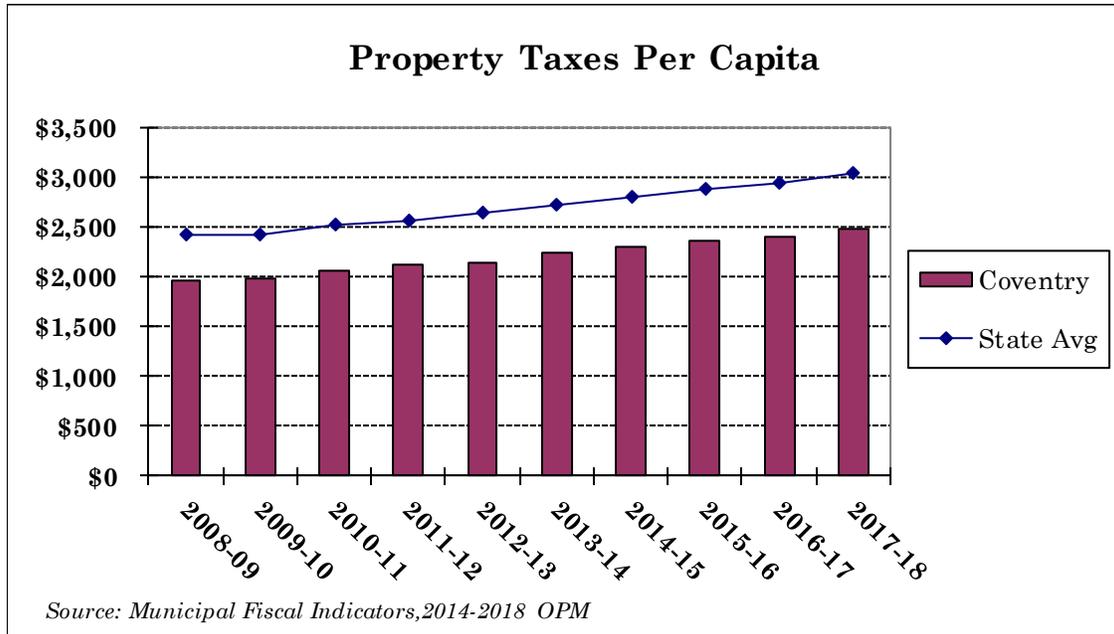
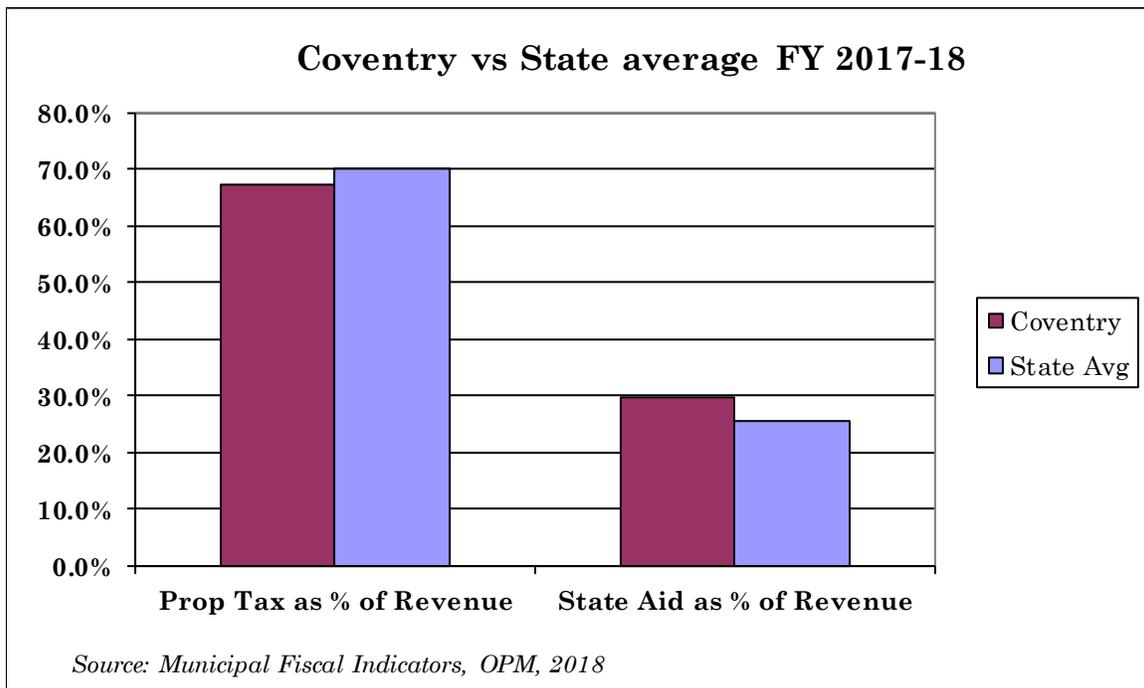


