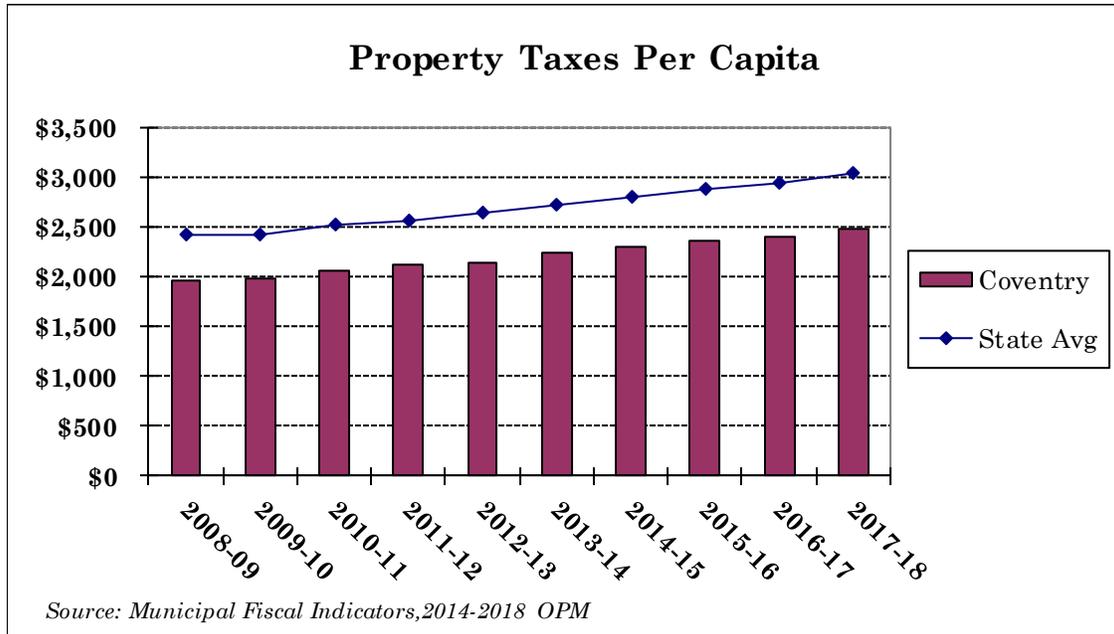
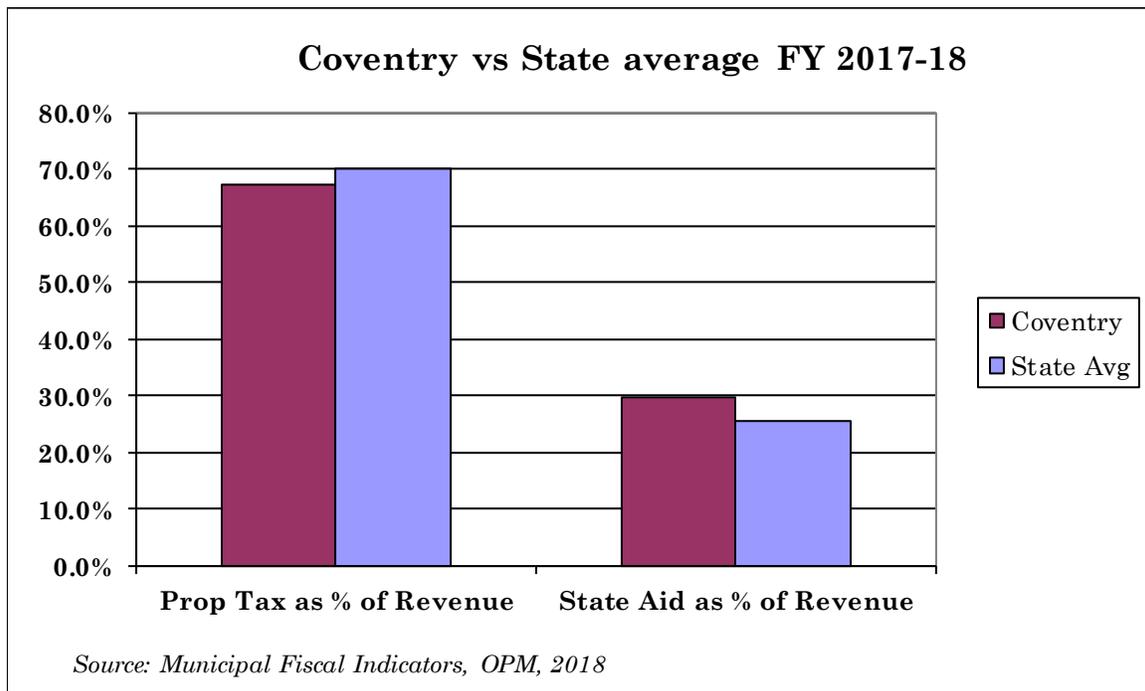


