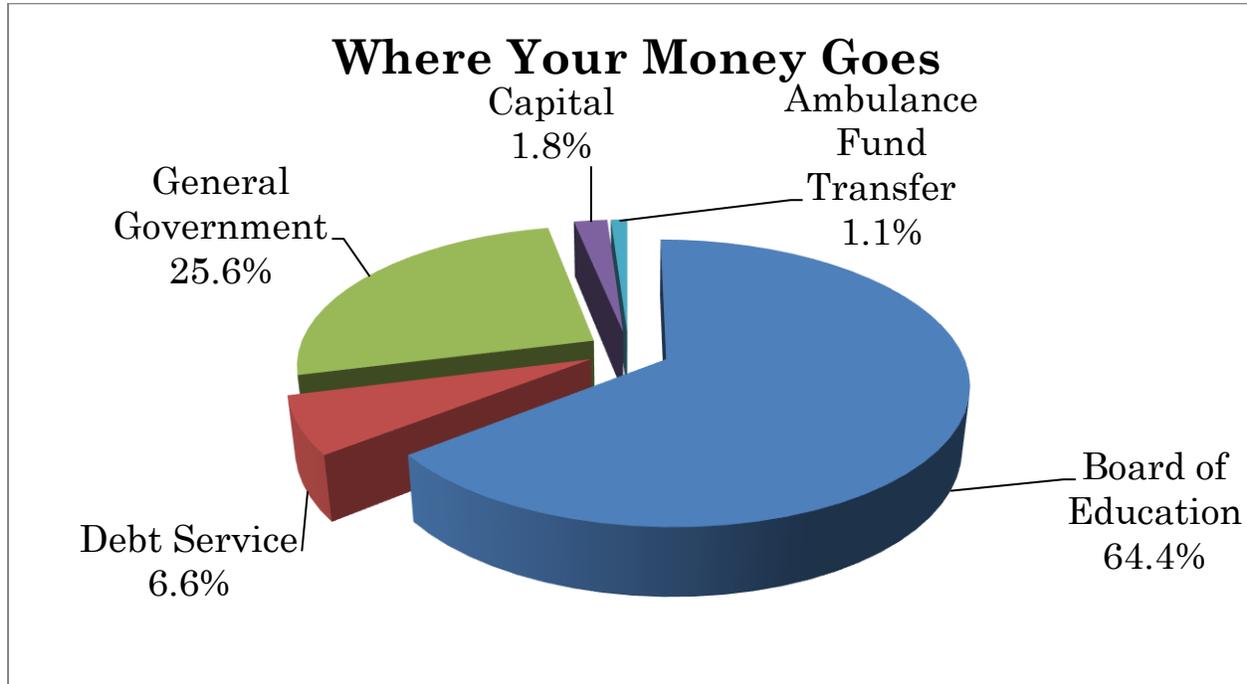


# EXPENDITURES

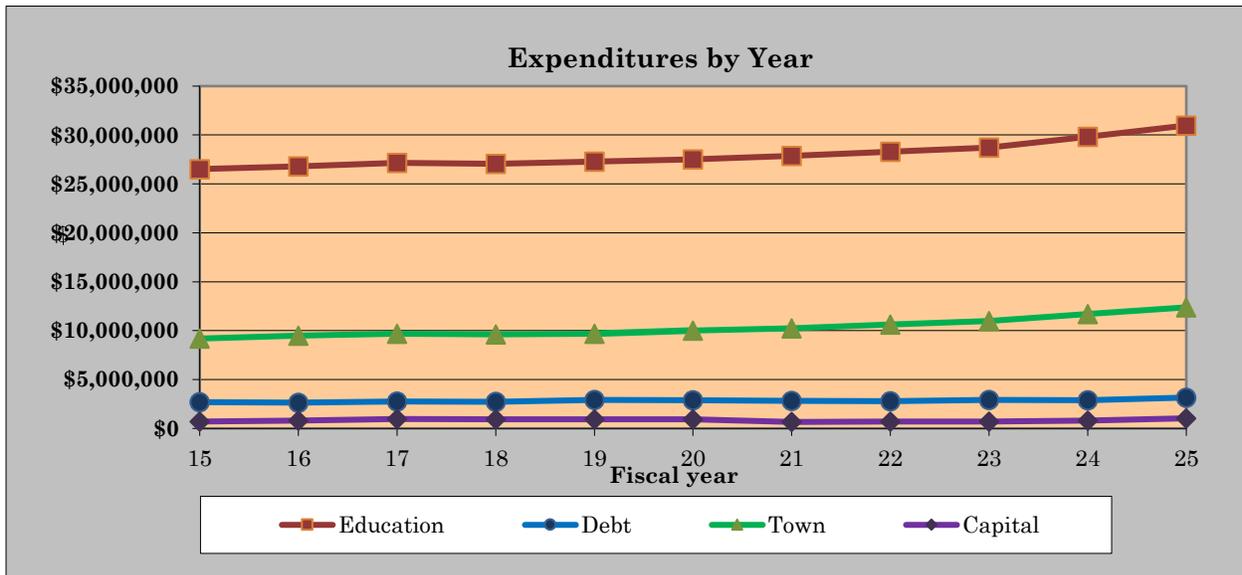
The expenditure part of the budget is broken down into the categories of General Government, Board of Education, Debt Service, and Capital Expenditures which includes the Reserve for Capital & Nonrecurring Expenditures (CNREF). The requested expenditures for the FY year 24/25 total \$47,975,351, an increase of \$2,893,361, or 6.42% over the adopted FY 23/24 budget.

Budget Area	Approved Budget FY23/24	Proposed Budget FY24/25	\$ Inc/Dec	% Change
General Government	\$ 11,491,730	\$ 12,382,072	\$ 890,342	7.75%
Board of Education	29,594,330	30,974,700	1,380,370	4.66%
Debt Service	2,909,930	3,157,506	247,576	8.51%
Capital	723,500	952,183	228,683	31.61%
Ambulance Fund Transfer	362,500	508,890	146,390	40.38%
<b>TOTAL EXPENDITURES</b>	<b>\$ 45,081,990</b>	<b>\$ 47,975,351</b>	<b>\$ 2,893,361</b>	<b>6.42%</b>

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 24/25 is \$12,382,072, which represents a \$890,342 or a 7.75% increase compared to the current adopted budget. The Town budget makes up 25.76% of the total operating budget. The following table presents a summary of the operating budget by function.

	Approved Budget FY23/24	Proposed Budget FY24/25	Inc/(Dec)	%
General Administration	\$ 2,009,240	\$ 2,184,035	\$ 174,795	8.70%
Public Safety	2,794,360	3,165,560	371,200	13.28%
Public Works	2,753,870	2,869,751	115,881	4.21%
Human Services	351,975	364,721	12,746	3.62%
Civic and Cultural	723,165	768,865	45,700	6.32%
Sundry	2,859,120	3,029,140	170,020	5.95%
<b>Total</b>	<b>\$ 11,491,730</b>	<b>\$ 12,382,072</b>	<b>\$ 890,342</b>	<b>7.75%</b>

