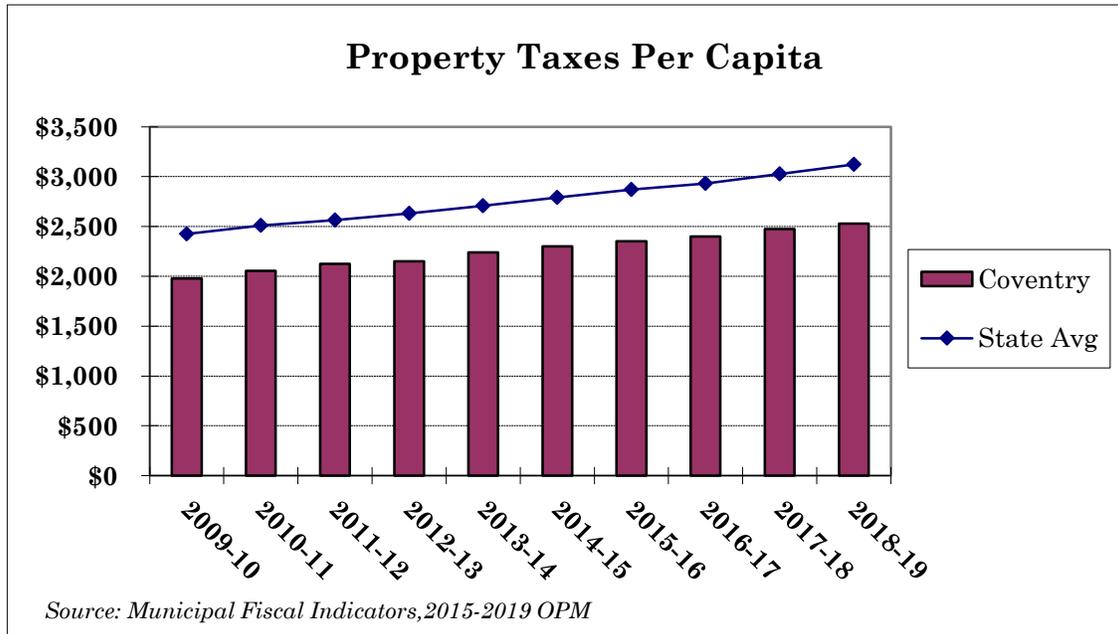


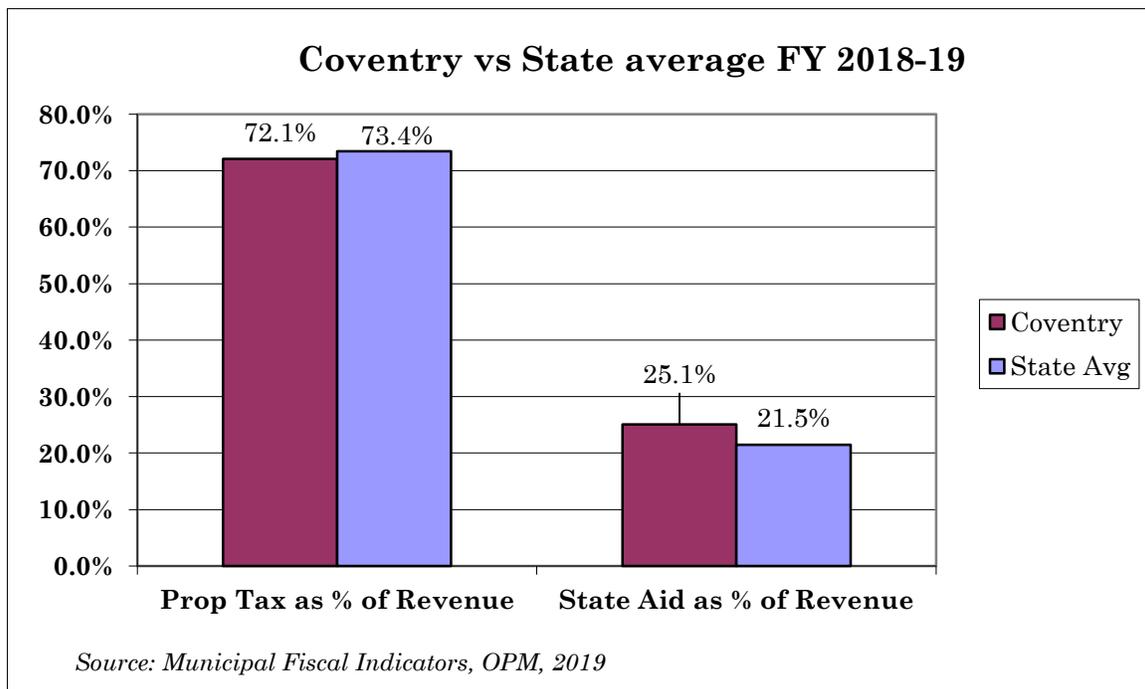
Revenues

*Section revised based on Town Council
approval of Mil Rate on June 10, 2021*

Revenues – General Government



Coventry continues to remain below the state average in per capita taxes, ranking 123 out of the 169 Connecticut towns and cities. As of June 30, 2019, Coventry's per capita property taxes are 80.99% of (or \$594 less than) the average in Connecticut.

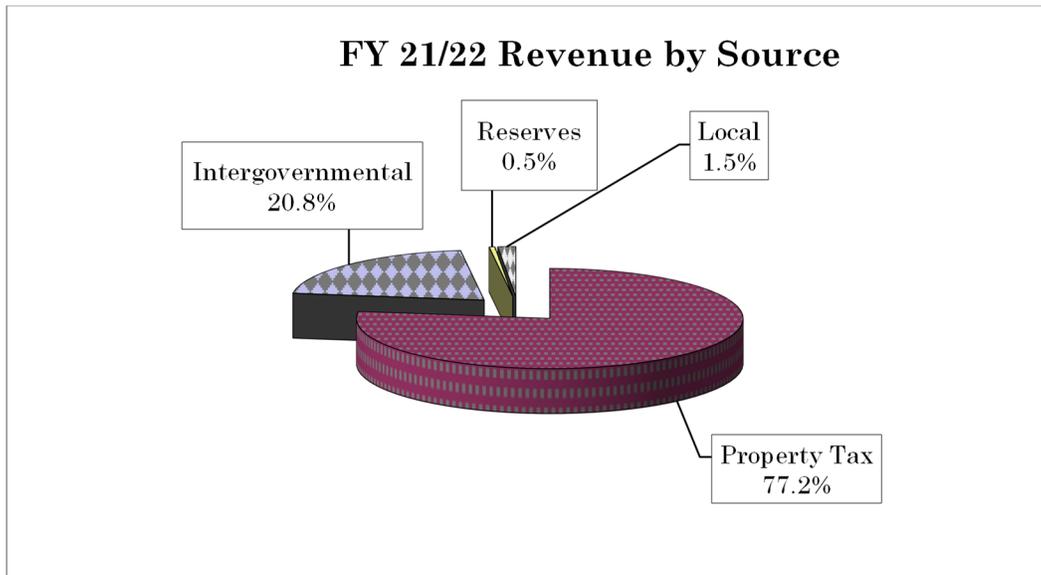


The Town receives more state aid than the state-wide average. In 2019, Coventry received 25.1% of our annual revenue from intergovernmental sources compared to the statewide average of 21.5%.

Revenues

The expenditures proposed in the fiscal year 2021/2022 (“FY 20/21”) budget will require revenues equaling \$42,430,130. 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 | \$ 31,967,303 |
| 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 | 32,757,303 |
| Intergovernmental | | | |
| Sewer Assessment | 519,844 | 479,976 | 478,993 |
| State - Education | 8,067,671 | 7,964,199 | 7,963,868 |
| State - Gen Govt | 205,960 | 207,855 | 391,616 |
| Subtotal | 8,793,475 | 8,652,030 | 8,834,477 |
| Reserves | - | 310,000 | 200,000 |
| Other Local | 691,466 | 625,850 | 631,350 |
| General Fund Total | \$ 41,316,582 | \$ 41,608,025 | \$ 42,423,130 |