# Revenues

# 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.

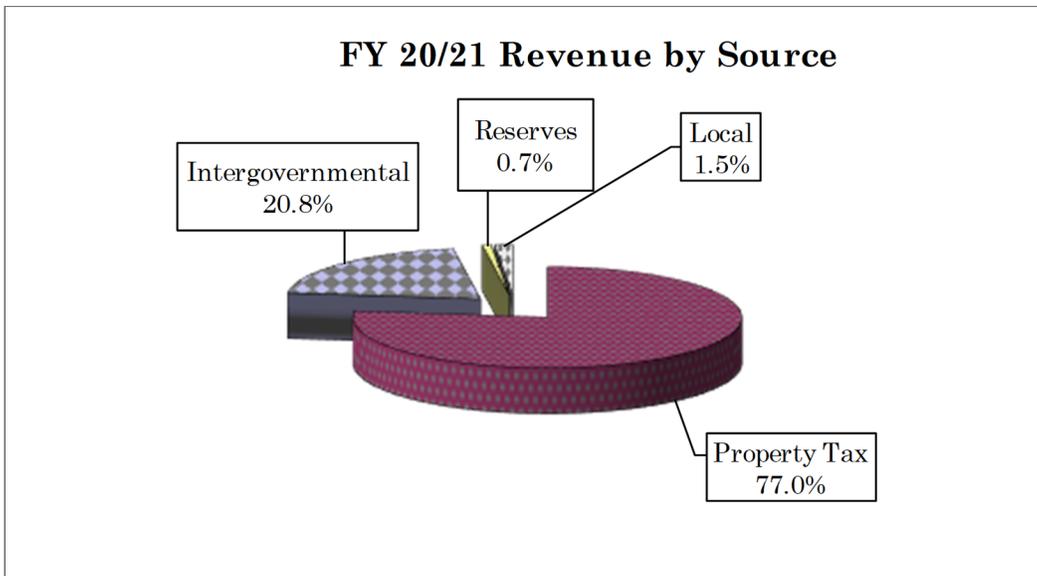


The Town receives more state aid than the state-wide average. In 2018, Coventry received 29.8% of our annual revenue from intergovernmental sources compared to the statewide average of 25.5%.

## Revenues

The expenditures proposed in the fiscal year 2020/2021 (“FY 20/21”) budget will require revenues equaling \$41,608,025. These revenues will be generated from local property taxes, intergovernmental grants, and other local revenues:

	<b>Actual FY 18-19</b>	<b>Current FY 19-20</b>	<b>Proposed FY 20-21</b>
<b>Property Tax</b>			
<b>Current Taxes</b>	\$ 30,706,269	\$ 31,139,484	\$ 31,240,145
<b>Delinquent Taxes</b>	260,615	260,000	260,000
<b>Interest &amp; Penalties</b>	182,738	180,000	180,000
<b>Sup. Motor Veh.</b>	370,860	325,000	340,000
<b>Subtotal</b>	<b>31,520,482</b>	<b>31,904,484</b>	<b>32,020,145</b>
<b>Intergovernmental</b>			
<b>Sewer Assessment</b>	519,844	519,844	479,976
<b>State - Education</b>	8,287,655	8,113,338	7,964,199
<b>State - Gen Govt</b>	208,564	209,448	207,855
<b>Subtotal</b>	<b>9,016,063</b>	<b>8,842,630</b>	<b>8,652,030</b>
<b>Reserves</b>	-	-	<b>310,000</b>
<b>Other Local</b>	<b>688,409</b>	<b>594,450</b>	<b>625,850</b>
<b>General Fund Total</b>	<b>\$ 41,224,954</b>	<b>\$ 41,341,564</b>	<b>\$ 41,608,025</b>



