

Budget in Brief

Proposed Fiscal Year 2023/24 Budget
Town Meeting: Saturday April 22, 2023
 10:00 A.M. Veterans Auditorium,
 Coventry High School, Ripley Hill Road

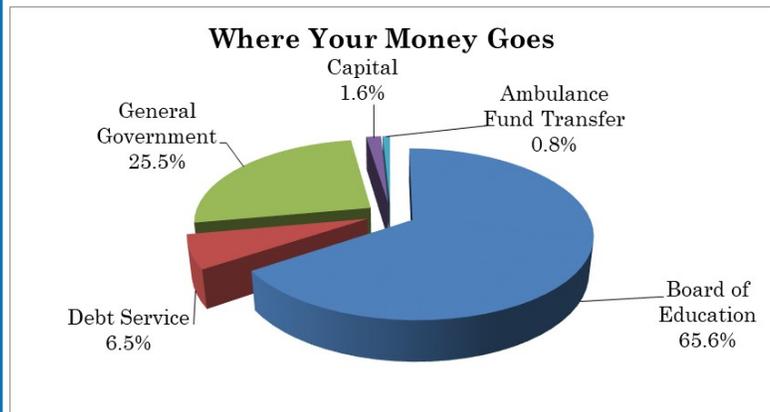
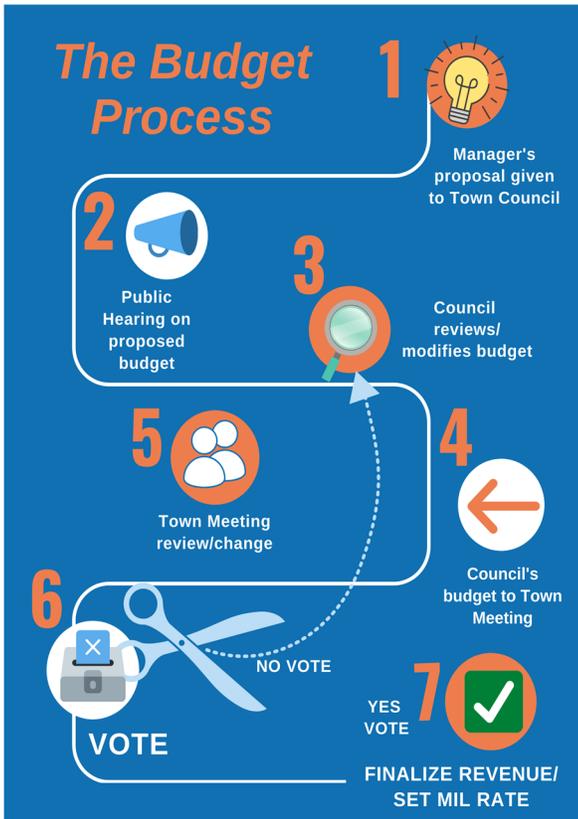


Overview

Responding to the expectations of Coventry residents for better and more efficient services, 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. The Town Manager's recommended budget demonstrated that most agency budgets were submitted with only modest increases. Staff levels were evaluated and remain consistent with the current year. The full budget was reviewed and modified by the Town Council, resulting in a reduction from requests of \$520,950.

"The Town Council's budget proposals for the Town, Board, Capital and Debt Service call for a 3.15% spending increase."

The Town Council's budget proposals for the Town, Board, Capital, Debt Service, and Ambulance Fund transfer call for a \$1,378,045 spending increase from the prior year adopted budget. The proposed budget will require an increase to the current mil rate of 0.59 mils or 1.89%, resulting in a rate of 31.74 mils. Based on this increase, the average increase to the mil rate over the past three years is 0.19 or 0.6%, compared to inflation at 5.6%. The proposed budget has been 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 \$45,081,990, an increase of \$1,378,045 or 3.15% compared to the adopted FY22-23 budget. A breakdown of the budgets are illustrated below.