## Personnel Services

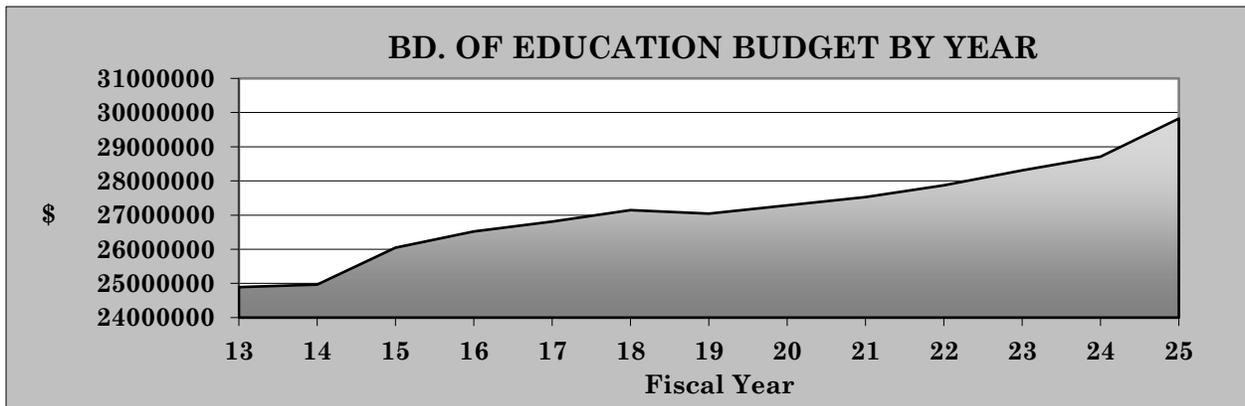
The recommended expenditures for wages have increased by \$464,040 or 8.72%. Public Works, Supervisors and Police Union contracts were ratified with rate increases. Nonunion employees are receiving comparable wage increases. Increased wages also means an increase to social security payments. This budget maintains the current level of Town staffing. Many newly hired employees are receiving step increases based on their union contract.

Due to Medical inflation and claims our health insurance rates are projected to have a 9.0% increase due to increased claim trends.

Pension expenses have increased by 2.65% from \$535,922 to \$550,102 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 72.90% funded as of July 1, 2022.

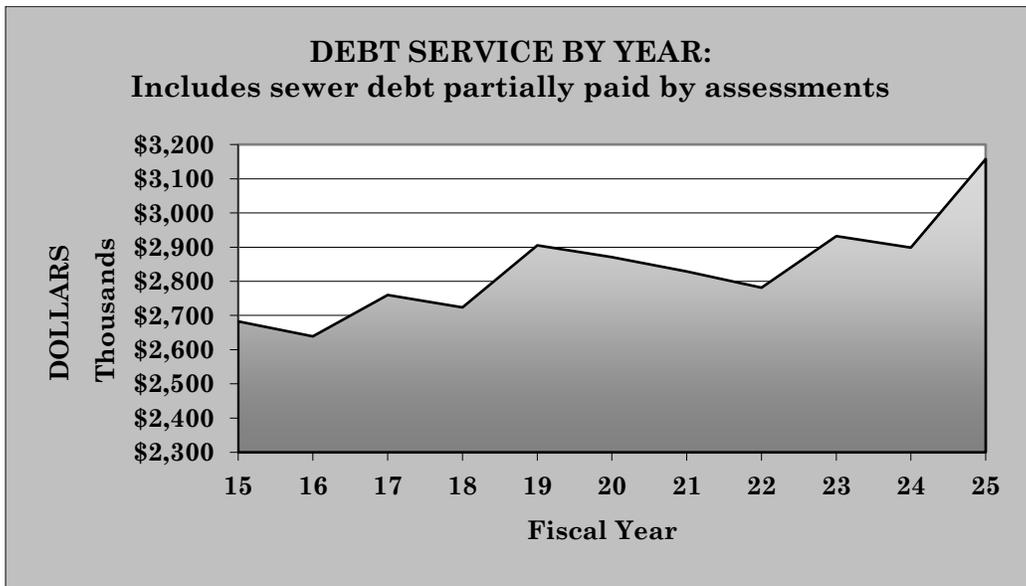
## Board of Education

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 \$30,974,700, an increase of \$1,380,570 or 4.66%, above their adopted FY 23/24 budget. Please see the separate Board of Education budget for details.



