

# Budget in Brief

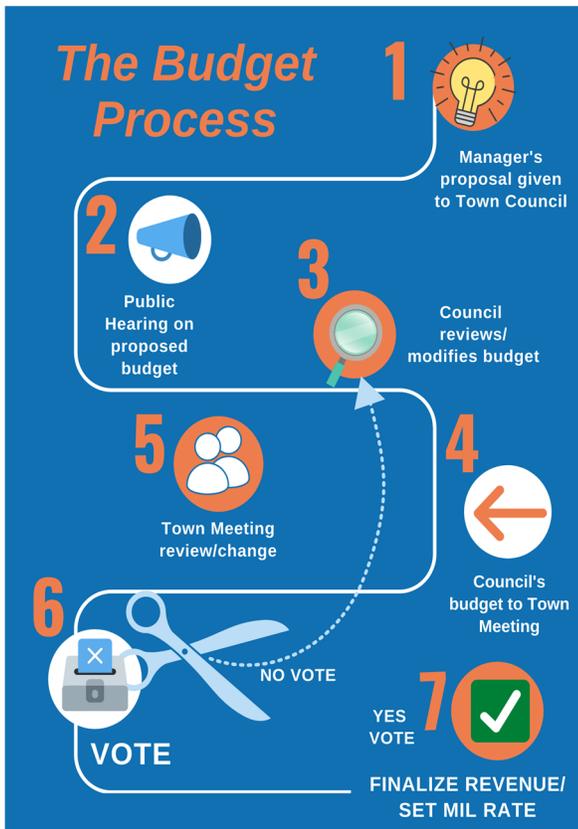
**Proposed Fiscal Year 2023/24 Budget**  
**Budget Hearing: Thursday March 9, 2023**  
 7:00 P.M. Lecture Hall,  
 Coventry High School, Ripley Hill Road



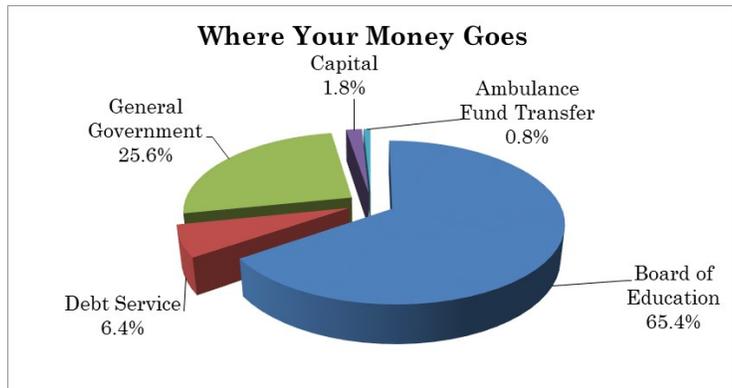
## Overview

Responding to a post Covid period of uncertainty, the Town and Board staff reviewed programs and services and prepared budget proposals that address the stated goals of the Town Council and Board of Education. Existing services have been maintained and infrastructure repairs, services to students, seniors, and public safety have been given a priority. We have been very successful in bringing in outside revenue through grants to address capital projects. The Town Manager's recommended budget demonstrates that most agency budgets were submitted with only modest increases. Continued funding has been included to support town-wide ambulance services. No new positions are proposed in the Town budget.

"The Town Manager's budget proposals for the Town, Board, Capital and Debt Service call for a 4.35% spending increase."



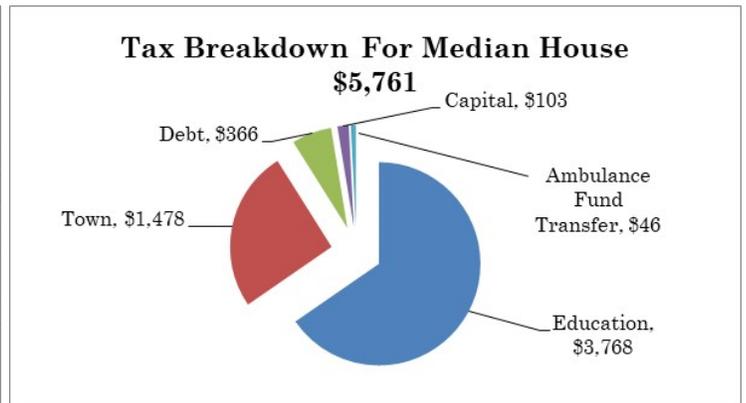
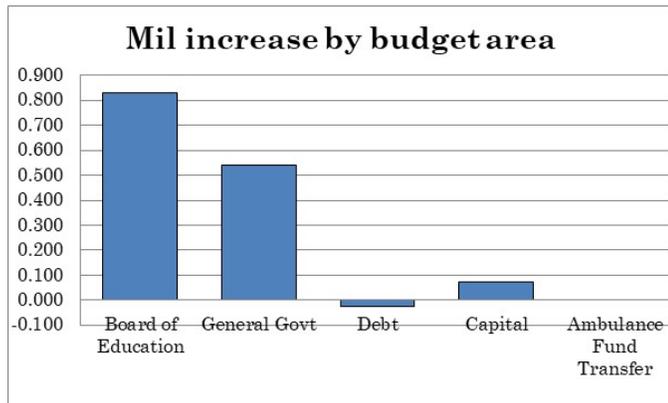
The Town Manager's budget proposals for the Town, Board, Capital, Debt Service, and Ambulance Fund transfer call for a \$1,898,995 spending increase from the prior year's adopted budget. Of this increase, \$622,743 relates to maintaining current personnel levels. The proposed budget will require an increase to the current mil rate of 1.42 mils, resulting in a rate of 32.57 mils for real estate and personal property and 32.46 for motor vehicles. The proposed budget will be reviewed and adjusted by the Town Council and sent to the Annual Town Meeting scheduled for Saturday, April 22, 2023, in the CHS Veterans Auditorium at 10:00 A.M. The adjourned Town Meeting vote is scheduled for Tuesday, May 2, 2023.