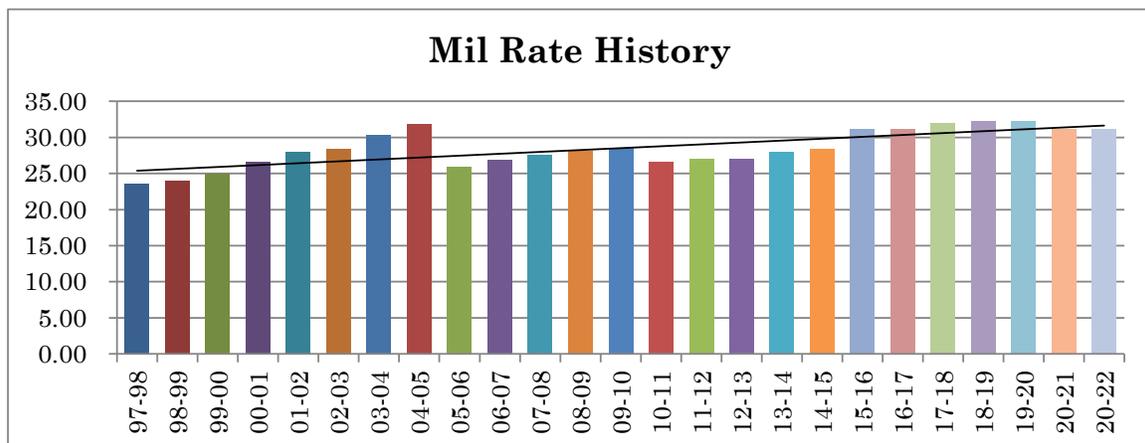
Property Taxes

The property tax is the major revenue source for local governments in Connecticut and makes up 77.2% 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 31.15, a decrease of 0.02 or 0.05% from the approved FY 20/21 rate. The decrease in property tax needed to balance the budget is partially attributable to the receipt of American Rescue Plan Funding which is being used to fund the transfer to the EMS Fund and the State pausing the reduction of the Town's Education Cost Sharing grant.

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 \$176,890. 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 | 181.71 | 2,181 | (1) | (0.12) |
| 125,000 | 87,500 | 227.28 | 2,727 | 227.14 | 2,726 | (2) | (0.15) |
| 150,000 | 105,000 | 272.74 | 3,273 | 272.56 | 3,271 | (2) | (0.18) |
| 175,000 | 122,500 | 318.19 | 3,818 | 317.99 | 3,816 | (2) | (0.20) |
| 200,000 | 140,000 | 363.65 | 4,364 | 363.42 | 4,361 | (3) | (0.23) |
| 252,700 | 176,890 | 459.47 | 5,514 | 459.18 | 5,510 | (4) | (0.29) |
| 250,000 | 175,000 | 454.56 | 5,455 | 454.27 | 5,451 | (4) | (0.29) |
| 275,000 | 192,500 | 500.02 | 6,000 | 499.70 | 5,996 | (4) | (0.32) |
| 300,000 | 210,000 | 545.48 | 6,546 | 545.13 | 6,542 | (4) | (0.35) |
| 325,000 | 227,500 | 590.93 | 7,091 | 590.55 | 7,087 | (5) | (0.38) |



Intergovernmental Revenues

Intergovernmental revenues are the second largest source of revenues for Coventry, representing 20.8% of the total budget. This represents an \$182,447 increase from the FY20/21 approved budget. Estimates pertaining to State aid were taken from the Governor's proposed State budget released in June 2021. Coventry has budgeted an additional \$6,871 in local emergency grants, \$26,940 in lake management grants and \$150,000 in American Rescue Plan Funding which were all awarded subsequent to the Town referendum in May. By using these additional grants, we were able to avoid reduce the Town's mil rate. 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. The Town Council's proposed budget includes an increased contribution from the Sewer Use Fund in the amount of \$135,000 to help offset the reduction in contributions from the Sewer Assessment Fund. 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 FY26/27.

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 Council has included the use of \$200,000 in the FY21/22 budget. This represents 0.5% of the total revenue estimate.