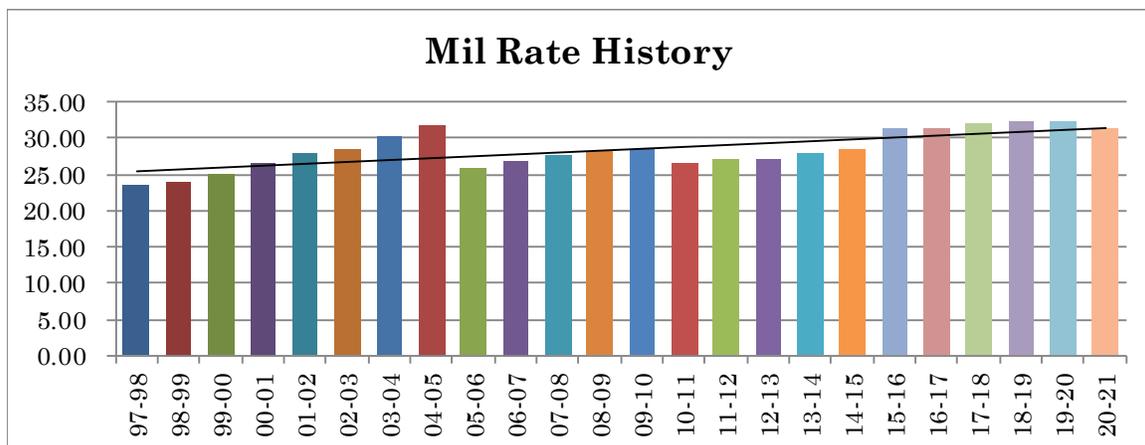
## Property Taxes

The property tax is the major revenue source for local governments in Connecticut and makes up 77.0% 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. Estimates indicate approximately \$357 thousand of this increase is related to growth within the Town.

Based on the economic uncertainty we are currently facing, the Council has proposed decreasing the assumed collection from the average collection rate of 98.79% down to 98.00%. This allows the Town to conservatively prepare for any negative impacts in tax collection during the upcoming fiscal year. This will provide the Town with one mil will now raise \$1,002,233 of taxes. The budget as proposed requires a mil rate of 31.17; a 1.03 or 3.2% decrease from the approved FY 19/20 rate. By lowering the mil rate, the Council has offset the statutory growth from the revaluation, netting a zero tax increase to the Town. Individual results may vary based on results of the revaluation.

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:

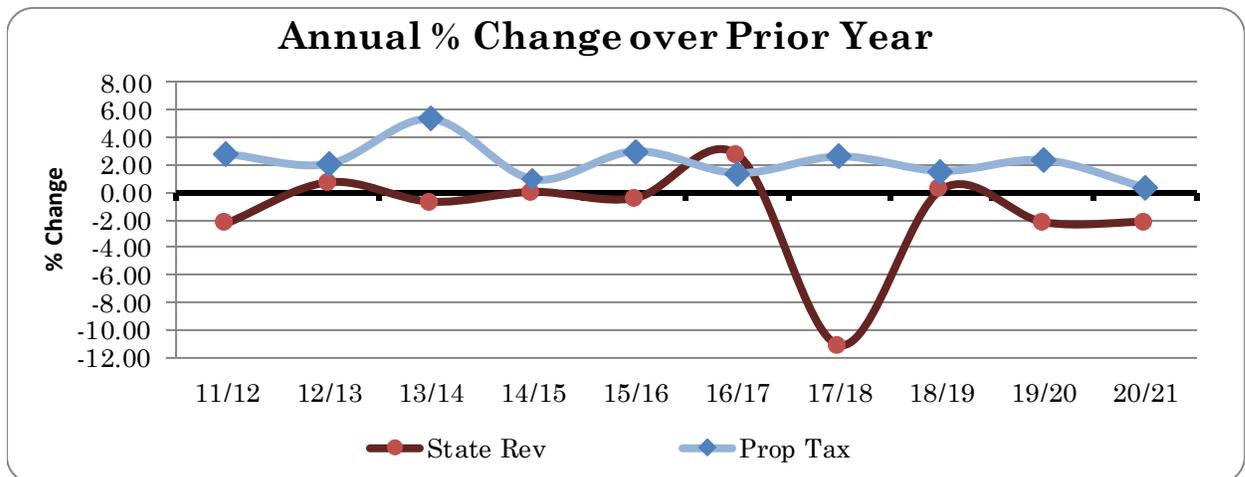
Market Value	Assessed Value	FY 19/20		FY 20/21		Annual Increase	Monthly Increase
		Monthly	Annually	Monthly	Annually		
100,000	70,000	187.83	2,254	181.83	2,182	(72)	(6.01)
125,000	87,500	234.79	2,818	227.28	2,727	(90)	(7.51)
150,000	105,000	281.75	3,381	272.74	3,273	(108)	(9.01)
175,000	122,500	328.71	3,945	318.19	3,818	(126)	(10.51)
200,000	140,000	375.67	4,508	363.65	4,364	(144)	(12.02)
<b>243,500</b>	<b>170,450</b>	<b>457.37</b>	<b>5,488</b>	<b>442.74</b>	<b>5,313</b>	<b>(176)</b>	<b>(14.63)</b>
250,000	175,000	469.58	5,635	454.56	5,455	(180)	(15.02)
275,000	192,500	516.54	6,199	500.02	6,000	(198)	(16.52)
300,000	210,000	563.50	6,762	545.48	6,546	(216)	(18.03)
325,000	227,500	610.46	7,326	590.93	7,091	(234)	(19.53)



