 5, 2026
Coventry High School**



OFFICE OF THE TOWN MANAGER
(860) 742-6324

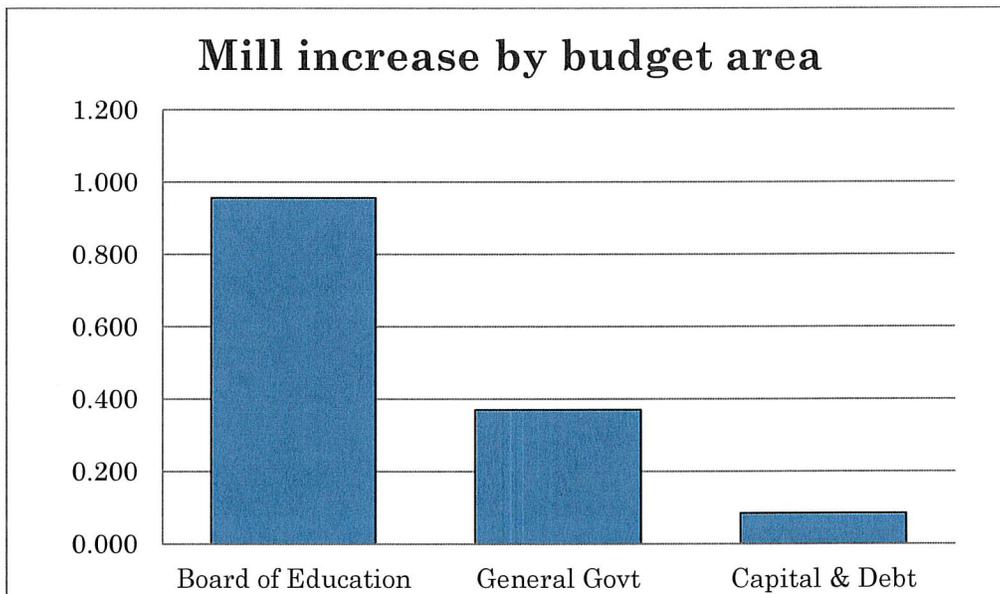
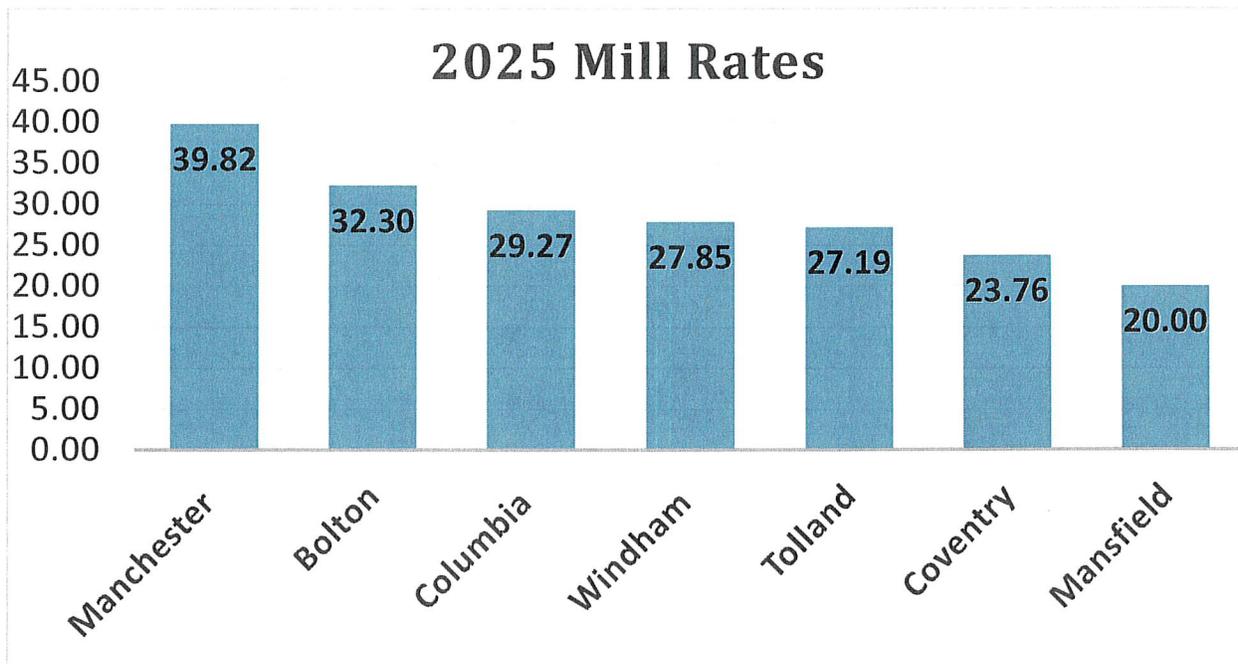
March 2, 2026

