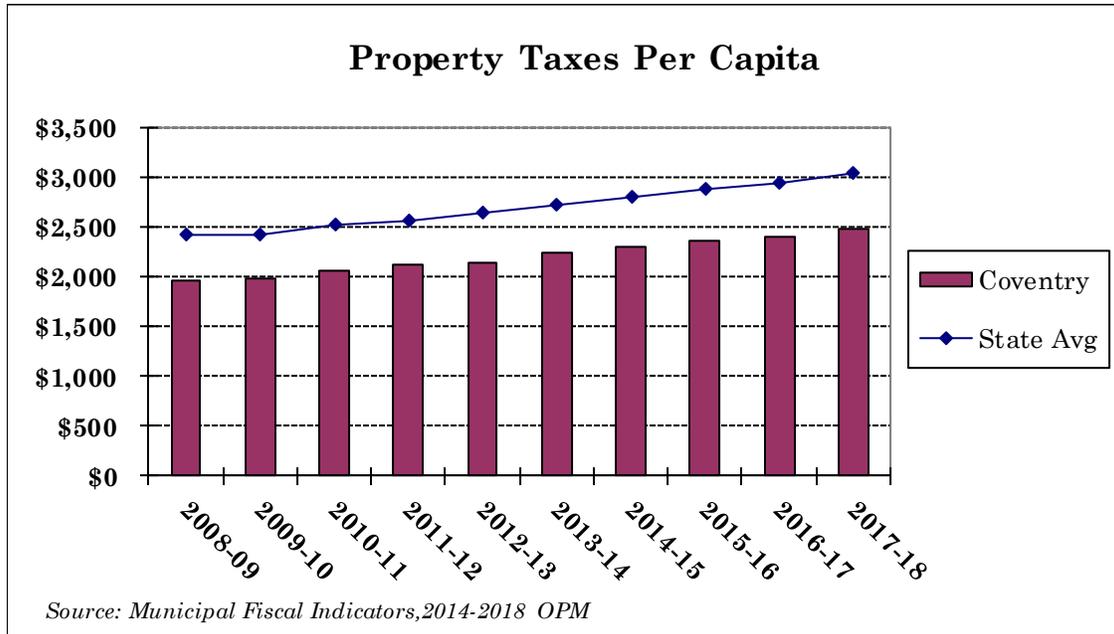
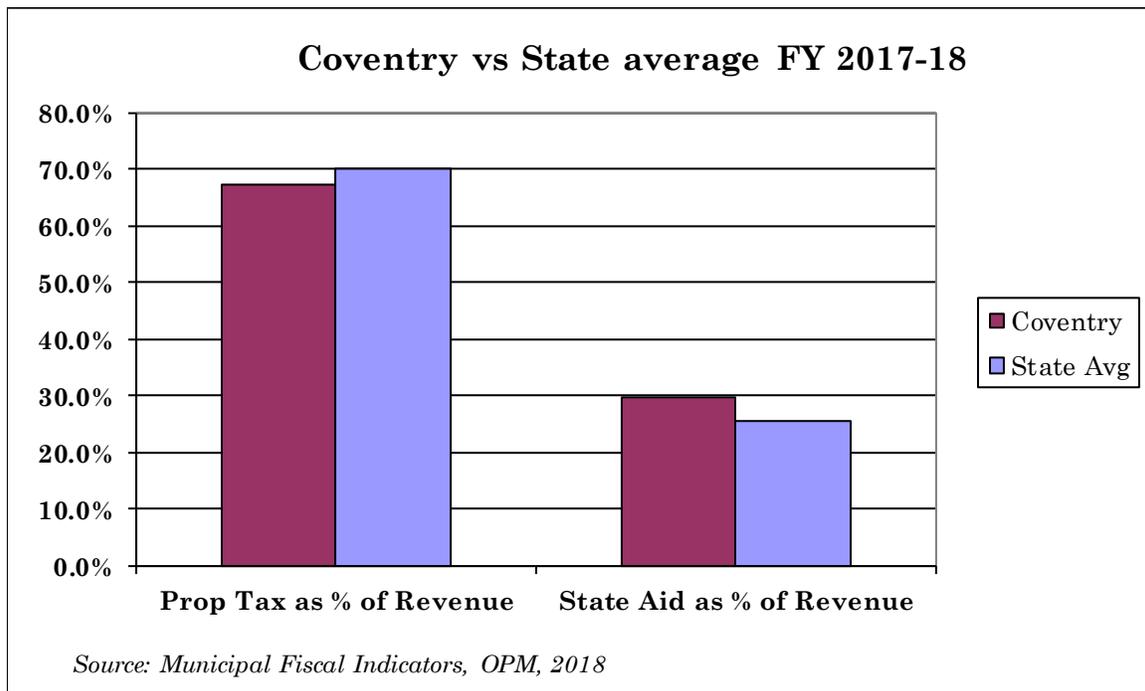