## Intergovernmental Revenues

Intergovernmental revenues are the second largest source of revenues for Coventry, representing 20.8% of the total budget. The Town Council recommended budget for the FY20/21 budget shows a decrease in total State Aid of \$190,600, primarily due to reductions in State Aid for Education. This represents a 2.16% 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 \$39,868 or 7.67%. 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**

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). Bond rating agencies look at fund balance, and other factors, when rating a municipality’s credit worthiness. Please see the Appendix for this calculation.

In working toward the 15% unassigned fund balance goal, use of reserves has not been a revenue source for a budget since the FY2008 budget. The Town Council is recommending the use of \$310,000 for the FY2021 budget to offset the decrease in Intergovernmental Revenue and to obtain the goal to propose a zero tax increase to the Town. The Town Council feels this is a reasonable amount to use in order to maintain a fund balance above 13% while still providing relief to the tax payers. In addition, the Town Council is expecting large savings in the FY2020 budget relating to the Covid-19 pandemic. These savings will return to fund balance at the end of the year, offsetting the use in FY2021.

## **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.

Budget Fiscal Year: 2021 to 2021

Account# and Description	2019 Actual	2020 Base Budget	2020 Actual YTD	2020 Est. Actual	Dept Head	Council	Inc/Dec	%
=====								
6010 GENERAL PROPERTY								
110-6010-40211 CURRENT	30,706,269	31,139,484	30,897,663	31,139,484	32,559,001	31,240,145	100,661	.32
GL = \$1,022,686,310; 1 mil = 1,002,233, Collection 98.00%								
PY Mil rate 32.20 Decrease of 1.03 mils (3.20%)								
New mil rate = 31.17								
Results in expected collections of \$31,240,145								
-----								
110-6010-40212 DELINQUENT	260,615	260,000	294,611	260,000	260,000	260,000	0	.00
110-6010-40213 INT & PENALTIES	182,738	180,000	170,142	180,000	180,000	180,000	0	.00
110-6010-40214 SUPP MOTOR VEHICLE	370,861	325,000	354,346	325,000	325,000	340,000	15,000	4.62
-----								
Total 6010 GENERAL PROPERTY	31,520,483	31,904,484	31,716,762	31,904,484	33,324,001	32,020,145	115,661	.36
=====								
6026 SEWER ASSMT REIMB DEBT SERVI								
110-6026-40203 SEWER ASSESSMENT COLLEC	519,844	519,844	505,419	519,844	419,977	479,976	(39,868)	(7.67)
\$424,976 from sewer assessment fund; \$55k WPCA operating contribution.								
-----								
Total 6026 SEWER ASSMT REIMB DEBT	519,844	519,844	505,419	519,844	419,977	479,976	(39,868)	(7.67)
=====								
6030 ST OF CT FOR EDUCATION								
110-6030-40300 ED COST SHARING ECS GRA	8,276,292	8,102,510	8,056,899	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	8,063,996	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	8,891	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	15,966	20,000	18,400	18,400	(1,600)	(8.00)
110-6040-40415 YOUTH SERVICES SALARY G	14,401	14,000	16,548	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								