Revenues

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. As of June 30, 2018, Coventry's per capita property taxes are 81.7% of (or \$554 less than) the average in Connecticut.

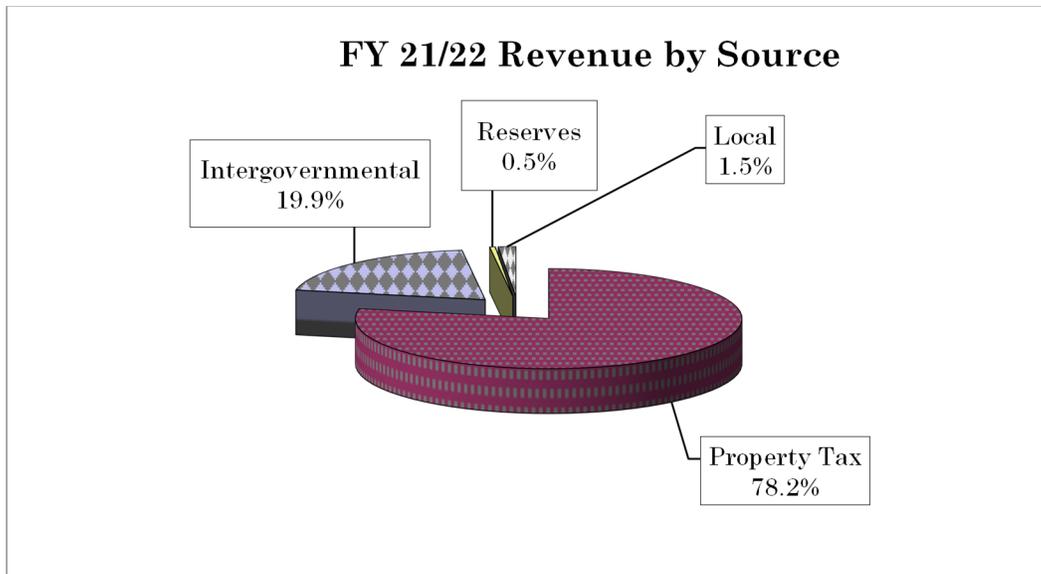


The Town receives more state aid than the state-wide average. In 2018, Coventry received 29.8% of our annual revenue from intergovernmental sources compared to the statewide average of 25.5%.

Revenues

The expenditures proposed in the fiscal year 2021/2022 (“FY 20/21”) budget will require revenues equaling \$42,746,944. These revenues will be generated from local property taxes, intergovernmental grants, and other local revenues:

	Actual FY 19-20	Current FY 20-21	Proposed FY 21-22
Property Tax			
Current Taxes	\$ 30,957,567	\$ 31,240,145	\$ 32,617,031
Delinquent Taxes	334,136	260,000	270,000
Interest & Penalties	180,959	180,000	180,000
Sup. Motor Veh.	358,979	340,000	340,000
Subtotal	31,831,641	32,020,145	33,407,031
Intergovernmental			
Sewer Assessment	519,844	479,976	343,993
State - Education	8,067,671	7,964,199	7,963,715
State - Gen Govt	205,960	207,855	207,855
Subtotal	8,793,475	8,652,030	8,515,563
Reserves	-	310,000	200,000
Other Local	691,466	625,850	624,350
General Fund Total	\$ 41,316,582	\$ 41,608,025	\$ 42,746,944



