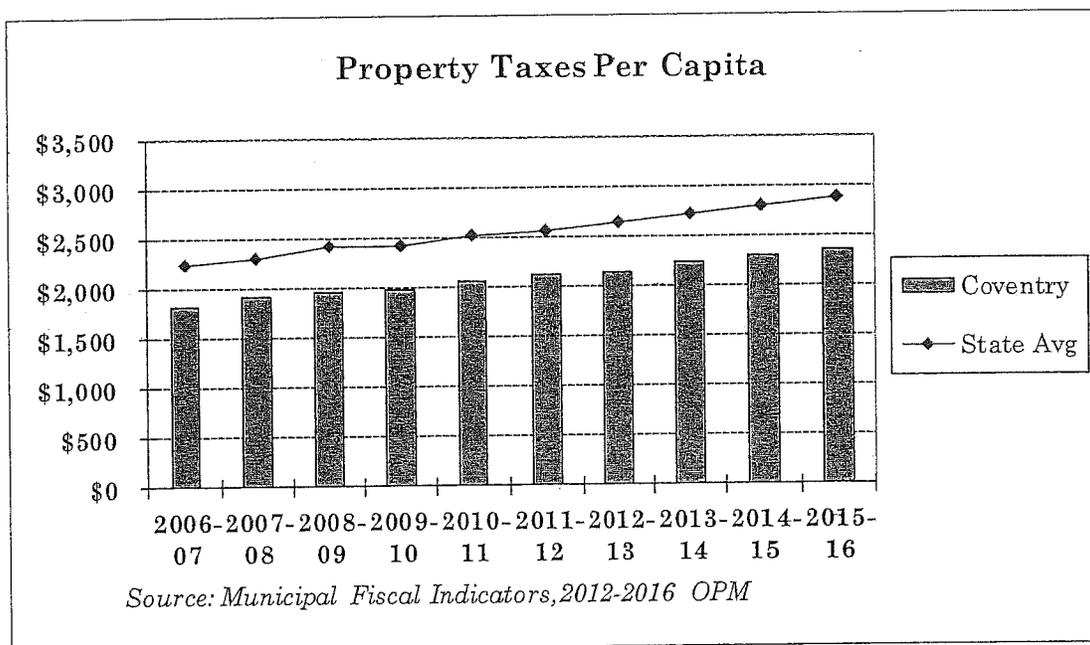


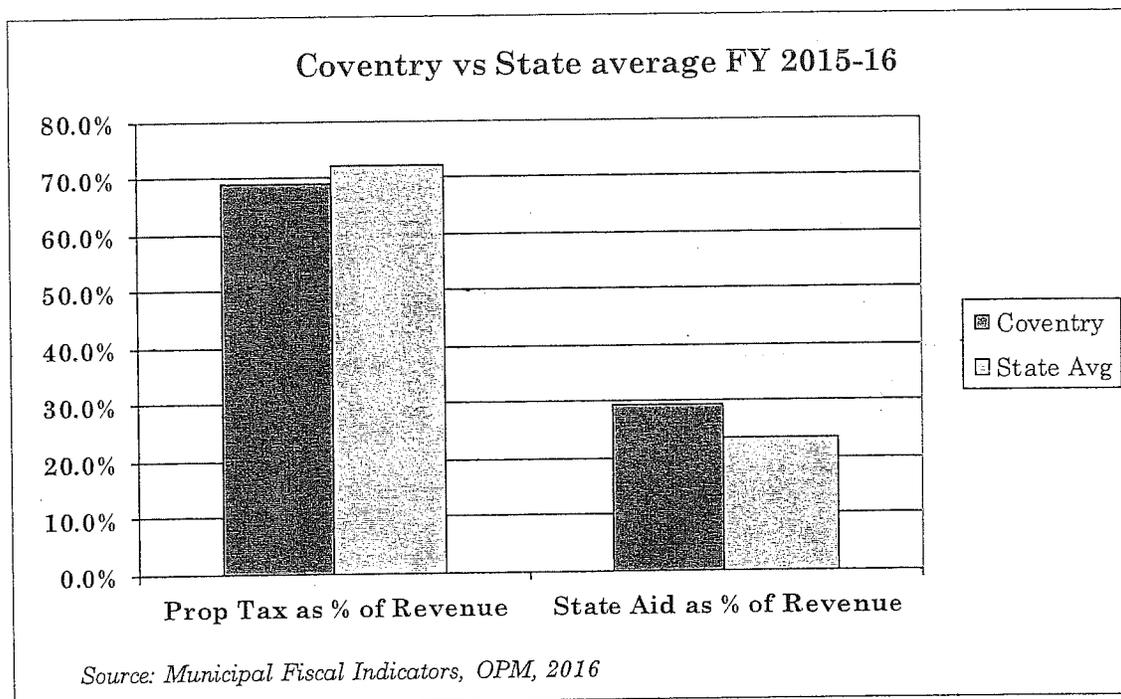
Revenues

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Revenues – General Government