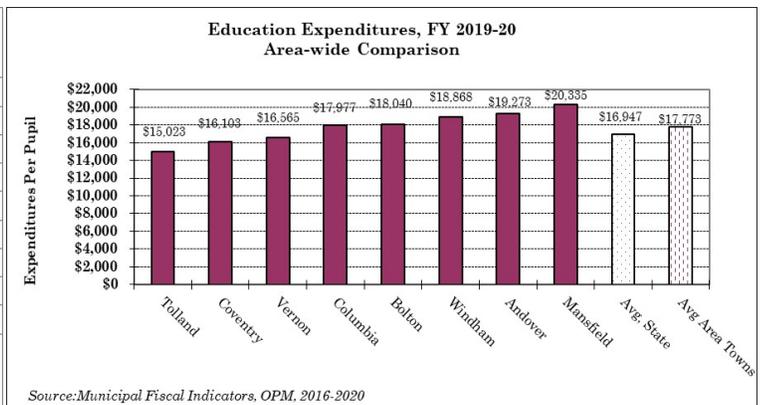
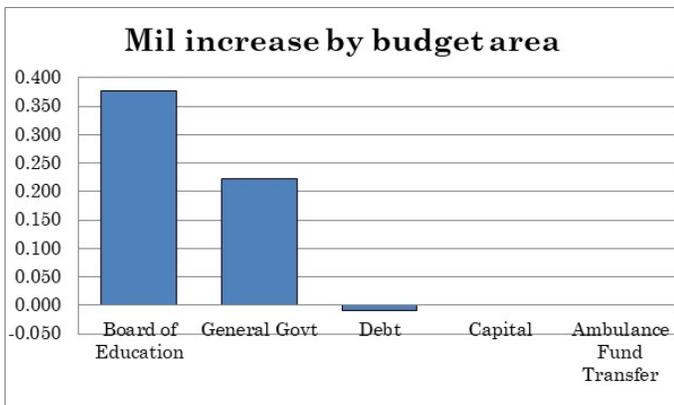
Budget Area	Adopted Budget	Requested Budget	\$ Change	% Change
	FY 22-23	FY 23-24		
General Government	\$10,973,292	\$11,491,730	\$518,438	4.72%
Board of Education	\$28,712,461	\$29,594,330	\$881,869	3.07%
Debt Service	\$2,932,192	\$2,909,930	(\$22,262)	(0.76%)
Capital	\$723,500	\$723,500	\$ -	0.00%
Ambulance Fund	\$362,500	\$362,500	\$ -	0.00%
Total	\$43,703,945	\$45,081,990	\$1,378,045	3.15%

Town Operating Budget Summary

The Town operating budget recommended for FY24 is \$11,491,730; an increase of \$518,438. This is a reduction of \$205,000 or 1.76% from the Town Manager proposed budget. The largest driver to this increase is personnel services which increased \$503,293 or 6.18%. Health insurance increased 9% (\$144,400) due to increased claim trends. 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. One police officer position, which had previously been funded 50% through grant funds, is now once again 100% funded by the General Fund. This position has been frozen until January 1. 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 technology needs, costs in gasoline and diesel fuel. This budget is a bare minimum budget in order to maintain the current level of services provided by the Town. Any additional reductions to the Town Operating Budget will likely result in staff layoffs and/or a reduction in services provided to Town residents.

Board of Education Summary

The Board of Education budget was reduced \$230,000 by the Town Council and is proposed at \$29,594,330; an increase of \$881,869 or 3.07% from their originally adopted FY23 budget. Details are available on the web at www.coventrypublicschools.org.



To learn more about the fiscal year 2023/24 proposed budget, you can view the full Town budget document online at 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 or call the Town Manager's Office at 860-742-6324.

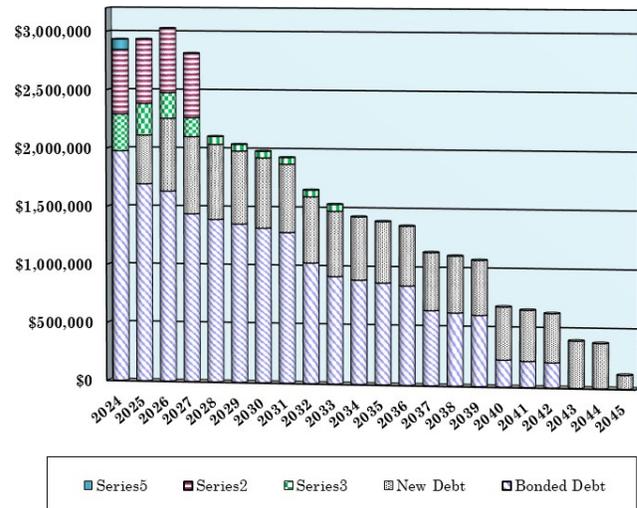
TAX RELIEF FOR SENIORS

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.

Debt Service

Debt Service represents 6.5% of the Town budget. This is far below a common threshold of 10% for Towns. For FY24, there is a proposed decrease of \$22,262 or -0.76% from the prior year. This decrease is due to the full repayment of a 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 and a police vehicle. 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.

Projected Debt Service by Year



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	25,000
5 Town Hall Computer Upgrades	44,000
6 SCBA Fire Paks	24,000
7 Fire Gear	25,000
8 Fire Hose/equipment	20,000
9 Open Space Fund	15,000
10 CNREF	20,000
11 Lake Management	75,000
12 Revaluation	65,000
13 GIS Upgrades	10,000
14 Keyless Lock/Security - DPW	20,000
TOTAL	\$ 723,500

The proposed capital projects budget for the General Fund for FY24 totals \$723,500, a **zero increase** from the prior year. Of this increase \$120,000 is related to capital projects for the Board of Education. This represents a reduction of \$96,500 made by the Town Council.