## Debt Service

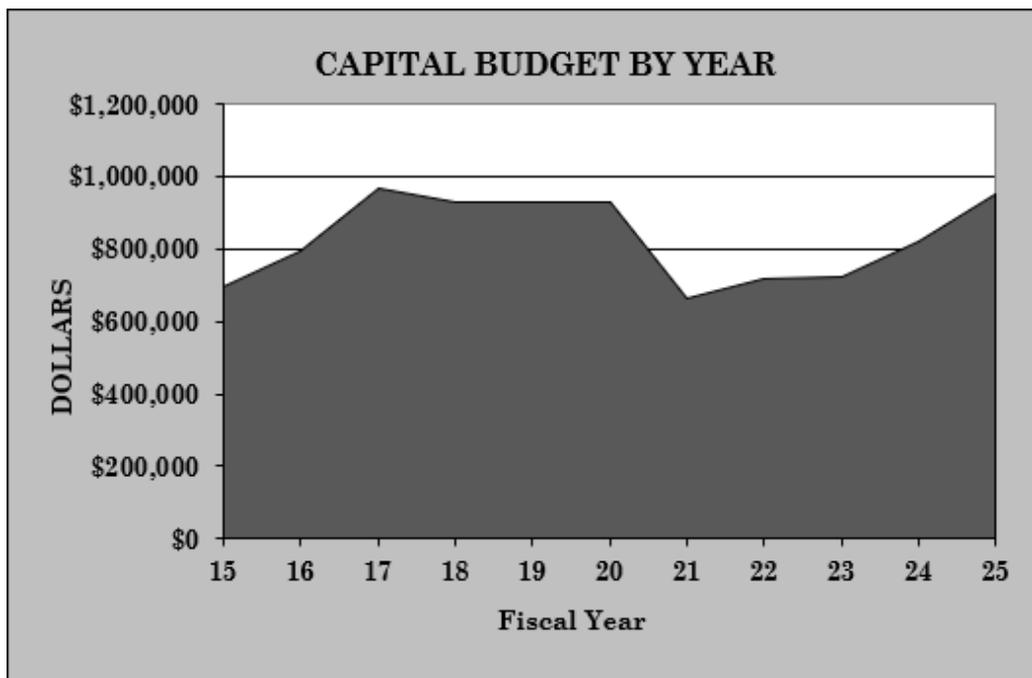
Debt Service as a percentage of the budget is 6.57% of the total budget, which is well below the 10% threshold of concern. A decrease is expected in FY26 as the Town retires two capital leases and the CNG community payments come to an end after 7 years. Sewer debt continues to be partially paid by sewer 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. As well as bonding for District wide HVAC, Fire truck, Fire alarm replacement, and high school weight room relocation.



## Capital Expenditures

The Capital Expenditures Budget request for the general operating budget is \$952,183, an increase of \$228,683 or 40.38% from the prior year's budget. The largest items are recurring expenses for summer roads, lake management, Town and School computer resources, replacement Police, and Public works equipment, and a contribution into the Open Space fund. 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. \$154,500 is proposed for several projects this year.



## **Ambulance Fund Transfer**

The Ambulance Fund Transfer proposed in the FY25 budget is \$508,890. The Ambulance Fund Transfer represents 1.06% of the total budget.

Since 2016, the Town has seen a decline in volunteer emergency medical technicians (EMTs). Contracting for paid EMTs began to supplement the loss of volunteer labor. Prior to 2020 the Town contracted for 12 hours per day, 7 days per week.

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. Preliminary revenue projections showed the services almost 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 the low Medicare and Medicaid cost rates which are regulated by the State. 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 when available. This will cause a significant increase in response times, which are very important in emergency situations.

Based on review of current operations at the continued 24 hour a day, 7 day a week coverage through our third-party contractor Vintech, the amount they are charging for Fiscal Year 2025 is \$630,720. Contracting out services to a third-party company is no longer feasible and more costly than implementing paid EMS/Fire staff. Under the staffing model proposed by the Fire Chief, Coventry would hire 5 full-time staff members and up to 9 part-time staff members. Part-time employee count is dependent on hours needed to be covered. The approximate cost of staffing would be \$603,000 compared to Vintech's contract is a savings of \$27,720. It is in the best interest of the Town to hire paid Town staff to invest in the community and eliminate the unpredictability of Vintech contract increases.