Coventry continues to remain below the state average in per capita taxes, ranking 122 out of the 169 Connecticut towns and cities. Coventry's per capita property taxes are 81.7% of (or \$524 less than) the average in Connecticut.

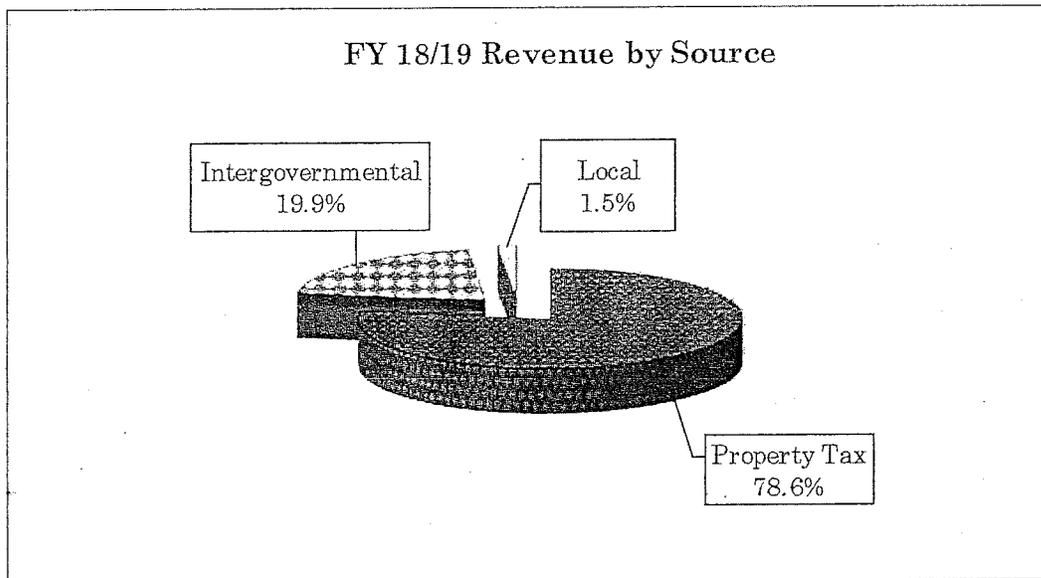


The Town receives more state aid than the state-wide average. In 2016 Coventry received 29.5% of our annual revenue from intergovernmental sources compared to the statewide average of 23.3%.

Revenues

The expenditures proposed in the fiscal year 2018/2019 ("FY 18/19) budget will require revenues equaling \$40,812,486. These revenues will be generated from local property taxes, intergovernmental grants, and other local revenues:

| Source | Adopted Budget FY 17-18 | Requested FY 18-19 | Inc/Dec | % Change |
|-----------------------------|-------------------------------|-----------------------|-------------------|---------------|
| Property Tax | | | | |
| Current Taxes | \$ 29,965,263 | \$ 30,896,479 | \$ 931,216 | 3.11% |
| Delinquent Taxes | 250,000 | 260,000 | 10,000 | 4.00% |
| Interest & Penalties | 200,000 | 190,000 | (10,000) | -5.00% |
| Suppl. MV | 250,000 | 300,000 | 50,000 | 20.00% |
| <i>Subtotal</i> | <u>30,665,263</u> | <u>31,646,479</u> | <u>981,216</u> | <u>3.20%</u> |
| Intergovernmental | | | | |
| Sewer Assessment | 435,722 | 519,844 | 84,122 | 19.31% |
| State - Education | 8,329,201 | 7,845,503 | (483,698) | -5.81% |
| State - Gen Govt | 256,788 | 186,210 | (70,578) | -27.48% |
| <i>Subtotal</i> | <u>9,021,711</u> | <u>8,551,557</u> | <u>(470,154)</u> | <u>-5.21%</u> |
| Other Local Revenues | <u>627,001</u> | <u>614,450</u> | <u>(12,551)</u> | <u>-2.00%</u> |
| TOTAL REVENUES | <u>\$ 40,313,975</u> | <u>\$ 40,812,486</u> | <u>\$ 498,511</u> | <u>1.24%</u> |