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), potential HVAC Replacement (\$3,000,000) and potential multiple bridge and road repairs (\$,3941,650).

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

Transfer to Ambulance Fund

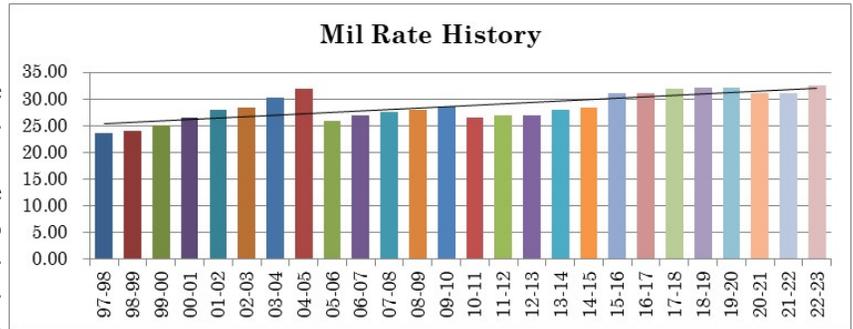
The FY24 budget separates out the transfer to the Ambulance Fund as a separate budgetary line. It is proposed to transfer \$362,500 to the Ambulance fund to fund the ambulance coverage currently provided to residents on a 24 hours a day, 7 days a week basis.

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

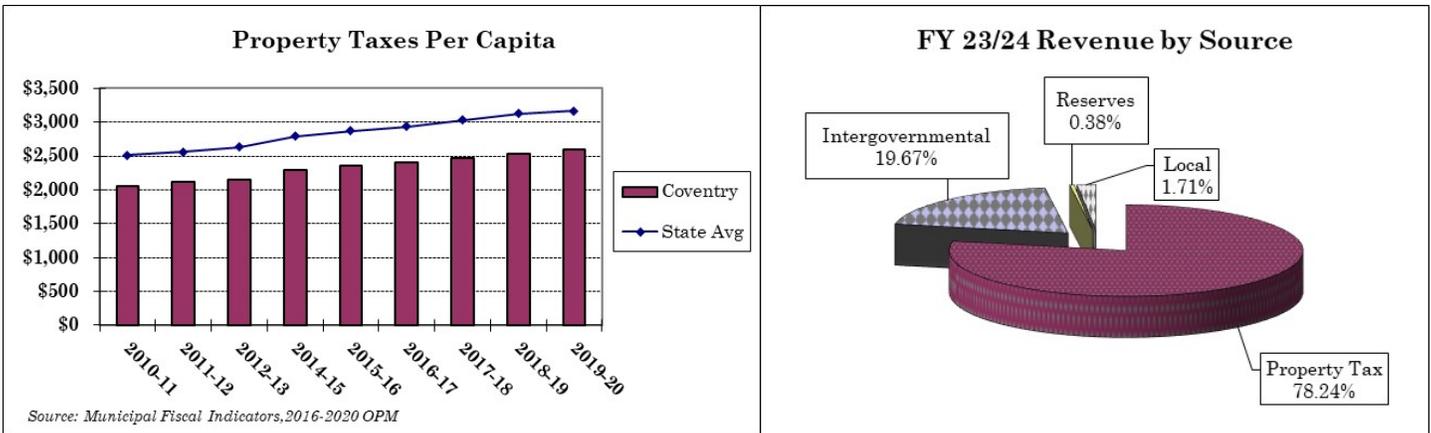
The property tax is the major revenue source (78.24%) for Coventry. The proposed budget is an increase of 3.5% from the prior year. The proposed mil rate is 31.74 for real estate and personal property, a 0.59 mil or 1.89% change from the prior year. This will generate a monthly increase of \$8.70 and an annual increase of \$104 to the average homeowner. The proposed mil rate increase would put the Town at a three-year mil rate increase average of only 0.6% mil per year. This is very far below inflation.



Intergovernmental revenues, mostly State aid, are the second largest revenue source (19.67%) of revenues for Coventry. This is an increase of 0.48% from the prior year adopted budget. These revenues are based on the assumed State budget which is not yet final. The Town Council has decided to assume the Town will hold harmless on ECS funding from the State. This resulted in an increase to revenue of \$130,000. In addition, the Town Council authorized an additional \$200,000 in American Rescue Plan funding, for a total ARPA spend of \$325,000. This will be a one time revenue source that will not be available in future years. This eliminates the Town's remaining ARPA funds that were received.

Other local revenues consist of a variety of fees for permits, services and interest earnings. This area, which represents 1.71% of the Town's budget, is expected to increase \$104,350 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.



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Application Deadline: May 15, 2023.