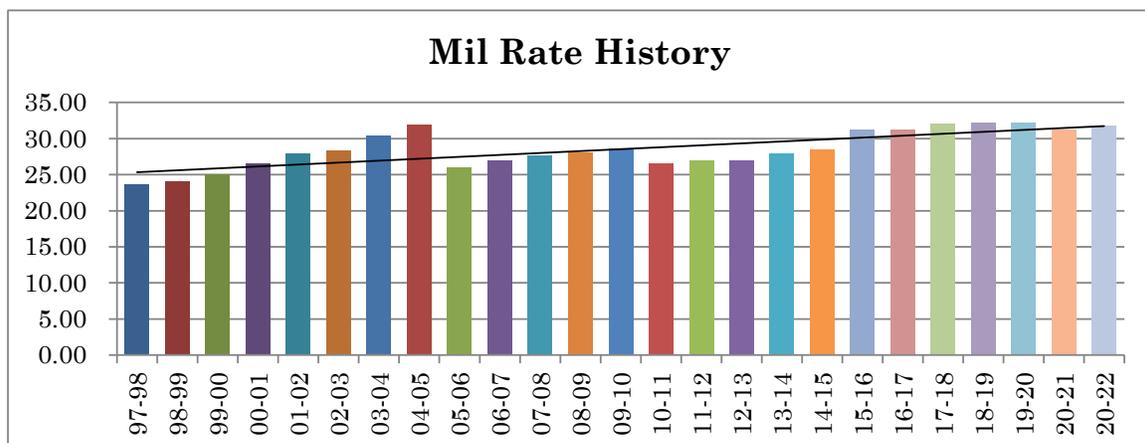
Property Taxes

The property tax is the major revenue source for local governments in Connecticut and makes up 78.2% of General Fund revenue for Coventry. The adjusted Real and Personal Net Valuation (Grand List) on October 1, 2019 amounted to \$1,039,012,077, an increase of 1.60% from the preceding year.

Using an average collection rate of 98.76%, one mil will now raise \$1,026,102 of taxes. The budget as proposed requires a mil rate of 31.79, an increase of 1.99% from the approved FY 20/21 rate. The increase in property tax needed to balance the budget is partially attributable increased operational costs, including increased funding to the ambulance operations, fully staffing the Police department and other operational costs. In addition to increased operational costs, the Sewer Assessment Fund is no longer able to cover the full cost of the sewer debt service payments. This resulted in decreased revenue of \$135,983.

The chart below illustrates how the proposed mil rate would affect houses of differing assessed values. Assessed value is 70% of October 1, 2020 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 20/21		FY 21/22		Annual Increase	Monthly Increase
		Monthly	Annually	Monthly	Annually		
100,000	70,000	181.83	2,182	185.44	2,225	43	3.62
125,000	87,500	227.28	2,727	231.80	2,782	54	4.52
150,000	105,000	272.74	3,273	278.16	3,338	65	5.42
175,000	122,500	318.19	3,818	324.52	3,894	76	6.33
200,000	140,000	363.65	4,364	370.88	4,451	87	7.23
243,500	170,450	442.74	5,313	451.55	5,419	106	8.81
250,000	175,000	454.56	5,455	463.60	5,563	109	9.04
275,000	192,500	500.02	6,000	509.96	6,120	119	9.95
300,000	210,000	545.48	6,546	556.33	6,676	130	10.85
325,000	227,500	590.93	7,091	602.69	7,232	141	11.75



Intergovernmental Revenues

Intergovernmental revenues are the second largest source of revenues for Coventry, representing 19.9% of the total budget. The Town Manager recommended budget for the FY21/22 budget shows a decrease in total State Aid of \$136,467, primarily due to reductions contributions from the Sewer Assessment Fund. This represents a 1.58% decrease from the FY20/21 approved budget. Estimates pertaining to State aid were taken from the Governor's proposed State budget released in February 2021. 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 21/22 the Sewer Operating Fund has committed to a contribution of \$55,000. In total, the sewer funding has decreased from the FY20/21 approved budget by \$135,983 or 28.33%. 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 through FY25/26.

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 19/20 saw unassigned fund balance increase, going from \$5,611,479 (FY18/19) to \$5,685,780 (FY19/20). As a percentage of final FY 2019/2020 budget appropriation, the balance is now 13.6% (a decrease from 13.7% 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.

