

Expenditures

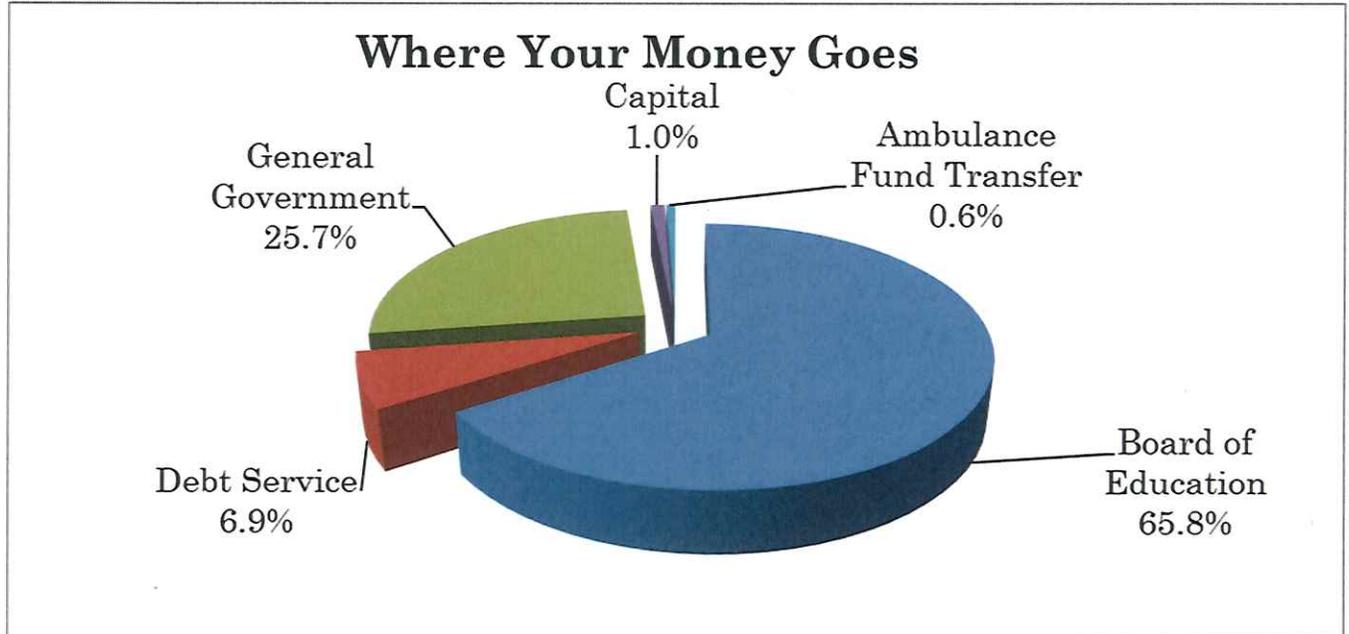
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EXPENDITURES

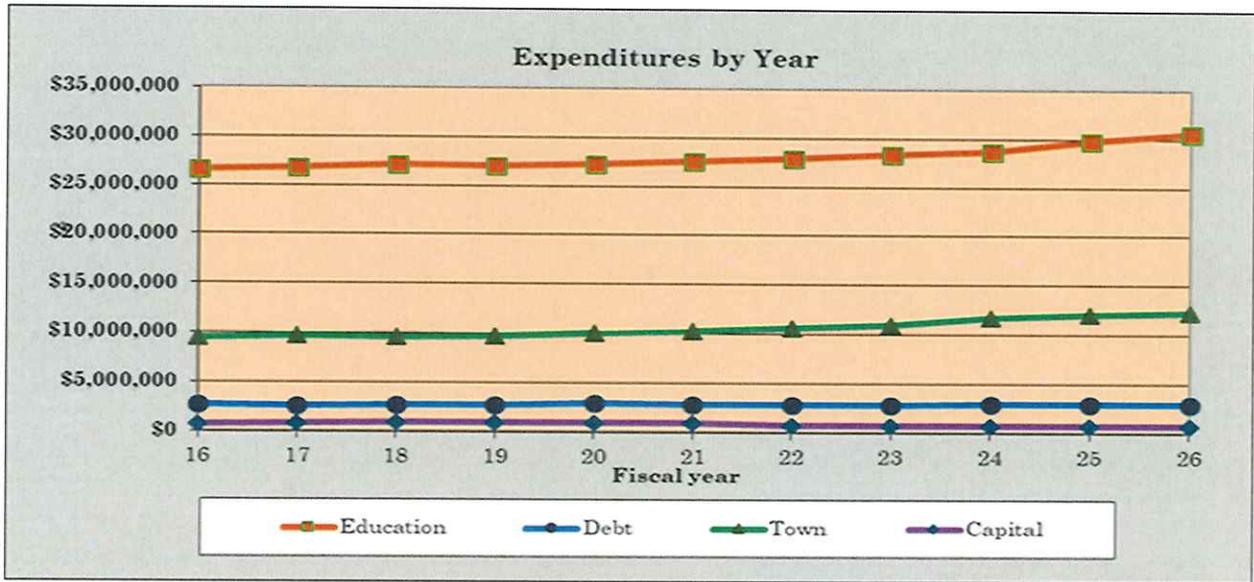
The expenditure part of the budget is broken down into the categories of General Government, Board of Education, Debt Service, and Capital Expenditures which includes the Reserve for Capital & Nonrecurring Expenditures (CNREF). The requested expenditures for the FY year 25/26 total \$47,828,271, an increase of \$1,238,237 or 2.66% over the adopted FY 24/25 budget.