## Budget Summary

The expenditure part of the budget is broken down into the areas of General Government, Board of Education, Debt Service, Capital and the Ambulance Fund Transfer totaling \$45,602,940, an increase of \$1,898,995 or 4.35% compared to the adopted FY22-23 budget. A breakdown of the budgets are illustrated below.

Budget Area	Adopted Budget	Requested Budget	\$ Change	% Change
	FY 22-23	FY 23-24		
General Government	\$10,973,292	\$11,697,230	\$723,938	6.60%
Board of Education	\$28,712,461	\$29,824,330	\$1,111,869	3.87%
Debt Service	\$2,932,192	\$2,898,880	(\$33,312)	(1.14%)
Capital	\$723,500	\$820,000	\$96,500	13.34%
Ambulance Fund	\$362,500	\$362,500	\$ -	0.00%
<b>Total</b>	<b>\$43,703,945</b>	<b>\$45,602,940</b>	<b>\$1,898,995</b>	<b>4.35%</b>

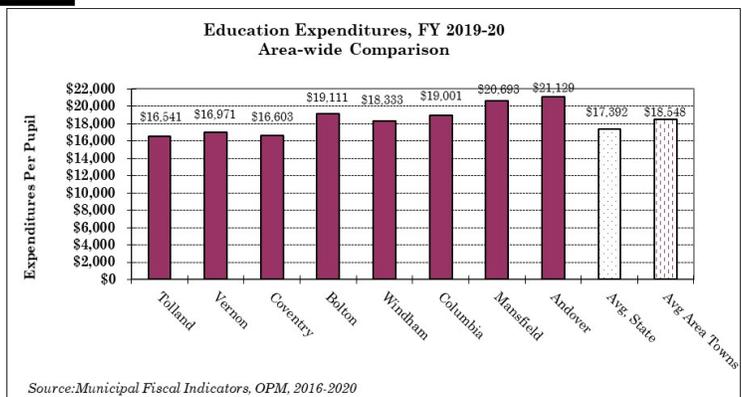


## Town Operating Budget Summary

The Town operating budget recommended for FY24 is \$11,697,230; an increase of \$723,938. The largest driver to this increase is personnel services which increased \$622,743 or 7.64%. Health insurance increased 9% (\$144,400) due to increased claim trends. The Town's required pension contribution, as calculated by our actuary, increased by \$70,089 or 15%. No additional staff were proposed in the FY24 budget, however one police position has been shifted back into the General Fund. In the FY22 budget, one police officer was funded through American Rescue Plan funding. Fifty percent (50%) of this position was returned to the Town Operating Budget in FY23. The FY24 budget includes 100% of this position. In addition, the FY24 budget includes \$80,000 towards the sick and severance fund. Based on known retirements of long tenured staff, estimated sick and vacation payouts are expected to be over \$100,000. Contingency was increased by \$10,000 due to three union contracts expiring on June 30, 2023. Other drivers behind the Operating Budget increase include general inflation increases, as well as increased costs in gasoline and diesel fuel.