Budget Fiscal Year: 2021 to 2021

Account# and Description	2019 Actual	2020 Base Budget	2020 Actual YTD	2020 Est. Actual	Dept Head	Council	Inc/Dec	%
Total 6040 ST OF CT FOR GEN GOV'T	208,564	209,448	193,130	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	30,837	20,000	40,000	40,000	20,000	100.00
Total 6046 HOUSING AUTHORITY P.I.	40,159	20,000	30,837	20,000	40,000	40,000	20,000	100.00
6060 FINANCE								
110-6060-40601 INVESTMENT INCOME	81,677	54,000	84,874	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	98,132	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	218,863	206,000	216,000	224,000	18,000	8.74
6062 TOWN CLERK								
110-6062-40621 OFFICE RECEIPTS	106,126	95,000	77,689	95,000	95,000	95,000	0	.00
Total 6062 TOWN CLERK	106,126	95,000	77,689	95,000	95,000	95,000	0	.00
6063 ASSESSOR								
110-6063-40631 COPY CHARGES	530	500	283	500	500	500	0	.00
Total 6063 ASSESSOR	530	500	283	500	500	500	0	.00
6064 DEVELOPMENT/PLANNING								
110-6064-40641 ZONING PERMITS	11,775	11,000	9,807	11,000	11,000	11,000	0	.00
110-6064-40642 PLANNING & ZONING	4,156	0	(640)	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	4,282	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	1,528	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	387	1,000	500	500	(500)	(50.00)
110-6064-40646 10% PERMIT FEES	106	100	84	100	100	100	0	.00
Total 6064 DEVELOPMENT/PLANNING	19,364	12,100	15,448	12,100	11,600	11,600	(500)	(4.13)
6066 BUILDING DEPARTMENT								
110-6066-40661 BLDG PERMITS/FEES	163,611	185,000	179,975	185,000	185,000	185,000	0	.00
110-6066-40662 FIRE INSPECTION	1,660	1,500	1,305	1,500	1,500	1,500	0	.00

Town of Coventry  
Council 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	Council	Inc/Dec	%
110-6066-40663 BLASTING PERMITS	50	50	0	50	50	50	0	.00
<b>Total 6066 BUILDING DEPARTMENT</b>	<b>165,321</b>	<b>186,550</b>	<b>181,280</b>	<b>186,550</b>	<b>186,550</b>	<b>186,550</b>	<b>0</b>	<b>.00</b>
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	2,385	9,300	9,000	9,000	(300)	(3.23)
110-6070-40626 FINGERPRINTING	2,300	1,800	1,620	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	4,515	8,000	7,500	7,500	(500)	(6.25)
110-6070-40705 OTHER	1,436	600	2,592	600	1,200	1,200	600	100.00
110-6070-40707 MUNICIPAL SURCHARGE	2,618	4,500	2,430	4,500	2,500	2,500	(2,000)	(44.44)
<b>Total 6070 POLICE SERVICES</b>	<b>44,432</b>	<b>45,500</b>	<b>33,908</b>	<b>45,500</b>	<b>38,200</b>	<b>38,200</b>	<b>(7,300)</b>	<b>(16.04)</b>
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	2,416	0	0	0	0	.00
<b>Total 6078 RENTS/MISCELLANEOUS</b>	<b>55,922</b>	<b>28,800</b>	<b>33,979</b>	<b>28,800</b>	<b>30,000</b>	<b>30,000</b>	<b>1,200</b>	<b>4.17</b>
6079 SUPPLEMENTAL								
110-6079-40862 USE OF FUND BALANCE	0	0	0	0	0	310,000	310,000	.00
<b>Total 6079 SUPPLEMENTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>310,000</b>	<b>310,000</b>	<b>.00</b>
<b>*** Grand Total ***</b>	<b>41,224,957</b>	<b>41,341,564</b>	<b>41,071,594</b>	<b>41,341,564</b>	<b>42,533,882</b>	<b>41,608,025</b>	<b>266,461</b>	<b>.65</b>