Other Local Revenues

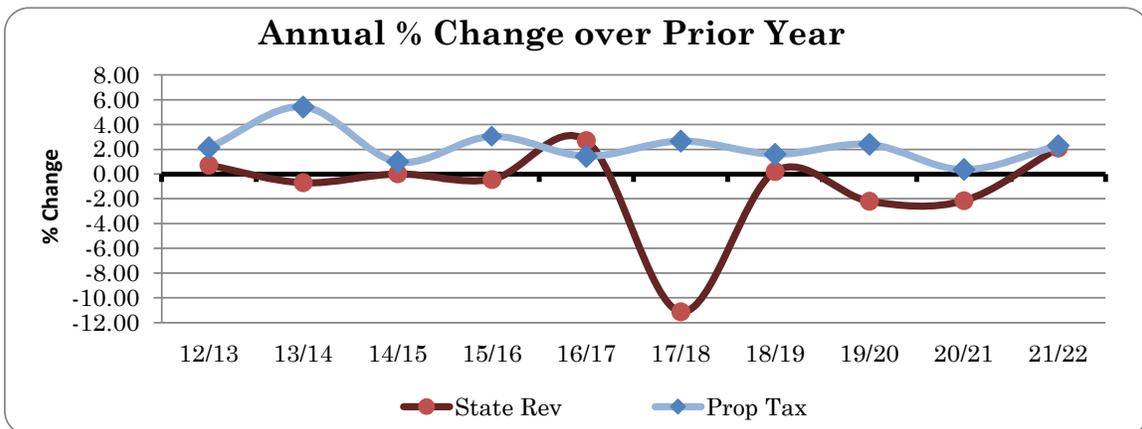
Other Local Revenues consist of a variety of fees for permits and services and interest earnings. This source of revenue is expected to increase by \$5,000 and is 1.5% of the overall revenue estimates.

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 | \$ 31,967,303 |
| 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 |
| <i>Subtotal</i> | 31,831,641 | 32,020,145 | 32,757,303 |
| Intergovernmental | | | |
| Sewer Assessment | 519,844 | 479,976 | 478,993 |
| State - Education | 8,067,671 | 7,964,199 | 7,963,868 |
| State - Gen Govt | 205,960 | 207,855 | 391,616 |
| <i>Subtotal</i> | 8,793,475 | 8,652,030 | 8,834,477 |
| Reserves | - | 310,000 | 200,000 |
| Other Local | 691,466 | 625,850 | 631,350 |
| General Fund Total | \$ 41,316,582 | \$ 41,608,025 | \$ 42,423,130 |

Trends in year to year revenue changes and mil rate are displayed below.