<u>EXPENDITURES</u>	Adopted Budget FY24/25	Requested Budget FY25/26	\$ Inc/Dec	% Change
General Government	\$ 12,050,160	\$ 12,305,630	\$ 255,470	2.12%
Board of Education	30,599,700	31,457,874	858,174	2.80%
Debt Service	2,972,506	3,314,306	341,800	11.50%
Capital	668,748	462,315	(206,433)	-30.87%
Ambulance Fund Transfer	298,920	288,146	(10,774)	-3.60%
Total	<u>\$ 46,590,034</u>	<u>\$ 47,828,271</u>	<u>\$ 1,238,237</u>	<u>2.66%</u>

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 25/26 is \$12,305,630, which represents a \$255,470 or a 2.12% increase compared to the current adopted budget. The Town budget makes up 25.7% of the total operating budget. The following table presents a summary of the operating budget by function.

	Approved Budget FY24/25	Proposed Budget FY25/26	\$ Inc/(Dec)	% Change
General Administration	\$ 2,179,360	\$ 2,248,207	\$ 68,847	3.16%
Public Safety	2,945,060	3,100,886	155,826	5.29%
Public Works	2,783,912	2,806,572	22,660	0.81%
Human Services	364,771	356,276	(8,495)	-2.33%
Civic and Cultural	754,217	761,999	7,782	1.03%
Sundry	3,022,840	3,031,690	8,850	0.29%
Total	\$ 12,050,160	\$ 12,305,630	\$ 255,470	2.12%

Personnel Services

Steelworkers, 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 5.5% increase due to increased claim trends as well as increased enrollment.

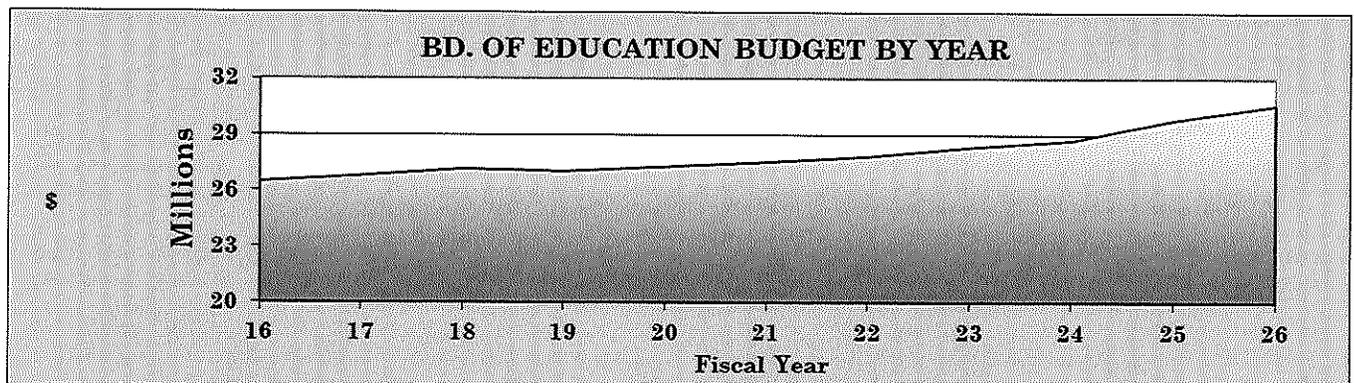
Pension expenses have increased by 9.16% from \$576,532 to \$629,361 as recommended by the actuary. We continue to contribute the amount based on the annual actuarial review. Our unfunded pension liability is solid and was 76.60% funded as of July 1, 2024.

Capital Expenditures

Capital Expenditures within the General Government budget have decreased \$206,433 from the prior year budget primarily due to the reduction of the summer roads program. Funding is included for Nutanex software, lake management, fire safety equipment, student computers and a reduced annual contribution to Town road.