The FY20/21 budget included use of \$310,000 of fund balance to offset tax revenue. This was approved by the Council as part of a strategic COVID-19 Finance Response Plan. This plan included anticipation of use of fund balance while preparing the FY21/22 budget to smooth the impact of returning to no use of fund balance. Based on this, the Town Manager has included the use of \$200,000 in the FY21/22 budget. This represents 0.5% of the total revenue estimate.

Other Local Revenues

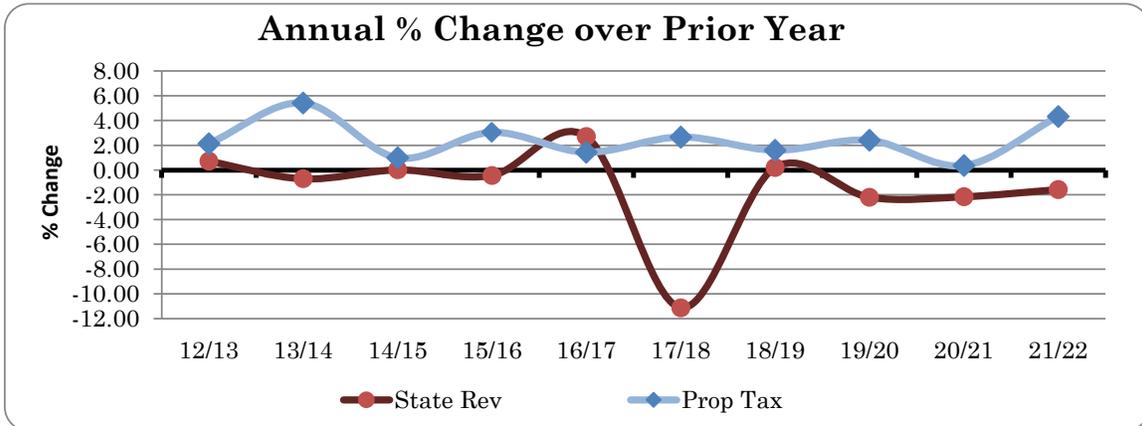
Other Local Revenues consist of a variety of fees for permits and services and interest earnings. This source of revenue is expected to decrease by \$1,500 and is 1.5% of the overall revenue estimates. The decrease is due to a 10% increase in building department fees, offset by decreases in interest and anticipated insurance reimbursements.

Three Year Revenue Comparison

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

	Actual FY 19-20	Current FY 20-21	Proposed FY 21-22
Property Tax			
Current Taxes	\$ 30,957,567	\$ 31,240,145	\$ 32,617,031
Delinquent Taxes	334,136	260,000	270,000
Interest & Penalties	180,959	180,000	180,000
Sup. Motor Veh.	358,979	340,000	340,000
Subtotal	31,831,641	32,020,145	33,407,031
Intergovernmental			
Sewer Assessment	519,844	479,976	343,993
State - Education	8,067,671	7,964,199	7,963,715
State - Gen Govt	205,960	207,855	207,855
Subtotal	8,793,475	8,652,030	8,515,563
Reserves	-	310,000	200,000
Other Local	691,466	625,850	624,350
General Fund Total	\$ 41,316,582	\$ 41,608,025	\$ 42,746,944

Trends in year to year revenue changes are displayed below.



Town of Coventry
TOWN MANAGERS RECOMMENDED BUDGET

Budget Fiscal Year: 2022 to 2022

Account# and Description	2020 Actual	2021 Base Budget	2021 Budget	2021 Actual YTD	2021 Est. Actual	Dept Head	Town Manager	Mgr/Bud Inc/Dec	%
6010 GENERAL PROPERTY									
110-6010-40211 CURRENT	30,957,567	31,240,145	31,240,145	30,798,306	31,240,145	32,617,031	32,617,031	1,376,886	4.41
GL = \$1,039,012,077; 1 mil = 1,026,102; Collection 98.76%									
PY Mil rate 31.17									
New mil rate = 31.79 Increase of 0.62 mils (1.98%)									
Results in expected collections of \$32,617,031									