Town of Coventry
COUNCIL RECOMMENDED BUDGET

Budget Fiscal Year: 2022 to 2022

| Account# and Description | 2020 Actual | 2021 Base Budget | 2021 Actual YTD | 2021 Est. Actual | Dept Head | Town Manager | Council | Cou/Bud Inc/Dec | % |
|---|----------------|---------------------|--------------------|---------------------|------------|--------------|------------|--------------------|--------|
| 6010 GENERAL PROPERTY | | | | | | | | | |
| 110-6010-40211 CURRENT | 30,957,567 | 31,240,145 | 31,382,076 | 31,240,145 | 32,617,031 | 32,617,031 | 31,967,303 | 727,158 | 2.33 |
| GL = \$1,039,012,077; 1 mil = 1,026,102; Collection 98.76% | | | | | | | | | |
| PY Mil rate 31.17 | | | | | | | | | |
| New mil rate = 31.15 Decrease of 0.02 mils (0.05%) | | | | | | | | | |
| Results in expected collections of \$32,967,303 | | | | | | | | | |
| ----- | | | | | | | | | |
| 110-6010-40212 DELINQUENT | 334,137 | 260,000 | 338,042 | 260,000 | 270,000 | 270,000 | 270,000 | 10,000 | 3.85 |
| 110-6010-40213 INT & PENALTI | 180,958 | 180,000 | 182,950 | 180,000 | 180,000 | 180,000 | 180,000 | 0 | .00 |
| 110-6010-40214 SUPP MOTOR VE | 358,979 | 340,000 | 366,564 | 340,000 | 340,000 | 340,000 | 340,000 | 0 | .00 |
| ----- | | | | | | | | | |
| Total 6010 GENERAL PROP | 31,831,641 | 32,020,145 | 32,269,632 | 32,020,145 | 33,407,031 | 33,407,031 | 32,757,303 | 737,158 | 2.30 |
| ----- | | | | | | | | | |
| 6026 SEWER ASSMT REIMB | | | | | | | | | |
| 110-6026-40203 SEWER ASSESSM | 519,844 | 479,976 | 505,419 | 477,976 | 343,993 | 343,993 | 478,993 | (983) | (.20) |
| \$288,993 from sewer assessment fund; \$55k WPCA operating contribution. | | | | | | | | | |
| Additional funding from sewer use in exchange for funding of capital projects | | | | | | | | | |
| ----- | | | | | | | | | |
| Total 6026 SEWER ASSMT | 519,844 | 479,976 | 505,419 | 477,976 | 343,993 | 343,993 | 478,993 | (983) | (.20) |
| ----- | | | | | | | | | |
| 6030 ST OF CT FOR EDUCA | | | | | | | | | |
| 110-6030-40300 ED COST SHARI | 8,056,899 | 7,952,911 | 7,969,721 | 7,952,911 | 7,952,911 | 7,952,911 | 7,952,911 | 0 | .00 |
| Per budget estimates 6.10.21 | | | | | | | | | |
| 110-6030-40306 ADULT EDUCATI | 10,772 | 11,288 | 11,537 | 11,288 | 10,804 | 10,804 | 10,957 | (331) | (2.93) |
| Per budget estimates 6.10.21 | | | | | | | | | |
| ----- | | | | | | | | | |
| Total 6030 ST OF CT FOR | 8,067,671 | 7,964,199 | 7,981,258 | 7,964,199 | 7,963,715 | 7,963,715 | 7,963,868 | (331) | .00 |
| ----- | | | | | | | | | |
| 6040 ST OF CT FOR GEN G | | | | | | | | | |
| 110-6040-40406 DISABILITY EX | 1,627 | 1,600 | 1,651 | 1,600 | 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 budget estimates 6.10.21 | | | | | | | | | |
| 110-6040-40409 CASINO FUNDS | 13,336 | 13,336 | 8,891 | 13,336 | 13,336 | 13,336 | 13,336 | 0 | .00 |
| Per budget estimates 6.10.21 | | | | | | | | | |
| 110-6040-40411 VETERANS ADDT | 7,318 | 7,200 | 7,708 | 7,200 | 7,200 | 7,200 | 7,200 | 0 | .00 |
| 110-6040-40412 EMPG | 6,210 | 6,216 | 0 | 6,216 | 6,216 | 6,216 | 13,037 | 6,821 | 109.73 |
| Additional COVID EMPG Grant | | | | | | | | | |
| 110-6040-40414 TELEPHONE ACC | 15,966 | 18,400 | 16,820 | 18,400 | 18,400 | 18,400 | 18,400 | 0 | .00 |
| 110-6040-40415 YOUTH SERVICE | 14,401 | 14,000 | 23,178 | 14,000 | 14,000 | 14,000 | 14,000 | 0 | .00 |
| 110-6040-40428 MUNICIPAL REV | 10,533 | 10,533 | 0 | 10,533 | 10,533 | 10,533 | 10,533 | 0 | .00 |
| Per budget estimates 6.10.21 | | | | | | | | | |