To the Coventry Town Council and Citizens of Coventry;

In accordance with the Coventry Town Charter Section 6-2, I am presenting to the Town Council the Town Manager's recommended budget for Fiscal Year 2026-27 in the amount of \$50,103,318. The Town's General Government, Debt Service, Capital, and School budgets have increased by \$2,275,047. This is an overall 4.76% spending increase compared to last fiscal year.

Our Grand List grew by 1.4% mostly due to new construction and the reconstruction of privately owned utilities within the Town. The proposed mill rate required to fund the proposed FY 2026-2027 budget is 25.17, a 1.41 mill, or 5.95% increase for real estate, personal property and motor vehicle tax.

In comparing our current tax mill rate (23.76) with our neighboring Towns, we can see in the chart below that our rate has been consistently lower than most. This has been the trend for more than a decade. This is especially surprising when we see the extra services we offer as a Town, such as Police and Ambulance. The proposed 1.41 mill increase would still leave Coventry lower by at least 2 mills than the next highest town. Mansfield is the only community in the area that does have a lower mill rate than Coventry at 20.0. However, Mansfield differs in that they have benefited from a significant amount of multi-family construction within their community over the last few years. This development has provided enough growth in the Grand List for Mansfield to be able to cover increased budget expenditures without raising taxes.



Revenues are explained in Section Two of this Budget and Expenditures in Section Three. In Sections Four through Eight the General Fund Budget expenditures are then broken down into the local government function categories of General Administration, Public Safety, Public Works, Human Services, and Civic and Cultural. This is where the budget detail for each department will be listed. Additionally, Section Nine is Sundry, which lists the expenses the Town has regarding Worker Compensation, Social Security, health and life insurance and employee pensions. Section Ten details the debt service the Town has acquired and the funding needed to satisfy annual payments for past bond issues, loans and lease purchases. Section Eleven details the proposed 5-year Capital Improvement Plan and the FY2026-27 Capital Budget. This provides planned funding for the construction, repair or replacement of major infrastructure such as equipment, vehicles, information

technology and buildings. Additionally, the Budget Appendix details the revenues and expenditures of the Town's Special Revenue Funds: WPCA-Wastewater Treatment Plant, Solid Waste Management, and Self-Supporting Recreation.

EMS Fund: The numbers of Volunteer Firefighters and Emergency Medical Technicians had been in decline prior to the pandemic, and the Town began to contract Emergency Medical Technicians (EMTs). During COVID-19, the Town saw a dramatic loss of volunteers and the cost of the service significantly increased to provide contract paid Emergency Medical Technicians through a private service provider. During the pandemic, the Town used Federal funding from the American Rescue Plan Act (ARPA) to supplement the increased expense of providing ambulance service. In FY2023-24 the Town depleted all ARPA funding available for this service and required the use of General Fund tax dollars to supplement this service moving forward. This expense during these years was rapidly increasing, so in 2024, the Town replaced contracted EMTs with paid Town staffing which stabilized costs and removed the expense of corporate administrative fees (profits). This brought significant savings for the Town's budget. Over the last two years, the Town has been managing this cost while continuously working diligently to recruit new volunteers. The use of newly recruited volunteers, including our new "Live-in Volunteer EMTs", has brought savings to this service allowing the General Fund transfer to the EMS Fund to be reduced in FY2026-27 by \$74,435. Though volunteerism in emergency services nationwide is still in decline, we are seeing it slightly increasing in Coventry, at least for now. Many Volunteer EMT's serve only one to two years before moving on. This is a continuous challenge to maintain staffing. We hope to grow our volunteer workforce, but if unsuccessful we hope to at least keep them on as long as we can as this will allow for a gradual transition to more paid firefighter/EMT positions.