Revenues

Revenues – General Government



Coventry continues to remain below the state average in per capita taxes, ranking 125 out of the 169 Connecticut towns and cities. Coventry’s per capita property taxes are 81.7% of (or \$554 less than) the average in Connecticut.

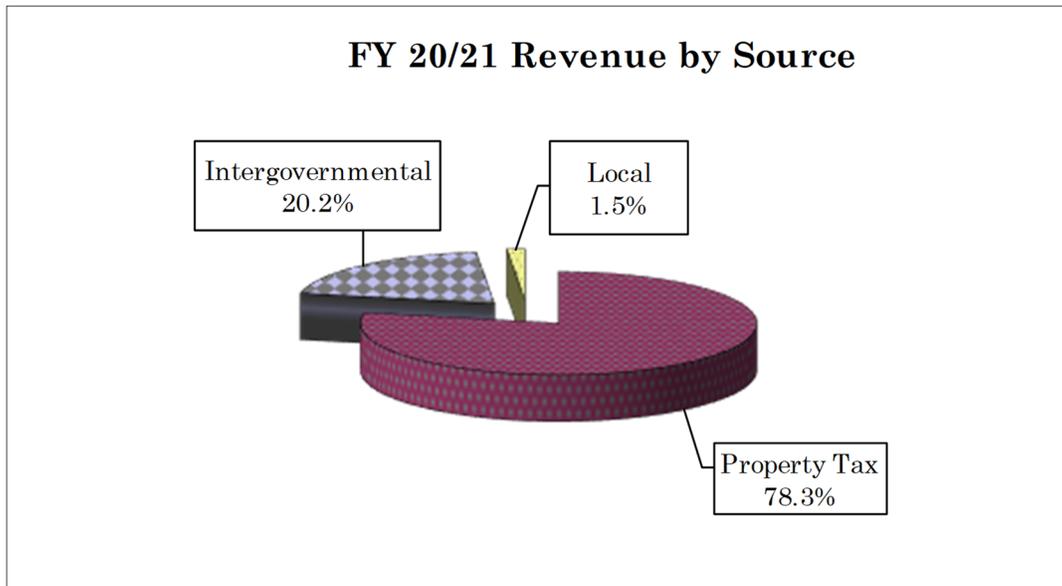


The Town receives more state aid than the state-wide average. In 2018, Coventry received 29.8% of our annual revenue from intergovernmental sources compared to the statewide average of 25.5%.

Revenues

The expenditures proposed in the fiscal year 2020/2021 (“FY 20/21”) budget will require revenues equaling \$42,533,880. These revenues will be generated from local property taxes, intergovernmental grants, and other local revenues:

	Actual FY 18-19	FY 19-20	Proposed FY 20-21
Property Tax			
Current Taxes	\$ 30,706,269	\$ 31,139,484	\$ 32,531,000
Delinquent Taxes	260,615	260,000	260,000
Interest & Penalties	182,738	180,000	180,000
Sup. Motor Veh.	370,860	325,000	325,000
Subtotal	31,520,482	31,904,484	33,296,000
Intergovernmental			
Sewer Assessment	519,844	519,844	439,976
State - Education	8,287,655	8,113,338	7,964,199
State - Gen Govt	208,564	209,448	207,855
Subtotal	9,016,063	8,842,630	8,612,030
Other Local	688,409	594,450	625,850
General Fund Total	\$ 41,224,954	\$ 41,341,564	\$ 42,533,880