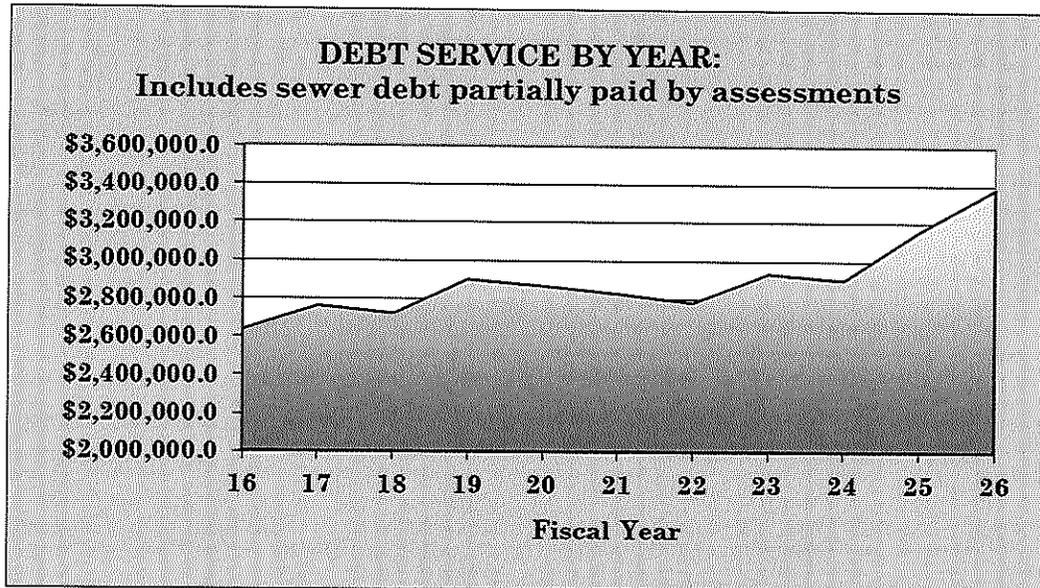
Board of Education

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 \$31,457,874, an increase of \$858,174 or 2.80%, above their adopted FY 24/25 budget. Please see the separate Board of Education budget for details.



Debt Service

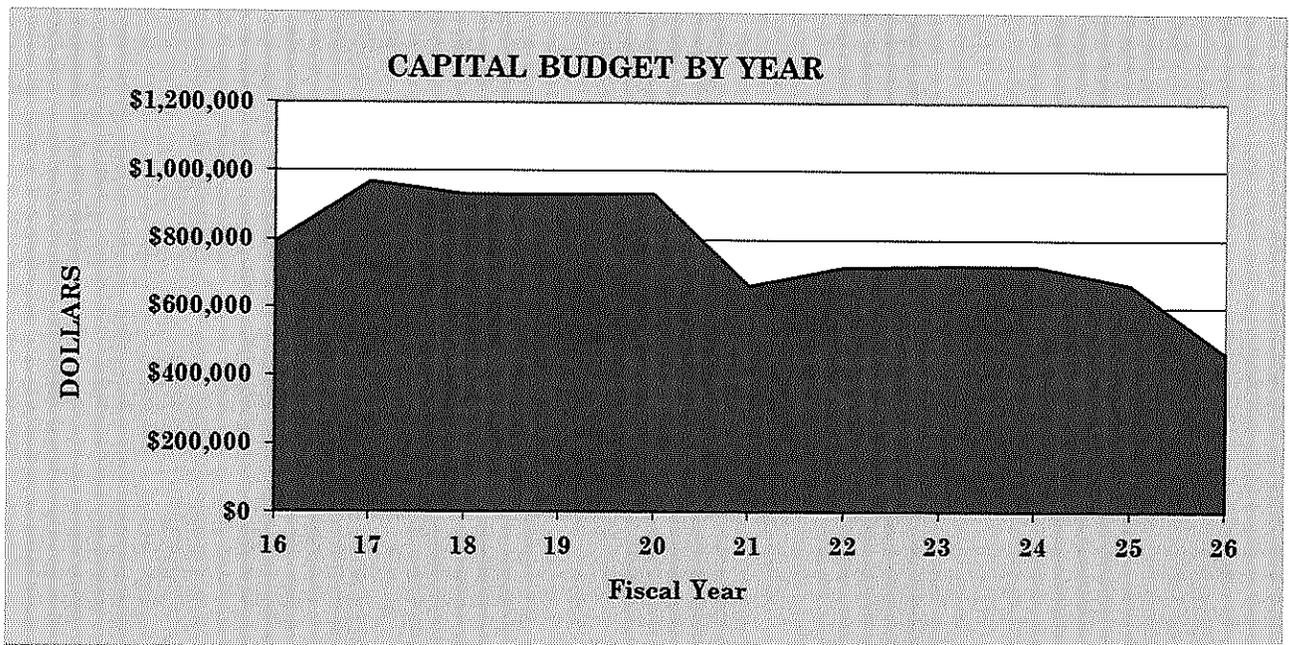
Debt Service as a percentage of the budget is 6.93% of the total budget, which is well below the 10% threshold of concern. In FY26 the Town retires two capital leases and the CNG community payments come to an end after 7 years. Sewer debt continues to be partially paid by sewer assessments; the final sewer expansion payment will be in fiscal year 2027.



Capital Expenditures

The Capital Expenditures Budget request for the general operating budget is \$462,315, a decrease of \$206,433 or 30.87% from the prior year's budget. The largest items are recurring expenses for summer roads, lake management, Town and School computer resources. 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. \$154,000 is proposed for several projects this year.



Ambulance Fund Transfer

The Ambulance Fund Transfer proposed in the FY26 budget is \$288,146. The Ambulance Fund Transfer represents 0.6% 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 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 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. Coventry hired 5 full-time staff members and up to 9 part-time staff members. Part-time employee count varies depending on the hours needed to be covered. Overall, this has been a successful year for the Fire/EMS service in Coventry.