COVRRRA (Trash and Recycling): This service has been another major challenge we have faced in recent years. Connecticut remains in a trash/recycling crisis with the closure of the largest waste to energy plant having closed three years ago in Hartford. The Governor continues to call for the construction of a new plant, but such an initiative, if even started today, will be years away. The Town's solid waste contract calls for an annual increase in trash tipping fees by 3.0%. The recycling charges change annually based on commodity pricing which the state average is now exceeding trash disposals costs. The Town expects a continued increase in this cost as well, given current market conditions. The Town's expenses in FY2022-23 took the COVRRRA fund to a negative fund balance of approximately \$250,000. With the fund operating in FY 2023-24 and FY 2024-25 in the negative, fees were increased in both years. Though the fund remained in the negative last year, it has been recovering on a schedule that was recommended by management. In FY2025-26 Town Council did not raise service fees and it is recommended that fees not be increased again in FY2026-27.

The Water Pollution Control Authority (WPCA): This is an Authority created by the Town government to provide sewer service in our designated service area. The WPCA Board has been researching and planning for five years now on how to best update it's level of sewage treatment within the next few years in order to become compliant with State treatment standards. The WPCA has been operating without an approved State permit for more than a decade. This is another major challenge we have that is near on the horizon. This much needed improvement will be

accomplished by either converting the current treatment plant into a master pump station and pumping the wastewater through a newly constructed force main to the Windham Wastewater Treatment Plant or constructing major improvements at the Coventry Wastewater Treatment Plant to improve sewage treatment levels. The recommended outcome will require much funding for design and construction. As this project will bring our treatment up to State standards, it is anticipated much Federal and State financial assistance will be awarded to supplement the costs to make these improvements over the next few years. The WPCA Board has not raised rates for several years until recently. Due to increased operations costs and anticipated plant improvements, they have voted to increase the annual service fees by \$2.92 per month or \$35.00 per year for FY2026-27. The Town will need to continue to cover outstanding sewer debt for FY2026-27 in the amount of \$376,368. General Fund property taxes will have to pay this amount this year, however these bonds will finally be paid off in FY2026-27 reducing the Town's Debt Service.

Recreation Fund: This special revenue fund is primarily self-sufficient. The Parks and Recreation Department uses program fees to pay seasonal and part-time staff (i.e. lifeguards, coaches, and summer camp counselors) to conduct recreational and instructional programs. Funds pay for supplies and program materials. Additionally, excess funds are used to match State grants to make capital improvements within parks. In the past, the program received support from the General Fund to cover general park maintenance and expenses. This year, the General Fund will cover more of the administrative staff costs and the Recreation Fund will cover a greater amount of the general park maintenance expenses.

Town Staffing: Though the workload has increased and there has been new positions requested in Public Works and additional hours for the Town Clerk's Office, the Town Manager's proposed budget this year does not include any additional full-time positions on Town staff. In the Police Department, a proposed position classification change is recommended. It would be the promotion of one Patrol Officer to the rank of a Sergeant. The Police Chief has requested this, as this would increase the amount of supervisory staff that can be scheduled to be on duty over the time span of 24 hours, 7 days per week. Supervisory staff can provide leadership and guidance to younger and less experienced officers. This would provide a supervisor on duty on night shifts and weekends.

The Town government has four collective bargaining agreements, all of which expire on July 1, 2026. Negotiations are underway, however it is not expected that all salary and benefit information will be finalized prior to the adoption of the proposed budget. Funding for these expenses in FY2026-27 will come from the contingency account within the fund where the positions are budgeted. The majority of positions are funded within the General Fund. Other funds supporting salaries are the COVRRRA Fund, Sewer Fund, and the Parks and Recreation Fund.