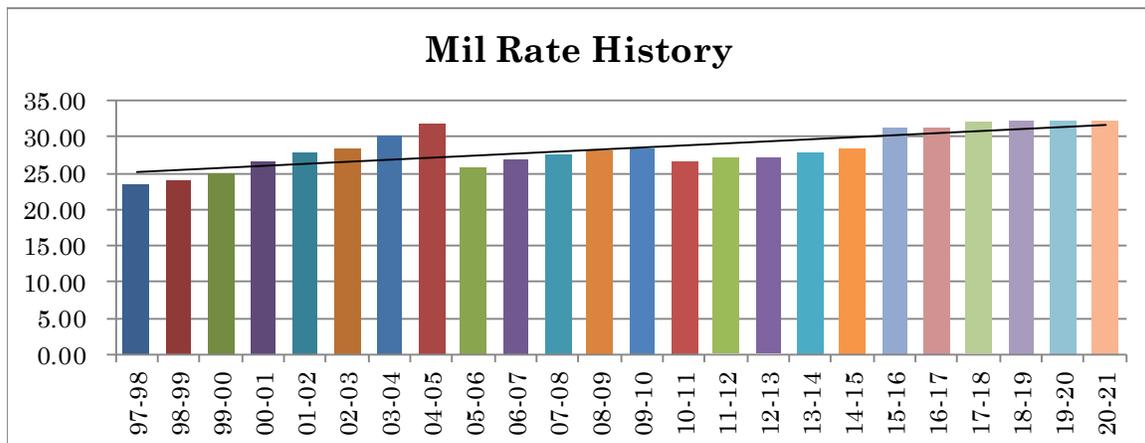
Property Taxes

The property tax is the major revenue source for local governments in Connecticut and makes up 78.3% of General Fund revenue for Coventry. The adjusted Real and Personal Net Valuation (Grand List) on October 1, 2019 amounted to \$1,022,686,310, an increase of 4.58% from the preceding year. This is due both to growth and statutory revaluation.

Using an average collection rate of 98.79%, one mil will now raise \$1,010,286 of taxes. The budget as proposed requires a mil rate of 32.20, a zero increase from the approved FY 19/20 rate. The increase in property tax needed to balance the budget is partially attributable to the State of Connecticut aid reduction. In total, Intergovernmental Revenue decreased \$230,600 (Education, General Government, and Sewer Assessment) in comparison to the prior year, which equates to 0.23 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, 2019 fair market value. It is estimated that the median house in Coventry is now assessed at \$170,450. This means that half the properties are above this point and half are below:

Market Value	Assessed Value	FY 19/20		FY 20/21		Annual Increase	Monthly Increase
		Monthly	Annually	Monthly	Annually		
100,000	70,000	187.83	2,254	187.83	2,254	0	0.00
125,000	87,500	234.79	2,818	234.79	2,818	0	0.00
150,000	105,000	281.75	3,381	281.75	3,381	0	0.00
175,000	122,500	328.71	3,945	328.71	3,945	0	0.00
200,000	140,000	375.67	4,508	375.67	4,508	0	0.00
243,500	170,450	457.37	5,488	457.37	5,488	0	0.00
250,000	175,000	469.58	5,635	469.58	5,635	0	0.00
275,000	192,500	516.54	6,199	516.54	6,199	0	0.00
300,000	210,000	563.50	6,762	563.50	6,762	0	0.00
325,000	227,500	610.46	7,326	610.46	7,326	0	0.00



Intergovernmental Revenues

Intergovernmental revenues are the second largest source of revenues for Coventry, representing 20.2% of the total budget. The Town Manager recommended budget for the FY20/21 budget shows a decrease in total State Aid of \$230,600, primarily due to reductions in State Aid for Education. This represents a 2.61% decrease from the FY19/20 approved budget. Estimates pertaining to State aid were taken from the Governor's proposed State budget released in February 2020. State Aid changes from year to year depending upon the climate at the State Capitol.

Sewer Assessments are the payment from the Sewer Assessment Fund to cover the scheduled sewer debt service payments. Starting in FY 18/19 the Sewer Operation Fund also began contributing to the sewer debt service payments. For FY 19/20 the Sewer Operating Fund has committed to a contribution of \$55,000. In total, the sewer funding has decreased from the FY18/19 approved budget by \$79,868 or 15.36%. In general, the Sewer Assessment Fund will not be able to cover 100% of the scheduled sewer debt service payments going forward. The Town will continue to see reductions in this funding over the next few years.