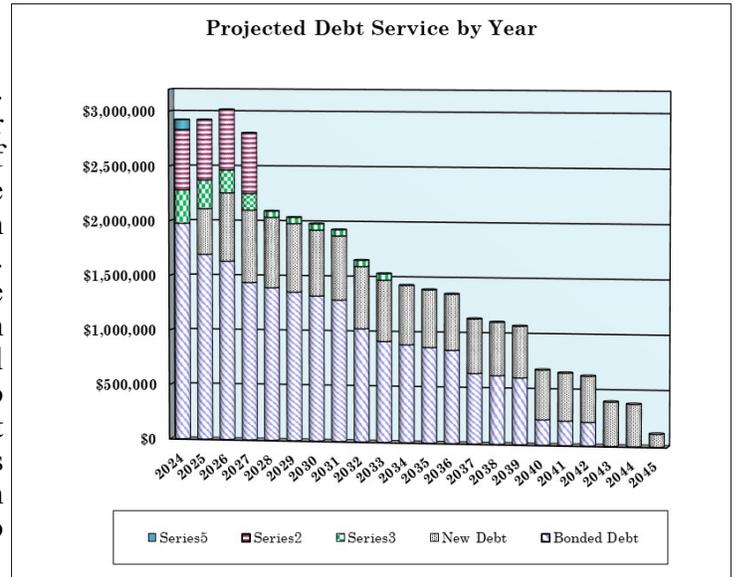
## Board of Education Summary

The Board of Education budget is proposed at \$29,824,330; an increase of \$1,111,869 or 3.87% from their originally adopted FY23 budget. Some limited funds to restore the Capital budget during the peak of Covid are also included, but far below the amount requested. You will note on the adjacent chart that our district is the lowest of surrounding towns and far below the average of our neighbors and State average. Details are available on the web at [www.coventrypublicschools.org](http://www.coventrypublicschools.org).



## Debt Service

Debt Service represents 6.36% of the Town budget. This is far below a common threshold of 10% for Towns. For FY24, there is a proposed decrease of \$33,312 or 1.14% from the prior year. This decrease is due to the full repayment of the FY17 lease in FY23, offset by decrease in bond premiums used. Also included in the FY24 budget is a capital lease for a large dump truck. Looking forward, the Town anticipates bonding for both road work and School HVAC replacement in FY24. While this will lead to increased debt service budgets for FY25 and FY26, it is important to know that our projected debt service is anticipated to decline each year going forward, which will allow for additional debt issuance or savings to taxpayers.



## Capital Projects

1 Summer Road Program (partial-see also Town Aid)	\$ 290,000
2 Network refresh	45,000
3 Education Computer Upgrades	50,000
4 Classroom Furniture	45,000
5 Town Hall Computer Upgrades	44,000
6 Police SUV Replacement	52,000
7 SCBA Fire Paks	24,000
8 Fire Gear	25,000
9 Fire Hose/equipment	20,000
10 Special Operations Equipment	20,000
11 Open Space Fund	15,000
12 CNREF	20,000
13 Lake Management	75,000
14 Revaluation	65,000
15 GIS Upgrades	10,000
16 Keyless Lock/Security - DPW	20,000
<b>TOTAL</b>	<b>\$ 820,000</b>

The proposed capital projects budget for the General Fund for FY24 totals \$820,000, an increase of \$96,500 or 13.34%. Of this budget, \$140,000 is related to capital projects for the Board of Education. In total 16 projects are proposed from the General Fund.

In addition to the capital project budget outlined in the General Fund, several capital projects are proposed through grants, including Town Aid Road, (\$290,000), Local Capital Improvement Program (\$101,000), HVAC Replacement (\$3,000,000) and multiple bridge and road repairs (\$3,941,650).

The Capital budget also includes a \$1,000,000 bond proposal which will be used for public water supply and fire suppression. Please refer to the Capital Budget section of the budget for additional details.

## Transfer to Ambulance Fund

The FY24 budget separates out the transfer to the Ambulance Fund as a separate budgetary line. It is proposed to transfer \$362,500 to the Ambulance fund to fund the ambulance coverage currently provided to residents on a 24 hours a day, 7 days a week basis.

When the Town transitioned to 24/7 coverage, there was hope the revenue generated could sustain these services. It is clear with current reimbursement rates, the fund is not able to cover these costs (Medicare reimbursement is 50% of charges, Medicaid reimbursement is 30% of charges). To fully fund the ambulance operations the Town would need to transfer \$500,000.

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.