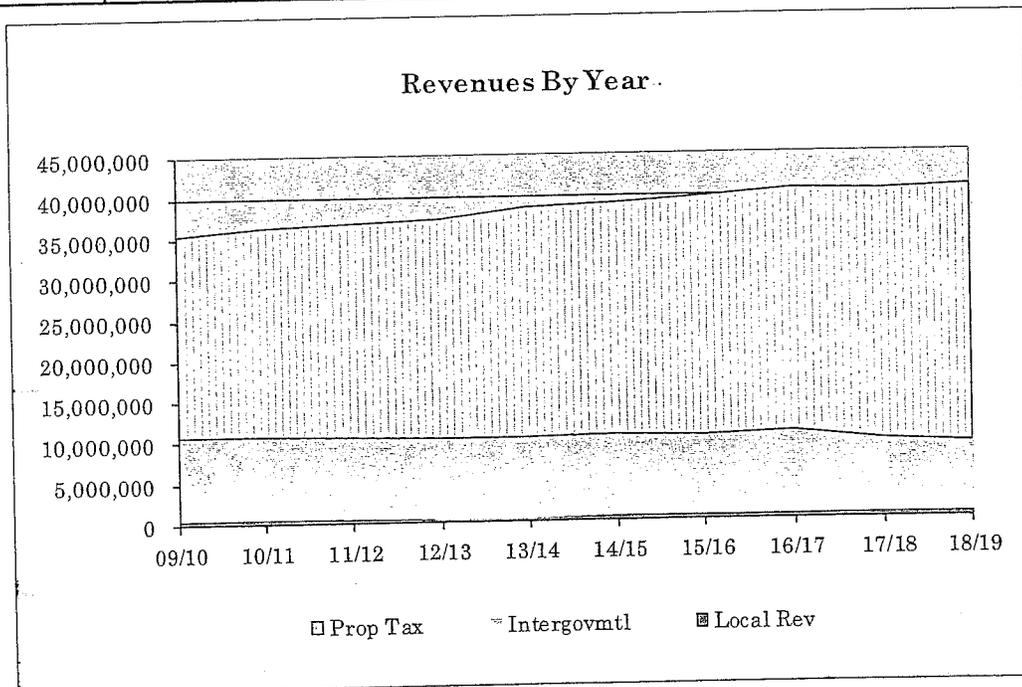
Property Taxes

The property tax is the major revenue source for local governments in Connecticut and makes up 78.6% of General Fund revenue for Coventry. The adjusted Real and Personal Net Valuation (Grand List) on October 1, 2017 amounted to 965,961,835, an increase of 1.47% from the preceding year. Based on the FY17/18 mil rate of 32.0 mils, this increase in Grand List would generate an additional \$522,038 in property tax revenue.

Using an average collection rate of 98.71%, one mil will now raise \$953,453 of taxes. The budget as proposed requires a mil rate of 32.40, an increase of 0.40 mils, or 1.25%, from the approved FY 17/18 rate. The increase in mil rate is primarily attributable to the decrease in intergovernmental revenue received from the State of Connecticut. In total, Intergovernmental Revenue decreased \$470,154 in comparison to the prior year, which equates to 0.49 mils in Coventry.

The chart below illustrates how the proposed mil rate would affect houses of differing assessed values. Assessed value is 70% of October 1, 2017 fair market value. It is estimated that the median house in Coventry is now assessed at \$144,900. This means that half the properties are above this point and half are below:

| Market Value | Assessed Value | FY 17/18 | | FY 18/19 | | Annual Increase | Monthly Increase |
|--------------|----------------|----------|----------|----------|----------|-----------------|------------------|
| | | Monthly | Annually | Monthly | Annually | | |
| 100,000 | 70,000 | 186.67 | 2,240 | 189.00 | 2,268 | 28 | 2.33 |
| 125,000 | 87,500 | 233.33 | 2,800 | 236.25 | 2,835 | 35 | 2.92 |
| 150,000 | 105,000 | 280.00 | 3,360 | 283.50 | 3,402 | 42 | 3.50 |
| 175,000 | 122,500 | 326.67 | 3,920 | 330.75 | 3,969 | 49 | 4.08 |
| 200,000 | 140,000 | 373.33 | 4,480 | 378.00 | 4,536 | 56 | 4.67 |
| 207,000 | 144,900 | 386.40 | 4,637 | 391.23 | 4,695 | 58 | 4.83 |
| 250,000 | 175,000 | 466.67 | 5,600 | 472.50 | 5,670 | 70 | 5.83 |
| 275,000 | 192,500 | 513.33 | 6,160 | 519.75 | 6,237 | 77 | 6.42 |
| 300,000 | 210,000 | 560.00 | 6,720 | 567.00 | 6,804 | 84 | 7.00 |
| 325,000 | 227,500 | 606.67 | 7,280 | 614.25 | 7,371 | 91 | 7.58 |



Intergovernmental Revenues

Intergovernmental revenues are the second largest source of revenues for Coventry. The Council approved FY18/19 budget shows a decrease in total State Aid of \$554,276 and an increase in Sewer Assessments of \$84,122 when compared to the previous year. Estimates pertaining to State aid were taken from the Governor's proposed amended State budget released in February 2018, with the exception of the Education Cost Sharing Grant. The Education Cost Sharing budget has been estimated as the mid-point between the State Budget originally adopted in PA17-2 and the Governor's proposed amended State budget released in February 2018. The chart on the previous page illustrates the trends for all revenue sources. State Aid changes from year to year depending upon the climate at the State Capitol. The State Aid for Education proposed in the FY 18-19 budget totals \$7,845,503.

Sewer Assessments are the payment from the Sewer Assessment Fund to cover the scheduled sewer debt service payments. Starting in FY 17/18 the Sewer Operation Fund also began contributing to the sewer debt service payments. For FY 18/19 the Sewer Operating Fund has committed to a contribution of \$45,000.

Reserves and Transfers

This budget does not propose a transfer of any funds from fund balance to offset FY 18/19 expenditures. Fund balance is essential to maintain cash flow and maintain a good credit rating. Council policy sets a target of 15% for unassigned fund balance. Council policy states that "the undesignated fund balance will not be utilized to offset tax increases if the balance is less than 15%". FY 16/17 saw an increase in unassigned fund balance from \$4,814,513 (FY 2015/16) to \$5,343,224 (FY 2016/2017). As a percentage of adopted FY 2017-2018 budget appropriation, the balance is now 13.3% (an increase from 11.9% in the prior year). No recommendation is being made to use fund balance as an offset to tax revenue. Bond rating agencies look at fund balance, and other factors, when rating a municipality's credit worthiness. Please see the Appendix for this calculation.

Other Local Revenues

Other Local Revenues consist of a variety of fees for permits and services and interest earnings. This source of revenue is expected to decrease by \$12,551 and is 1.5% of the overall revenue estimates. The decrease is primarily due to a decrease in special duty revenue. The Building Department continues to issue permits for new construction and renovations, and the Town Clerk reports steady real estate conveyance revenue. Investment income shows an increase in anticipation of rising rates.

Three Year Revenue Comparison

Below is a three-year revenue comparison showing taxes, intergovernmental and local sources of revenue:

| | Actual FY 16-17 | Estimated FY 17-18 | Proposed FY 18-19 |
|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| Property Tax | | | |
| Current Taxes | \$ 29,213,149 | \$ 29,965,263 | \$ 30,896,479 |
| Delinquent Taxes | 273,208 | 300,000 | 260,000 |
| Interest & Penalties | 181,103 | 200,000 | 190,000 |
| Sup. Motor Veh. | 333,700 | 380,000 | 300,000 |
| <i>Subtotal</i> | <u>30,001,160</u> | <u>30,845,263</u> | <u>31,646,479</u> |
| Intergovernmental | | | |
| Sewer Assessment | 555,127 | 495,722 | 519,844 |
| State - Education | 8,821,861 | 7,612,278 | 7,845,503 |
| State - Gen Govt | 428,134 | 216,691 | 186,210 |
| <i>Subtotal</i> | <u>9,805,122</u> | <u>8,324,691</u> | <u>8,551,557</u> |
| Other Local | <u>689,785</u> | <u>683,080</u> | <u>614,450</u> |
| General Fund Total | <u><u>\$ 40,496,067</u></u> | <u><u>\$ 39,853,034</u></u> | <u><u>\$ 40,812,486</u></u> |