Reserves and Transfers

This budget does not propose a transfer of any funds from fund balance to offset FY 20/21 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 18/19 saw unassigned fund balance increase, going from \$5,303,759 (FY2017/18) to \$5,611,479 (FY18/19). As a percentage of final FY 2018/2019 budget appropriation, the balance is now 13.7% (an increase from 13.3% 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

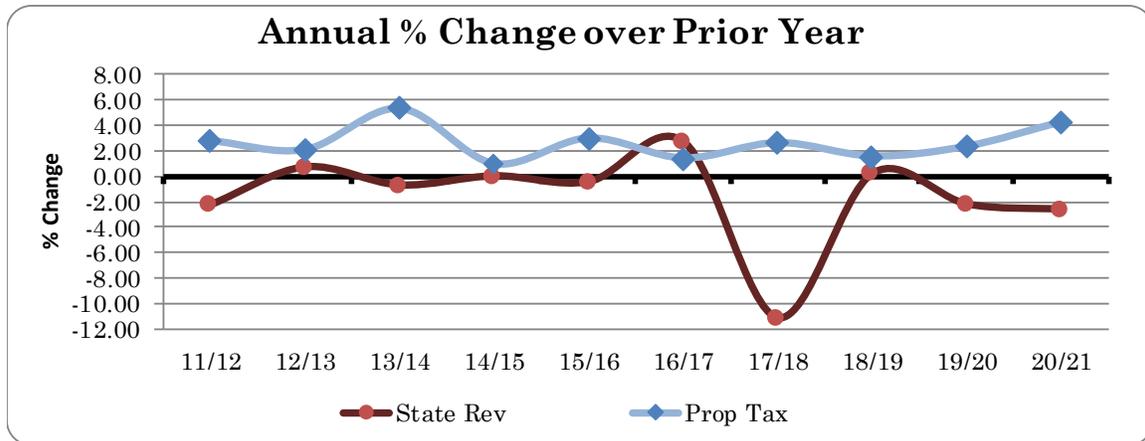
Other Local Revenues consist of a variety of fees for permits and services and interest earnings. This source of revenue is expected to increase by \$31,400 and is 1.5% of the overall revenue estimates. The increase is primarily due an increase in investment income and an increase in contribution from the Housing Authority. The Building Department continues to issue permits for new construction and renovations, and the Town Clerk reports steady real estate conveyance revenue.

Three Year Revenue Comparison

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

	Actual FY 18-19	Current FY 19-20	Proposed FY 20-21
Property Tax			
Current Taxes	\$ 30,706,269	\$ 31,139,484	\$ 32,531,000
Delinquent Taxes	260,615	260,000	260,000
Interest & Penalties	182,738	180,000	180,000
Sup. Motor Veh.	370,860	325,000	325,000
<i>Subtotal</i>	31,520,482	31,904,484	33,296,000
Intergovernmental			
Sewer Assessment	519,844	519,844	439,976
State - Education	8,287,655	8,113,338	7,964,199
State - Gen Govt	208,564	209,448	207,855
<i>Subtotal</i>	9,016,063	8,842,630	8,612,030
Other Local	688,409	594,450	625,850
General Fund Total	\$ 41,224,954	\$ 41,341,564	\$ 42,533,880

Trends in year to year revenue changes are displayed below.



Town Managers Recommended Revenue Budget

Budget Fiscal Year: 2021 to 2021

Account# and Description	2019 Actual	2020 Base Budget	2020 Actual YTD	2020 Est. Actual	Dept Head	Town Manager	Inc/Dec	%
=====								
6010 GENERAL PROPERTY								
110-6010-40211 CURRENT	30,706,269	31,139,484	30,479,271	31,139,484	32,559,001	32,531,000	1,391,516	4.47
GL = \$1,022,686,310; 1 mil = 1,010,286, Collection 98.79%								
PY Mil rate 32.2 Increase of 0.00 mils (0.00%)								
New mil rate = 32.20								
Results in expected collections of \$32,531,000								