Town of Coventry
COUNCIL RECOMMENDED BUDGET

Budget Fiscal Year: 2022 to 2022

| Account# and Description | 2020 Actual | 2021 Base Budget | 2021 Actual YTD | 2021 Est. Actual | Dept Head | Town Manager | Cou/Bud Council | Inc/Dec | % |
|---|----------------|---------------------|--------------------|---------------------|----------------|----------------|--------------------|-----------------|---------------|
| 110-6040-40436 LAKE MANAGEME | 0 | 0 | 0 | 0 | 0 | 0 | 26,940 | 26,940 | .00 |
| 110-6040-40462 MUNICIPAL ASS | 113,156 | 113,156 | 113,156 | 113,156 | 113,156 | 113,156 | 113,156 | 0 | .00 |
| Per budget estimates 6.10.21 | | | | | | | | | |
| Total 6040 ST OF CT FOR | 205,961 | 207,855 | 194,818 | 207,855 | 207,855 | 207,855 | 241,616 | 33,761 | 16.24 |
| 6041 AMERICAN RESCUE PL | | | | | | | | | |
| 110-6041-40465 AMERICAN RESC | 0 | 0 | 0 | 0 | 0 | 0 | 150,000 | 150,000 | .00 |
| Total 6041 AMERICAN RES | 0 | 0 | 0 | 0 | 0 | 0 | 150,000 | 150,000 | .00 |
| 6046 HOUSING AUTHORITY | | | | | | | | | |
| 110-6046-40460 P I L O T | 41,116 | 40,000 | 31,881 | 40,000 | 40,000 | 40,000 | 40,000 | 0 | .00 |
| Total 6046 HOUSING AUTH | 41,116 | 40,000 | 31,881 | 40,000 | 40,000 | 40,000 | 40,000 | 0 | .00 |
| 6060 FINANCE | | | | | | | | | |
| 110-6060-40601 INVESTMENT IN | 89,793 | 65,000 | 17,546 | 65,000 | 50,000 | 50,000 | 50,000 | (15,000) | (23.08) |
| 110-6060-40602 INSURANCE REI | 35,857 | 33,000 | 14,542 | 33,000 | 20,000 | 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 | 213,651 | 125,000 | 135,000 | 135,000 | 135,000 | 10,000 | 8.00 |
| 110-6060-40605 PRESCHOOL ADM | 0 | 1,000 | 0 | 0 | 0 | 0 | 1,000 | 0 | .00 |
| Total 6060 FINANCE | 244,454 | 224,000 | 245,739 | 223,000 | 205,000 | 205,000 | 206,000 | (18,000) | (8.04) |
| 6062 TOWN CLERK | | | | | | | | | |
| 110-6062-40621 OFFICE RECEIP | 92,951 | 95,000 | 140,062 | 115,000 | 100,000 | 100,000 | 100,000 | 5,000 | 5.26 |
| Total 6062 TOWN CLERK | 92,951 | 95,000 | 140,062 | 115,000 | 100,000 | 100,000 | 100,000 | 5,000 | 5.26 |
| 6063 ASSESSOR | | | | | | | | | |
| 110-6063-40631 COPY CHARGES | 283 | 500 | 138 | 500 | 500 | 500 | 500 | 0 | .00 |
| Total 6063 ASSESSOR | 283 | 500 | 138 | 500 | 500 | 500 | 500 | 0 | .00 |
| 6064 DEVELOPMENT/PLANNI | | | | | | | | | |
| 110-6064-40641 ZONING PERMIT | 12,532 | 11,000 | 13,765 | 11,000 | 11,000 | 11,000 | 11,000 | 0 | .00 |
| 110-6064-40642 PLANNING & ZO | (190) | 0 | 1,055 | 0 | 0 | 0 | 0 | 0 | .00 |
| 110-6064-40643 ZONING BD OF | 4,482 | 0 | 525 | 0 | 0 | 0 | 0 | 0 | .00 |
| 110-6064-40644 INLAND WETLAN | 2,403 | 0 | 1,860 | 0 | 0 | 0 | 0 | 0 | .00 |
| 110-6064-40645 REGS AND MAPS | 416 | 500 | 407 | 500 | 500 | 500 | 500 | 0 | .00 |
| 110-6064-40646 10% PERMIT FE | 116 | 100 | 88 | 100 | 100 | 100 | 100 | 0 | .00 |
| Total 6064 DEVELOPMENT/ | 19,759 | 11,600 | 17,700 | 11,600 | 11,600 | 11,600 | 11,600 | 0 | .00 |
| 6066 BUILDING DEPARTMEN | | | | | | | | | |
| 110-6066-40661 BLDG PERMITS/ 10% increase in fees | 215,189 | 185,000 | 203,735 | 191,400 | 205,000 | 205,000 | 211,000 | 26,000 | 14.05 |

