



TOWN OF COVENTRY
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The following is a brief summary of the fiscal 2027-2031 budget forecast along with the various assumptions made in formulating the forecast. This is a budget projection forecast and as such, the amounts are best guess estimates of where we believe the Town may be or where we may like to be over the next 5 years. Actual results may differ from the amounts noted in this projection. Note: this projection/forecast does not include any provision for the inclusion of a Town-wide Fire Department.

Summary Results:

1. Overall budget increases from \$127,135,068 in fiscal 2026 to \$144,684,453 in fiscal 2031 which is an increase of \$17,549,385, or 13.8% over the 5-year period. Annual percentage increases fiscal 2026 to fiscal 2031 are 3.49%, 2.77%, 2.41%, 2.22% and 2.22% for fiscal 2027, 2028, 2029, 2030, and 2031, respectively.
2. Proposed total tax levy revenue is projected to increase by 3.0%, 2.2%, 3.48%, 3.11%, and 2.36% in fiscal 2027, 2028, 2029, 2030, and 2031, respectively. It should be noted that the spike in fiscal 2029 and 2030 is due to an assumption that the State would no longer be qualifying as a Distressed Community and thus the additional state funding would cease.
3. Local appropriation/maintenance of effort (MOE) to the School Department increases from \$52,260,487 in fiscal 2026 to \$57,699,800 in fiscal 2031 an increase of \$5,439,313 or 10.41%. This increase represents a 2% increase per year.
 - a. Projection assumes that the Town contribution to the School Deficit ends in fiscal 2029. This would represent the fifth year that the Town provided deficit reduction funding in the total amount of \$2,050,000.
 - b. In addition to the increase in local appropriation to the School (MOE), the Town contributes to pay a portion of the SRP pension contributions which increases from \$460,947 in fiscal 2025 to \$610,000 in fiscal 2021. This is an increase of \$149,053 or 32% over the 5-year period.
 - c. The Town's share of the debt service related to the 2025 School Construction Bond is also projected to increase from \$242,254 in fiscal 2025 to \$944,612 in fiscal 2031 for a total increase over the 5 years of \$3.4 Million (see bottom of page 80).

Assumptions:

1. State Aid for Education expected to increase annually by 2.5%. This gets passed through to the School Dept.
2. State Housing Aid is projected to increase due to the payment of principal and interest on the 2025 \$25 Million School construction bond. The projected reimbursement rate is 48.2%.
3. State aid for Distressed Communities is expected to be received in full in fiscal 2027, and 2028, before being phased out in fiscal 2029 and eliminated in fiscal 2030.

4. Departmental revenue projections include rate increases for various fees which have not increased in years in some instances.
5. Town Clerk Transfer Tax and Realty Tax projected to increase due to development and home sales in the Town.
6. Building permits projected to increase as a result of increase in developments projected in Town.
7. Compensation for employees various throughout the budget projections as there are employees from the Local 94 Union, Police Union, and non-union personnel. Keep in mind that effective January 1, 2026, RI minimum wage increases from \$15/hour to \$16/hour which is a 6.67% increase. In general compensation is expected to increase annually ranging from 2% to 3%, with a limited number of exceptions. These exceptions are areas where I believe we need to get employees up to the appropriate salary point as compared to their peers in other communities. Note: the projected salary for the Finance Directors position in fiscal 2029 was increased to \$150,000. This is an estimate of what I believe the Town will need to spend to be competitive in hiring a qualified and competent Finance Director to ensure the Town continues to move forward.
8. This budget only includes hiring 1 additional staff member for the IT Department. As the Town grows and the cybercrimes increase it is getting more difficult for all the IT needs and security to be handled by 1 individual (outside of Police IT).
9. Health and Dental expenditures projected to increase by 8% and 6%, annually, respectively.
10. Many other expenditures estimated to increase by 2-5% annually. This is a true guesstimate.
11. ADC contribution for police and municipal defined benefit plans projected to increase by 5% and 4% annually, respectively.
12. Roads & Bridges (page 47) Capital Lease of \$260,000 in fiscal 2027 decreases in fiscal 2028 due to the payoff of the 2021 Lease Purchase agreement. This lease payment will be used to help fund the Town's Capital Lease Fund for the funding of the three new Sanitation Trucks. (See increase in Capital Lease line for Refuse Collection Page 51.)
 - a. The projection continues to increase the line items for Road Improvements – Paving with a goal of getting to \$1,500,000 in fiscal 2030. The Town went too long without maintaining infrastructure and should have a plan for ongoing improvements and maintenance within the General Fund budget.
13. Debt Service was forecasted to increase to include interest only payments on the \$25 Million School Bond for fiscal 2027 and 2028 then principal and interest payments effective fiscal 2029.
 - a. The projection assumes that the Town will no longer supplement the budget of the Sewer Fund (\$200,000) effective fiscal 2028. Hopefully with the increase in development and the related sewer assessments and use fees the Sewer Fund should become self-sufficient.
14. Maintain a CIP budget to continue to complete capital projects throughout Town. Projected CIP goes from \$402,869 in fiscal 2025, to \$550,000, \$600,000, \$650,000, \$675,000, and \$700,000 in fiscal 2026 to fiscal 2031, respectively.
15. Legal expense has been projected to decrease in fiscal 2029 in anticipation that many of the major issues will be resolved by that time. I believe/hope that the projected budgets for fiscal 2028 through 2031 are conservative.