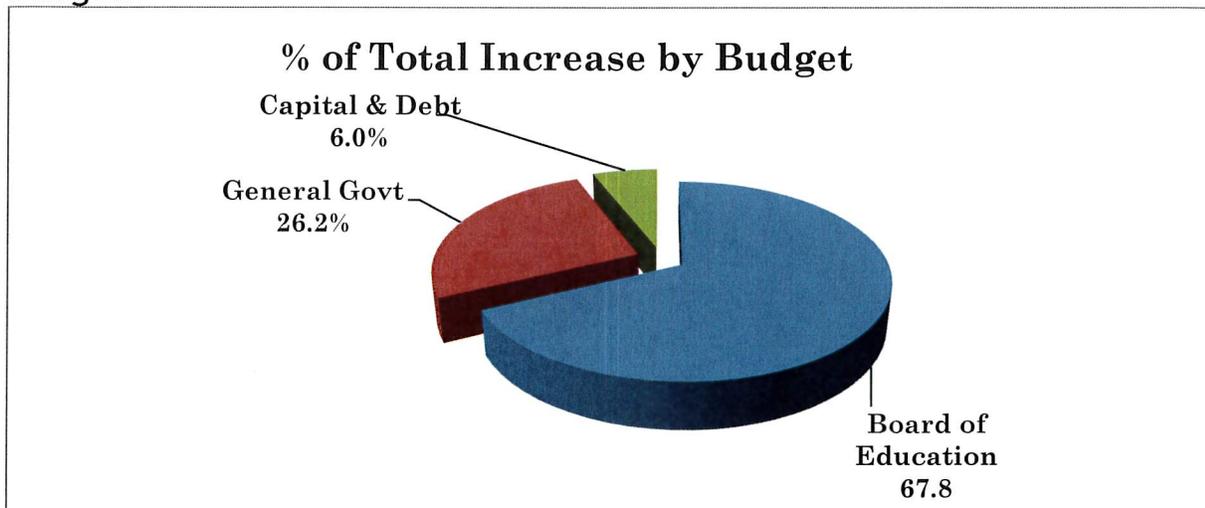
The Booth and Dimock Library, though managed independently, is annually funded by the Town. In this year's budget proposal it was recommended by the Library Director and Library Board of Trustees that the library expand their hours and be opened on Monday. This proposal would provide library services during times comparable to neighboring communities. This would involve additional staff hours

and hiring new part-time positions. In this Town Manger's proposed budget this request was not included due to the level of increased cost. It is recommended in this budget that the Booth and Dimock Library be awarded a 4% increase in spending.

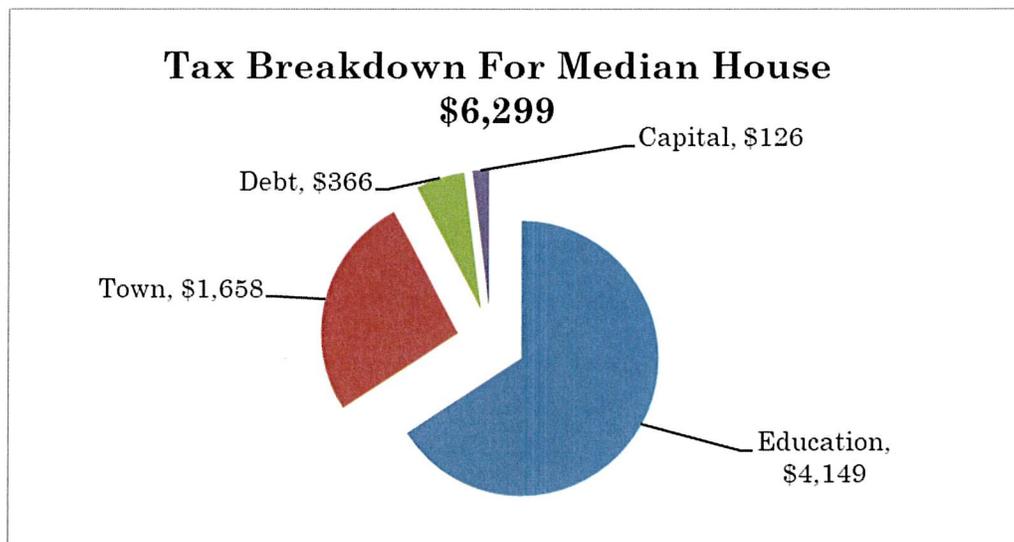
Grants: This proposed budget does have financial challenges as explained. However, there are also planned projects that have brought forward financial successes for Coventry. The Town has been, and remains, successful in the use of State and Federal grants to rebuild key components of our Town's infrastructure. In the coming year we are budgeting \$28,471,305 of grant funds. Use of these funds include the design and construction of several new bridges (Depot Rd., Brigham Rd., Parker Bridge Rd., and Bunker Hill Rd.); traffic safety improvements to South Street, Swamp Road, and Daly Road; facility improvements at Miller Richardson Park , Patriots' Park, Creaser Park and Laidlaw Park; chemical treatments to combat invasive plants in Coventry Lake; and the construction of a water tower in Coventry Village. Grant funding has been a great resource to further improve the Town's infrastructure, but grants do not exist for all the capital improvement needs a municipality has. We must also rely on regular funding through the General Fund to fund vehicles, equipment, safety improvements, grant project engineering, and to pay debt on our bond issues and loans. The full list of projects can be viewed in the Capital Improvement Plan (CIP) in Section Eleven within this budget.