110-6010-40212 DELINQUENT	334,137	260,000	260,000	254,940	260,000	270,000	270,000	10,000	3.85
110-6010-40213 INT & PENALTI	180,958	180,000	180,000	113,510	180,000	180,000	180,000	0	.00
110-6010-40214 SUPP MOTOR VE	358,979	340,000	340,000	292,379	340,000	340,000	340,000	0	.00

Total 6010 GENERAL PROP	31,831,641	32,020,145	32,020,145	31,459,135	32,020,145	33,407,031	33,407,031	1,386,886	4.33

6026 SEWER ASSMT REIMB									
110-6026-40203 SEWER ASSESSM	519,844	479,976	479,976	367,577	479,976	343,993	343,993	(135,983)	(28.33)
\$288,993 from sewer assessment fund; \$55k WPCA operating contribution.									

Total 6026 SEWER ASSMT	519,844	479,976	479,976	367,577	479,976	343,993	343,993	(135,983)	(28.33)

6030 ST OF CT FOR EDUCA									
110-6030-40300 ED COST SHARI	8,056,899	7,952,911	7,952,911	3,976,456	7,952,911	7,952,911	7,952,911	0	.00
Per Governor Budget 2.11.21									
110-6030-40306 ADULT EDUCATI	10,772	11,288	11,288	7,264	11,288	10,804	10,804	(484)	(4.29)
Per Governor Budget 2.11.21									

Total 6030 ST OF CT FOR	8,067,671	7,964,199	7,964,199	3,983,720	7,964,199	7,963,715	7,963,715	(484)	(.01)

6040 ST OF CT FOR GEN G									
110-6040-40406 DISABILITY EX	1,627	1,600	1,600	1,651	1,600	1,600	1,600	0	.00
110-6040-40407 GRANT IN LIEU	23,414	23,414	23,414	23,414	23,414	23,414	23,414	0	.00
Per State Budget 2.10.21									
110-6040-40409 CASINO FUNDS	13,336	13,336	13,336	4,445	13,336	13,336	13,336	0	.00
Per Governor Budget 2.10.21									
110-6040-40411 VETERANS ADDT	7,318	7,200	7,200	7,708	7,200	7,200	7,200	0	.00
110-6040-40412 EMPG	6,210	6,216	6,216	0	6,216	6,216	6,216	0	.00
110-6040-40414 TELEPHONE ACC	15,966	18,400	18,400	0	18,400	18,400	18,400	0	.00
110-6040-40415 YOUTH SERVICE	14,401	14,000	14,000	17,384	14,000	14,000	14,000	0	.00
110-6040-40428 MUNICIPAL REV	10,533	10,533	10,533	0	10,533	10,533	10,533	0	.00
"Grants for Municipal Projects"									
Per Governor Budget 2.11.21									
110-6040-40462 MUNICIPAL ASS	113,156	113,156	113,156	113,156	113,156	113,156	113,156	0	.00
"Municipal Stabilization Grant"									