Town of Coventry
Council Recommended Revenue Budget

Budget Fiscal Year: 2019 to 2019

| Account# and Description | 2017 | 2018 | 2018 | 2018 | Dept Head | Council | Inc/Dec | % |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|---------------|
| | Actual | Base Budget | Actual YTD | Est. Actual | | | | |
| 6010 GENERAL PROPERTY | | | | | | | | |
| 110-6010-40211 CURRENT | 29,213,149 | 29,965,263 | 29,773,574 | 29,965,263 | 30,510,484 | 30,896,479 | 931,216 | 3.11 |
| GL = \$965,961,835; Collection 98.71% | | | | | | | | |
| PY Mil rate 32.0 | | | | | | | | |
| Increase of 0.4 mils as a result of state budget cuts | | | | | | | | |
| 110-6010-40212 DELINQUENT | 273,208 | 250,000 | 292,474 | 300,000 | 250,000 | 260,000 | 10,000 | 4.00 |
| 110-6010-40213 INT & PENALTIES | 181,103 | 200,000 | 160,529 | 200,000 | 200,000 | 190,000 | (10,000) | (5.00) |
| 110-6010-40214 SUPP MOTOR VEHICLE | 333,700 | 250,000 | 347,827 | 380,000 | 300,000 | 300,000 | 50,000 | 20.00 |
| Increase based on historical grand lists and collections | | | | | | | | |
| Total 6010 GENERAL PROPERTY | 30,001,160 | 30,665,263 | 30,574,404 | 30,845,263 | 31,260,484 | 31,646,479 | 981,216 | 3.20 |
| 6026 SEWER ASSMT REIMB DEBT SERVI | | | | | | | | |
| 110-6026-40203 SEWER ASSESSMENT COLLEC | 555,127 | 435,722 | 413,525 | 495,722 | 519,844 | 519,844 | 84,122 | 19.31 |
| \$474,844 from sewer assessment fund; \$45k WPCA operating contribution. | | | | | | | | |
| Total 6026 SEWER ASSMT REIMB DEBT | 555,127 | 435,722 | 413,525 | 495,722 | 519,844 | 519,844 | 84,122 | 19.31 |
| 6030 ST OF CT FOR EDUCATION | | | | | | | | |
| 110-6030-40300 ED COST SHARING ECS GRA | 8,779,526 | 8,318,357 | 3,815,641 | 7,601,706 | 7,378,942 | 7,834,879 | (483,478) | (5.81) |
| Adopted Budget (PAL7-2) Less 1/2 of the difference from the Governor's proposed budget. | | | | | | | | |
| 110-6030-40306 ADULT EDUCATION | 11,149 | 10,844 | 7,295 | 10,572 | 10,624 | 10,624 | (220) | (2.03) |
| Per Governor Proposed Budget 2.6.18 | | | | | | | | |
| Total 6030 ST OF CT FOR EDUCATION | 8,790,675 | 8,329,201 | 3,822,936 | 7,612,278 | 7,389,566 | 7,845,503 | (483,698) | (5.81) |
| 6040 ST OF CT FOR GEN GOV'T | | | | | | | | |
| 110-6040-40401 ELDERLY CIRCUIT BREAKER | 65,766 | 65,670 | 0 | 32,835 | 65,670 | 33,000 | (32,670) | (49.75) |
| State funding 50% for FY19 | | | | | | | | |
| 110-6040-40406 DISABILITY EXEMPT | 1,861 | 1,800 | 2,114 | 2,114 | 1,800 | 1,800 | 0 | .00 |
| 110-6040-40407 GRANT IN LIEU OF TAXES | 284 | 284 | 260 | 260 | 260 | 260 | (24) | (8.45) |
| Per Governor Proposed Budget 2.6.18 | | | | | | | | |
| 110-6040-40409 CASINO FUNDS | 44,362 | 44,362 | 14,787 | 44,362 | 13,336 | 13,336 | (31,026) | (69.94) |
| Per Governor Proposed Budget 2.6.18 | | | | | | | | |
| 110-6040-40411 VETERANS ADDT TAX RELIE | 7,387 | 7,000 | 7,808 | 7,808 | 7,000 | 7,000 | 0 | .00 |
| 110-6040-40412 EMPG | 6,206 | 6,209 | 0 | 6,209 | 6,209 | 6,209 | 0 | .00 |
| 110-6040-40414 TELEPHONE ACCESS GRANT | 24,409 | 20,000 | 18,341 | 18,498 | 20,000 | 20,000 | 0 | .00 |
| 110-6040-40415 YOUTH SERVICES SALARY G | 14,388 | 14,000 | 10,774 | 14,000 | 14,000 | 14,000 | 0 | .00 |
| 110-6040-40428 MUNICIPAL REVENUE SHARI | 10,533 | 10,533 | 10,533 | 10,533 | 10,533 | 10,533 | 0 | .00 |
| Per Governor Proposed Budget 2.6.18 | | | | | | | | |