110-6010-40212 DELINQUENT	260,615	260,000	256,053	260,000	260,000	260,000	0	.00
110-6010-40213 INT & PENALTIES	182,738	180,000	120,235	180,000	180,000	180,000	0	.00
110-6010-40214 SUPP MOTOR VEHICLE	370,861	325,000	312,607	325,000	325,000	325,000	0	.00

Total 6010 GENERAL PROPERTY	31,520,483	31,904,484	31,168,166	31,904,484	33,324,001	33,296,000	1,391,516	4.36
=====								
6026 SEWER ASSMT REIMB DEBT SERVI								
110-6026-40203 SEWER ASSESSMENT COLLEC	519,844	519,844	321,630	519,844	419,977	439,976	(79,868)	(15.36)
\$464,844 from sewer assessment fund; \$55k WPCA operating contribution.								

Total 6026 SEWER ASSMT REIMB DEBT	519,844	519,844	321,630	519,844	419,977	439,976	(79,868)	(15.36)
=====								
6030 ST OF CT FOR EDUCATION								
110-6030-40300 ED COST SHARING ECS GRA	8,276,292	8,102,510	4,051,256	8,102,510	7,952,911	7,952,911	(149,599)	(1.85)
Per Governor Budget 2.5.20								
110-6030-40306 ADULT EDUCATION	11,363	10,828	7,097	10,828	11,288	11,288	460	4.25
Per Governor Budget 2.5.20								

Total 6030 ST OF CT FOR EDUCATION	8,287,655	8,113,338	4,058,353	8,113,338	7,964,199	7,964,199	(149,139)	(1.84)
=====								
6040 ST OF CT FOR GEN GOV'T								
110-6040-40406 DISABILITY EXEMPT	1,473	1,800	1,627	1,800	1,600	1,600	(200)	(11.11)
110-6040-40407 GRANT IN LIEU OF TAXES	23,414	23,414	23,414	23,414	23,414	23,414	0	.00
Per State Budget 2.20								
110-6040-40409 CASINO FUNDS	13,336	13,336	4,445	13,336	13,336	13,336	0	.00
Per Governor Budget 2.5.20								
110-6040-40411 VETERANS ADDT TAX RELIE	7,598	7,000	7,318	7,000	7,200	7,200	200	2.86
110-6040-40412 EMPG	6,206	6,209	6,210	6,209	6,216	6,216	7	.11
110-6040-40414 TELEPHONE ACCESS GRANT	18,447	20,000	0	20,000	18,400	18,400	(1,600)	(8.00)
110-6040-40415 YOUTH SERVICES SALARY G	14,401	14,000	10,801	14,000	14,000	14,000	0	.00
110-6040-40428 MUNICIPAL REVENUE SHARI	10,533	10,533	0	10,533	10,533	10,533	0	.00
"Grants for Municipal Projects"								
Per Governor Budget 2.5.20								
110-6040-40462 MUNICIPAL ASSISTANCE GR	113,156	113,156	113,156	113,156	113,156	113,156	0	.00
"Municipal Stabilization Grant"								
Per Governor Budget 2.5.20								