Town of Coventry
TOWN MANAGERS RECOMMENDED BUDGET

Budget Fiscal Year: 2022 to 2022

Account# and Description	2020 Actual	2021 Base Budget	2021 Budget	2021 Actual YTD	2021 Est. Actual	Dept Head	Town Manager	Mgr/Bud Inc/Dec	%
Per Governor Budget 2.10.21									
Total 6040 ST OF CT FOR	205,961	207,855	207,855	167,758	207,855	207,855	207,855	0	.00
6046 HOUSING AUTHORITY									
110-6046-40460 P I L O T	41,116	40,000	40,000	21,254	40,000	40,000	40,000	0	.00
Total 6046 HOUSING AUTH	41,116	40,000	40,000	21,254	40,000	40,000	40,000	0	.00
6060 FINANCE									
110-6060-40601 INVESTMENT IN	89,793	65,000	65,000	11,974	65,000	50,000	50,000	(15,000)	(23.08)
110-6060-40602 INSURANCE REI	35,857	33,000	33,000	14,542	33,000	20,000	20,000	(13,000)	(39.39)
\$36k is actual for FY18; Estimate for FY19 slightly less									
110-6060-40603 CONVEYANCE TA	118,804	125,000	125,000	142,596	125,000	135,000	135,000	10,000	8.00
110-6060-40605 PRESCHOOL ADM	0	1,000	1,000	0	1,000	0	0	(1,000)	(100.0)
Total 6060 FINANCE	244,454	224,000	224,000	169,112	224,000	205,000	205,000	(19,000)	(8.48)
6062 TOWN CLERK									
110-6062-40621 OFFICE RECEIP	92,951	95,000	95,000	91,115	95,000	100,000	100,000	5,000	5.26
Total 6062 TOWN CLERK	92,951	95,000	95,000	91,115	95,000	100,000	100,000	5,000	5.26
6063 ASSESSOR									
110-6063-40631 COPY CHARGES	283	500	500	93	500	500	500	0	.00
Total 6063 ASSESSOR	283	500	500	93	500	500	500	0	.00
6064 DEVELOPMENT/PLANNI									
110-6064-40641 ZONING PERMIT	12,532	11,000	11,000	9,040	11,000	11,000	11,000	0	.00
110-6064-40645 REGS AND MAPS	416	500	500	138	500	500	500	0	.00
110-6064-40646 10% PERMIT FE	116	100	100	60	100	100	100	0	.00
Total 6064 DEVELOPMENT/	13,064	11,600	11,600	9,238	11,600	11,600	11,600	0	.00
6066 BUILDING DEPARTMEN									
110-6066-40661 BLDG PERMITS/ 10% increase in fees	215,189	185,000	185,000	160,076	185,000	205,000	205,000	20,000	10.81
110-6066-40662 FIRE INSPECTI	1,350	1,500	1,500	640	1,500	1,500	1,500	0	.00
110-6066-40663 BLASTING PERM	0	50	50	0	50	50	50	0	.00
Total 6066 BUILDING DEP	216,539	186,550	186,550	160,716	186,550	206,550	206,550	20,000	10.72
6070 POLICE SERVICES									
110-6070-40622 WARDEN RECEIP	256	500	500	0	500	500	500	0	.00
110-6070-40625 DOG LICENSE	7,837	9,000	9,000	2,323	9,000	9,000	9,000	0	.00
110-6070-40626 FINGERPRINTIN	1,900	2,000	2,000	2,644	2,000	2,000	2,000	0	.00
110-6070-40701 SPECIAL DUTY	20,000	15,000	15,000	0	15,000	7,500	7,500	(7,500)	(50.00)
Decrease of \$7.5k based on fund balance of special duty									

Town of Coventry
TOWN MANAGERS RECOMMENDED BUDGET

Budget Fiscal Year: 2022 to 2022

Account# and Description	2020 Actual	2021 Base Budget	2021 Budget	2021 Actual YTD	2021 Est. Actual	Dept Head	Town Manager	Mgr/Bud Inc/Dec	%
fund (\$7,150 as of 2.22.21).									
110-6070-40702 LOCAL PARKING	150	500	500	130	500	500	500	0	.00
110-6070-40703 PERMITS	5,075	7,500	7,500	11,335	7,500	7,500	7,500	0	.00
110-6070-40705 OTHER	2,675	1,200	1,200	507	1,200	1,200	1,200	0	.00
110-6070-40707 MUNICIPAL SUR	2,430	2,500	2,500	418	2,500	2,500	2,500	0	.00
Total 6070 POLICE SERVI	40,323	38,200	38,200	17,357	38,200	30,700	30,700	(7,500)	(19.63)
6078 RENTS/MISCELLANEOU									
110-6078-40781 RENTS/STATE L	31,563	30,000	30,000	32,510	30,000	30,000	30,000	0	.00
Total 6078 RENTS/MISCEL	31,563	30,000	30,000	32,510	30,000	30,000	30,000	0	.00
6079 SUPPLEMENTAL									
110-6079-40862 USE OF FUND B Decrease use of Fund Balance	0	310,000	310,000	0	310,000	200,000	200,000	(110,000)	(35.48)
Total 6079 SUPPLEMENTAL	0	310,000	310,000	0	310,000	200,000	200,000	(110,000)	(35.48)
*** Grand Total ***	41,305,410	41,608,025	41,608,025	36,479,585	41,608,025	42,746,944	42,746,944	1,138,919	2.74