Budget Fiscal Year: 2019 to 2019

| Account# and Description | 2017 Actual | 2018 Base Budget | 2018 Actual YTD | 2018 Est. Actual | Dept Head | Council | Inc/Dec | % |
|---|----------------|---------------------|--------------------|---------------------|----------------|----------------|-----------------|----------------|
| 110-6040-40462 MUNICIPAL ASSISTANCE GR Per Governor Proposed Budget 2.6.18 | 0 | 86,930 | 80,072 | 80,072 | 80,072 | 80,072 | (6,858) | (7.89) |
| Total 6040 ST OF CT FOR GEN GOV'T | 175,196 | 256,788 | 144,689 | 216,691 | 218,880 | 186,210 | (70,578) | (27.48) |
| 6046 HOUSING AUTHORITY P.I.L.O.T. 110-6046-40460 P I L O T | 14,152 | 18,800 | 18,963 | 18,963 | 18,800 | 18,800 | 0 | .00 |
| Total 6046 HOUSING AUTHORITY P.I. | 14,152 | 18,800 | 18,963 | 18,963 | 18,800 | 18,800 | 0 | .00 |
| 6060 FINANCE 110-6060-40601 INVESTMENT INCOME | 51,170 | 47,000 | 39,472 | 55,000 | 47,000 | 52,000 | 5,000 | 10.64 |
| 110-6060-40602 INSURANCE REIMB & CLAIM \$36k is actual for FY18; Estimate for FY19 slightly less | 24,239 | 36,751 | 36,916 | 36,916 | 25,000 | 25,000 | (11,751) | (31.97) |
| 110-6060-40603 CONVEYANCE TAX | 115,514 | 105,000 | 121,299 | 130,000 | 120,000 | 120,000 | 15,000 | 14.29 |
| 110-6060-40604 SALE OF TAX SALE PROPER | 120,424 | 50,000 | 3,093 | 50,000 | 50,000 | 50,000 | 0 | .00 |
| Total 6060 FINANCE | 311,347 | 238,751 | 200,780 | 271,916 | 242,000 | 247,000 | 8,249 | 3.46 |
| 6062 TOWN CLERK 110-6062-40621 OFFICE RECEIPTS | 100,149 | 95,000 | 68,930 | 95,000 | 95,000 | 95,000 | 0 | .00 |
| Total 6062 TOWN CLERK | 100,149 | 95,000 | 68,930 | 95,000 | 95,000 | 95,000 | 0 | .00 |
| 6063 ASSESSOR 110-6063-40631 COPY CHARGES | 526 | 800 | 395 | 800 | 800 | 700 | (100) | (12.50) |
| Total 6063 ASSESSOR | 526 | 800 | 395 | 800 | 800 | 700 | (100) | (12.50) |
| 6064 DEVELOPMENT/PLANNING 110-6064-40641 ZONING PERMITS | 11,575 | 11,000 | 7,290 | 11,000 | 11,000 | 11,000 | 0 | .00 |
| 110-6064-40642 PLANNING & ZONING Remove revenue due to change in ordinance and related accounting for advertising fees | 3,375 | 4,500 | 2,775 | 4,500 | 0 | 0 | (4,500) | (100.0) |
| 110-6064-40643 ZONING BD OF APPEALS Remove revenue due to change in ordinance and related accounting for advertising fees | 5,775 | 2,500 | 2,100 | 2,500 | 0 | 0 | (2,500) | (100.0) |
| 110-6064-40644 INLAND WETLANDS Remove revenue due to change in ordinance and related accounting for advertising fees | 2,100 | 1,800 | 1,605 | 1,800 | 0 | 0 | (1,800) | (100.0) |
| 110-6064-40645 REGS AND MAPS | 165 | 2,700 | 86 | 2,700 | 2,700 | 1,000 | (1,700) | (62.96) |
| 110-6064-40646 10% PERMIT FEES | 118 | 100 | 56 | 100 | 100 | 100 | 0 | .00 |
| Total 6064 DEVELOPMENT/PLANNING | 23,108 | 22,600 | 13,912 | 22,600 | 13,800 | 12,100 | (10,500) | (46.46) |