Town Managers Recommended Revenue Budget

Budget Fiscal Year: 2021 to 2021

Account# and Description	2019 Actual	2020 Base Budget	2020 Actual YTD	2020 Est. Actual	Dept Head	Town Manager	Inc/Dec	%
Total 6040 ST OF CT FOR GEN GOV'T	208,564	209,448	166,971	209,448	207,855	207,855	(1,593)	(.76)
6046 HOUSING AUTHORITY P.I.L.O.T.								
110-6046-40460 P I L O T	40,159	20,000	20,558	20,000	40,000	40,000	20,000	100.00
Total 6046 HOUSING AUTHORITY P.I.	40,159	20,000	20,558	20,000	40,000	40,000	20,000	100.00
6060 FINANCE								
110-6060-40601 INVESTMENT INCOME	81,677	54,000	54,698	54,000	60,000	65,000	11,000	20.37
110-6060-40602 INSURANCE REIMB & CLAIM	35,395	27,000	35,857	27,000	30,000	33,000	6,000	22.22
\$36k is actual for FY18; Estimate for FY19 slightly less								
110-6060-40603 CONVEYANCE TAX	138,388	125,000	81,038	125,000	125,000	125,000	0	.00
110-6060-40605 PRESCHOOL ADMINISTRATIO	1,097	0	0	0	1,000	1,000	1,000	.00
Total 6060 FINANCE	256,557	206,000	171,593	206,000	216,000	224,000	18,000	8.74
6062 TOWN CLERK								
110-6062-40621 OFFICE RECEIPTS	106,126	95,000	55,694	95,000	95,000	95,000	0	.00
Total 6062 TOWN CLERK	106,126	95,000	55,694	95,000	95,000	95,000	0	.00
6063 ASSESSOR								
110-6063-40631 COPY CHARGES	530	500	225	500	500	500	0	.00
Total 6063 ASSESSOR	530	500	225	500	500	500	0	.00
6064 DEVELOPMENT/PLANNING								
110-6064-40641 ZONING PERMITS	11,775	11,000	6,707	11,000	11,000	11,000	0	.00
110-6064-40642 PLANNING & ZONING	4,156	0	(190)	0	0	0	0	.00
Remove revenue due to change in ordinance and related accounting for advertising fees								
110-6064-40643 ZONING BD OF APPEALS	2,885	0	2,867	0	0	0	0	.00
Remove revenue due to change in ordinance and related accounting for advertising fees								
110-6064-40644 INLAND WETLANDS	44	0	872	0	0	0	0	.00
Remove revenue due to change in ordinance and related accounting for advertising fees								
110-6064-40645 REGS AND MAPS	398	1,000	278	1,000	500	500	(500)	(50.00)
110-6064-40646 10% PERMIT FEES	106	100	52	100	100	100	0	.00
Total 6064 DEVELOPMENT/PLANNING	19,364	12,100	10,586	12,100	11,600	11,600	(500)	(4.13)
6066 BUILDING DEPARTMENT								
110-6066-40661 BLDG PERMITS/FEES	163,611	185,000	138,438	185,000	185,000	185,000	0	.00
110-6066-40662 FIRE INSPECTION	1,660	1,500	1,055	1,500	1,500	1,500	0	.00

Town Managers Recommended Revenue Budget

Budget Fiscal Year: 2021 to 2021

Account# and Description	2019 Actual	2020 Base Budget	2020 Actual YTD	2020 Est. Actual	Dept Head	Town Manager	Inc/Dec	%
110-6066-40663 BLASTING PERMITS	50	50	0	50	50	50	0	.00
Total 6066 BUILDING DEPARTMENT	165,321	186,550	139,493	186,550	186,550	186,550	0	.00
6070 POLICE SERVICES								
110-6070-40622 WARDEN RECEIPTS	520	1,000	216	1,000	500	500	(500)	(50.00)
110-6070-40625 DOG LICENSE	8,983	9,300	2,120	9,300	9,000	9,000	(300)	(3.23)
110-6070-40626 FINGERPRINTING	2,300	1,800	1,260	1,800	2,000	2,000	200	11.11
110-6070-40701 SPECIAL DUTY	20,000	20,000	20,000	20,000	15,000	15,000	(5,000)	(25.00)
Decrease of \$5k based on fund balance of special duty fund (\$16k as of 2.5.20).								
110-6070-40702 LOCAL PARKING FINES	1,245	300	150	300	500	500	200	66.67
110-6070-40703 PERMITS	7,330	8,000	2,925	8,000	7,500	7,500	(500)	(6.25)
110-6070-40705 OTHER	1,436	600	2,267	600	1,200	1,200	600	100.00
110-6070-40707 MUNICIPAL SURCHARGE	2,618	4,500	2,150	4,500	2,500	2,500	(2,000)	(44.44)
Total 6070 POLICE SERVICES	44,432	45,500	31,088	45,500	38,200	38,200	(7,300)	(16.04)
6078 RENTS/MISCELLANEOUS								
110-6078-40781 RENTS/STATE LEASES	30,644	28,800	31,563	28,800	30,000	30,000	1,200	4.17
110-6078-40782 UNANTICIPATED REVENUE	25,278	0	2,086	0	0	0	0	.00
Total 6078 RENTS/MISCELLANEOUS	55,922	28,800	33,649	28,800	30,000	30,000	1,200	4.17
*** Grand Total ***	41,224,957	41,341,564	36,178,006	41,341,564	42,533,882	42,533,880	1,192,316	2.88