Town of Coventry
COUNCIL RECOMMENDED BUDGET

Budget Fiscal Year: 2022 to 2022

| Account# and Description | 2020 Actual | 2021 Base Budget | 2021 Actual YTD | 2021 Est. Actual | Dept Head | Town Manager | Council | Cou/Bud Inc/Dec | % |
|--|-------------------|---------------------|--------------------|---------------------|-------------------|-------------------|-------------------|--------------------|----------------|
| 110-6066-40662 FIRE INSPECTI | 1,350 | 1,500 | 790 | 1,500 | 1,500 | 1,500 | 1,500 | 0 | .00 |
| 110-6066-40663 BLASTING PERM | 0 | 50 | 0 | 50 | 50 | 50 | 50 | 0 | .00 |
| Total 6066 BUILDING DEP | 216,539 | 186,550 | 204,525 | 192,950 | 206,550 | 206,550 | 212,550 | 26,000 | 13.94 |
| 6070 POLICE SERVICES | | | | | | | | | |
| 110-6070-40622 WARDEN RECEIP | 256 | 500 | 110 | 500 | 500 | 500 | 500 | 0 | .00 |
| 110-6070-40625 DOG LICENSE | 7,837 | 9,000 | 4,063 | 9,000 | 9,000 | 9,000 | 9,000 | 0 | .00 |
| 110-6070-40626 FINGERPRINTIN | 1,900 | 2,000 | 3,601 | 2,000 | 2,000 | 2,000 | 2,000 | 0 | .00 |
| 110-6070-40701 SPECIAL DUTY | 20,000 | 15,000 | 15,000 | 15,000 | 7,500 | 7,500 | 7,500 | (7,500) | (50.00) |
| Decrease of \$7.5k based on fund balance of special duty fund (\$7,150 as of 2.22.21). | | | | | | | | | |
| 110-6070-40702 LOCAL PARKING | 150 | 500 | 130 | 500 | 500 | 500 | 500 | 0 | .00 |
| 110-6070-40703 PERMITS | 5,075 | 7,500 | 15,775 | 7,500 | 7,500 | 7,500 | 7,500 | 0 | .00 |
| 110-6070-40705 OTHER | 2,675 | 1,200 | 902 | 1,200 | 1,200 | 1,200 | 1,200 | 0 | .00 |
| 110-6070-40707 MUNICIPAL SUR | 2,430 | 2,500 | 478 | 2,500 | 2,500 | 2,500 | 2,500 | 0 | .00 |
| Total 6070 POLICE SERVI | 40,323 | 38,200 | 40,059 | 38,200 | 30,700 | 30,700 | 30,700 | (7,500) | (19.63) |
| 6078 RENTS/MISCELLANEOU | | | | | | | | | |
| 110-6078-40781 RENTS/STATE L | 31,563 | 30,000 | 32,510 | 30,000 | 30,000 | 30,000 | 30,000 | 0 | .00 |
| 110-6078-40782 UNANTICIPATED | 4,478 | 0 | 41,327 | 40,000 | 0 | 0 | 0 | 0 | .00 |
| Total 6078 RENTS/MISCEL | 36,041 | 30,000 | 73,837 | 70,000 | 30,000 | 30,000 | 30,000 | 0 | .00 |
| 6079 SUPPLEMENTAL | | | | | | | | | |
| 110-6079-40862 USE OF FUND B | 0 | 310,000 | 0 | 310,000 | 200,000 | 200,000 | 200,000 | (110,000) | (35.48) |
| Decrease use of Fund Balance | | | | | | | | | |
| Total 6079 SUPPLEMENTAL | 0 | 310,000 | 0 | 310,000 | 200,000 | 200,000 | 200,000 | (110,000) | (35.48) |
| *** Grand Total *** | 41,316,583 | 41,608,025 | 41,705,068 | 41,671,425 | 42,746,944 | 42,746,944 | 42,423,130 | 815,105 | 1.96 |