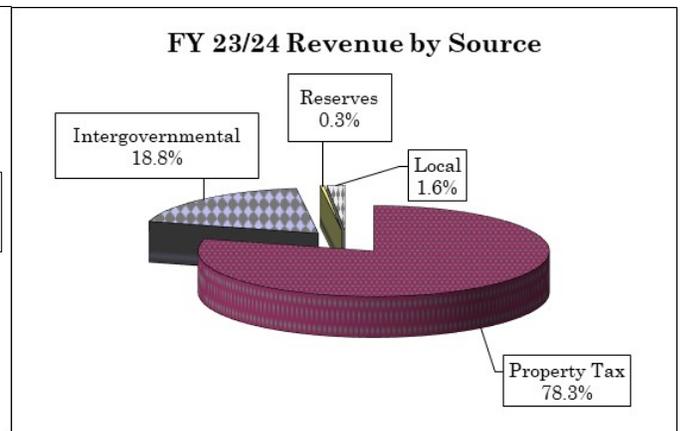
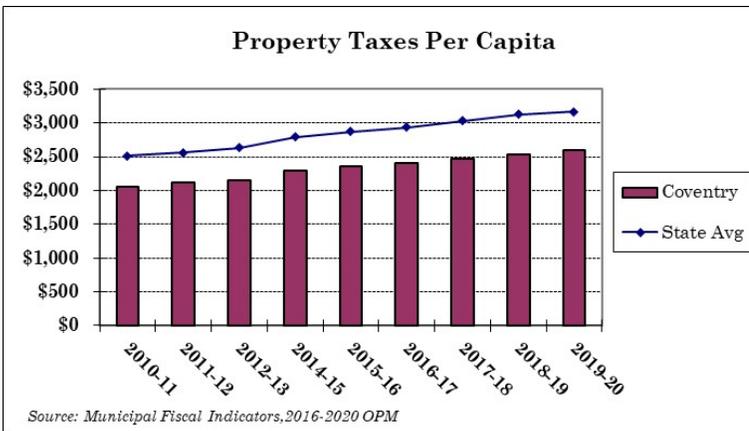
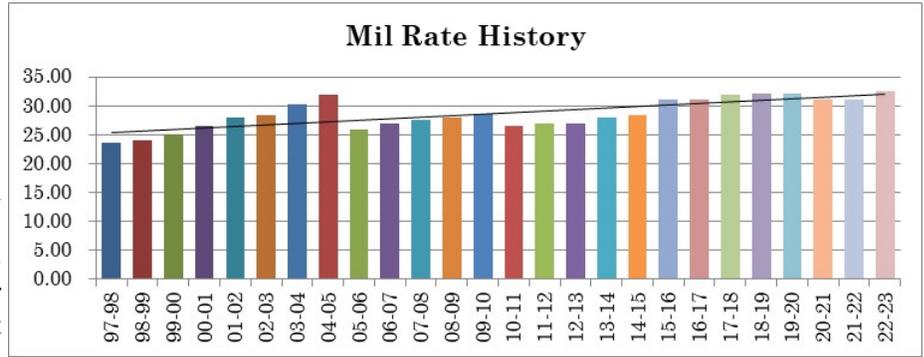
## Revenues

The property tax is the major revenue source (79.28%) for Coventry. The proposed budget is an increase of 6.2% from the prior year. The proposed mil rate is 32.57 for real estate and personal property, a 1.42 mil or 4.55% change from the prior year. The motor vehicle mil rate will be capped at 32.46 per current State Law. This will generate a monthly increase of \$20.93 to the average homeowner. The proposed mil rate increase would put the Town at a four-year mil rate increase average of only 0.092 mil per year. This is very far below inflation.

Intergovernmental revenues, mostly State aid, are the second largest revenue source (18.72%) of revenues for Coventry. This is a reduction of 3.26% from the prior year adopted budget. These revenues are based on the assumed State budget which is not yet final. Included is large decrease in Education Cost Sharing funds of \$134,666 which is expected to continue for several more years. In addition, there was a decrease in the amount of American Rescue Plan funding proposed for FY24 as the Town phases that grant out of the budget.

Other local revenues consist of a variety of fees for permits, services and interest earnings. This area which represents 1.62% of the Town's budget is expected to increase \$74,350 from the prior year. Increases are caused from increased activity in the building department as well as increased interest revenue based on current market conditions.

Lastly, our proposed revenue budget for FY24 includes use of \$175,000 from fund balance. This stems from the Town's COVID 19 financial impact plan that was previously adopted to help mitigate the impact of the pandemic. This amount remains unchanged from the FY23 budget and represents 0.38% of total revenue.



To learn more about the fiscal year 2023/24 proposed budget, you can view the full Town budget document online at [www.coventryct.org](http://www.coventryct.org) under Finance. Copies of the Town and Board of Education budgets are also available for viewing in the Coventry Town Clerk's office during regular office hours.

### YOUR OPINION COUNTS!



If you have questions or concerns about the FY 23/24 proposed budget, please don't hesitate to email [budgetcomments@coventryct.org](mailto:budgetcomments@coventryct.org) or call the Town Manager's Office at 860-742-6324.

### TAX RELIEF FOR SENIORS

Guidelines for additional tax relief for qualified Coventry seniors and disabled persons are available in the Town Assessor's Office. This includes a local tax credit program. Call 860-742-4067.

**Application Deadline: May 15, 2023.**