Summary: We recognize that many in our community will not easily absorb tax and fee increases. There is a balance we as local government try to achieve between the level of service the residents want versus what residents can afford. The Council and staff are very aware of the economic conditions that exist in Connecticut and throughout the nation. Though inflation is down this year, it is a mixed economy. Wall Street is doing very well, but Main Street is still recovering. Locally, we also see interest rates stabilizing and new building construction picking up, which is a positive. The Town did see better growth this year due to building construction and the return of homes to full value as the crumbling concrete foundations that impacted our Town are steadily being repaired. It was reported in 2024 that we had lost almost 5.7 million in grand list value (around \$178,000 in annual taxes). About half of those homes have been repaired or on the list for State assistance in the next year.

The chart below shows the percentage of the total proposed increase allocated by the budget.



The following chart shows how the proposed taxes on a median house in Coventry are allocated between the four budgets. Market value of a median house is for this tax cycle \$357,500 with an assessed amount set at \$250,250.



2026-2027 Budget Summaries

The 2026-2027 budget request calls for an increase in spending of \$2,275.047 or 4.76% increase over the previous year. The new mill rate will be 25.17, an increase of 1.41 mills (5.95%) from the current mill rate. The previous charts illustrate 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 2025/2026 and 2025/2027.

COMPARISON OF FY 2025/2026 and FY 2026/2027 BUDGETS

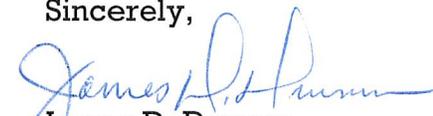
	<u>Adopted FY25/26</u>	<u>Requested FY26/27</u>	<u>\$ Inc/Dec</u>	<u>% Change</u>
Revenues:				
Property tax	\$ 38,160,841	\$ 40,842,113	\$ 2,681,272	7.03%
Intergovernmental	8,549,380	8,342,155	(207,225)	-2.42%
Reserves	205,000	-	(205,000)	-100.00%
Other Local	913,050	919,050	6,000	0.66%
Total Revenues	\$ 47,828,271	\$ 50,103,318	2,275,047	4.76%

	Adopted FY25/26	Requested FY26/27	\$ Inc/Dec	% Change
Expenditures:				
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 Town and Board of Education have proposed responsible budgets. We are moving forward toward a goal of providing better and more cost-effective services. This proposed budget, now having been presented to Town Council, will be reviewed and amended as the Town Council may deem necessary for the good of the Town, the Board of Education and our residents.

This proposed Budget was compiled with research and input from all the departments and agencies within the Town of Coventry. I would like to thank everyone involved for their participation in the development of the Budget, especially Finance Director Cherie Trahan who helped bring this all together.

Sincerely,



James D. Drumm,
Town Manager