Town of Coventry
Council Recommended Revenue Budget

Budget Fiscal Year: 2019 to 2019

| Account# and Description | 2017 Actual | 2018 Base Budget | 2018 Actual YTD | 2018 Est. Actual | Dept Head | Council | Inc/Dec | % |
|---------------------------------------|-------------------|---------------------|--------------------|---------------------|-------------------|-------------------|-----------------|----------------|
| 6066 BUILDING DEPARTMENT | | | | | | | | |
| 110-6066-40661 BLDG PERMITS/FEES | 165,663 | 160,000 | 138,558 | 180,000 | 160,000 | 165,000 | 5,000 | 3.13 |
| 110-6066-40662 FIRE INSPECTION | 970 | 1,500 | 1,290 | 1,500 | 1,500 | 1,500 | 0 | .00 |
| 110-6066-40663 BLASTING PERMITS | 60 | 50 | 0 | 50 | 50 | 50 | 0 | .00 |
| Total 6066 BUILDING DEPARTMENT | 166,693 | 161,550 | 139,848 | 181,550 | 161,550 | 166,550 | 5,000 | 3.10 |
| 6070 POLICE SERVICES | | | | | | | | |
| 110-6070-40622 WARDEN RECEIPTS | 370 | 1,000 | 605 | 1,000 | 1,000 | 1,000 | 0 | .00 |
| 110-6070-40625 DOG LICENSE | 9,335 | 9,500 | 9,356 | 9,500 | 9,500 | 9,300 | (200) | (2.11) |
| 110-6070-40626 FINGERPRINTING | 2,368 | 1,800 | 2,290 | 2,400 | 1,800 | 1,800 | 0 | .00 |
| 110-6070-40701 SPECIAL DUTY | 8,000 | 35,000 | 35,000 | 35,000 | 20,000 | 20,000 | (15,000) | (42.86) |
| Decrease in private duty activity | | | | | | | | |
| 110-6070-40702 LOCAL PARKING FINES | 325 | 300 | 850 | 600 | 300 | 300 | 0 | .00 |
| 110-6070-40703 PERMITS | 9,047 | 8,000 | 5,447 | 8,000 | 8,000 | 8,000 | 0 | .00 |
| 110-6070-40705 OTHER | 1,554 | 600 | 1,244 | 1,500 | 600 | 600 | 0 | .00 |
| 110-6070-40707 MUNICIPAL SURCHARGE | 3,355 | 4,500 | 698 | 2,000 | 4,500 | 4,500 | 0 | .00 |
| Total 6070 POLICE SERVICES | 34,354 | 60,700 | 55,490 | 60,000 | 45,700 | 45,500 | (15,200) | (25.04) |
| 6078 RENTS/MISCELLANEOUS | | | | | | | | |
| 110-6078-40781 RENTS/STATE LEASES | 28,885 | 28,800 | 29,751 | 29,751 | 28,800 | 28,800 | 0 | .00 |
| 110-6078-40782 UNANTICIPATED REVENUE | 10,547 | 0 | 2,974 | 2,500 | 0 | 0 | 0 | .00 |
| Total 6078 RENTS/MISCELLANEOUS | 39,432 | 28,800 | 32,725 | 32,251 | 28,800 | 28,800 | 0 | .00 |
| *** Grand Total *** | 40,211,919 | 40,313,975 | 35,486,597 | 39,853,034 | 39,995,224 | 40,812,486 | 498,511 | 1.24 |

==== Selection Legend =====

- Account Type: R
- BudYr: 2019 to 2019
- From Fund: 110 to 110
- Entity Type: Town
- Account Sub Type: P
- Column 1: 1 Year Prior Actuals
- Column 2: Current GL Fiscal Year Original Budget
- Column 3: Current GL Fiscal Year Actuals
- Column 4: Estimated Actuals
- Column 5: Approved Level 2 Budget
- Column 6: Approved Level 4 Budget