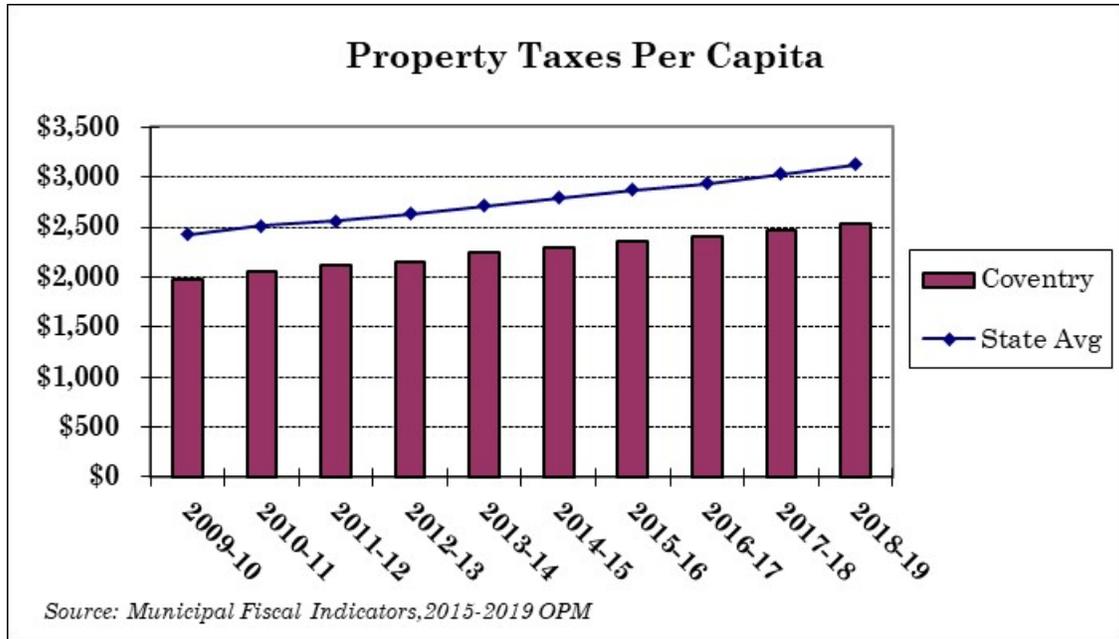
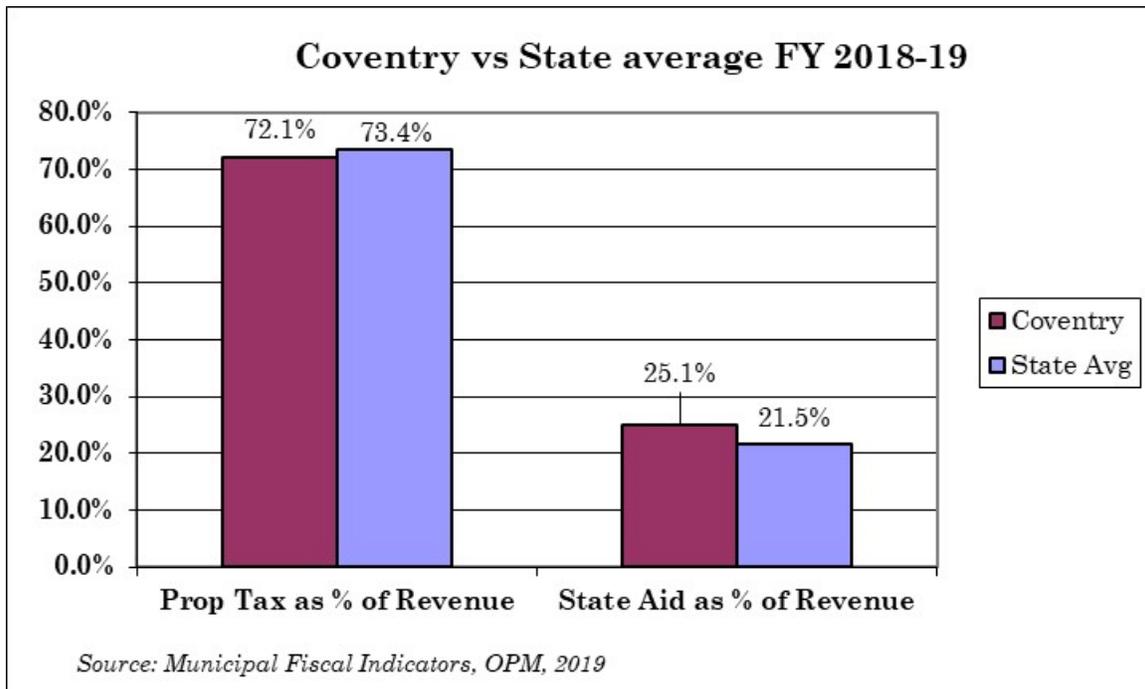


Revenues

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.

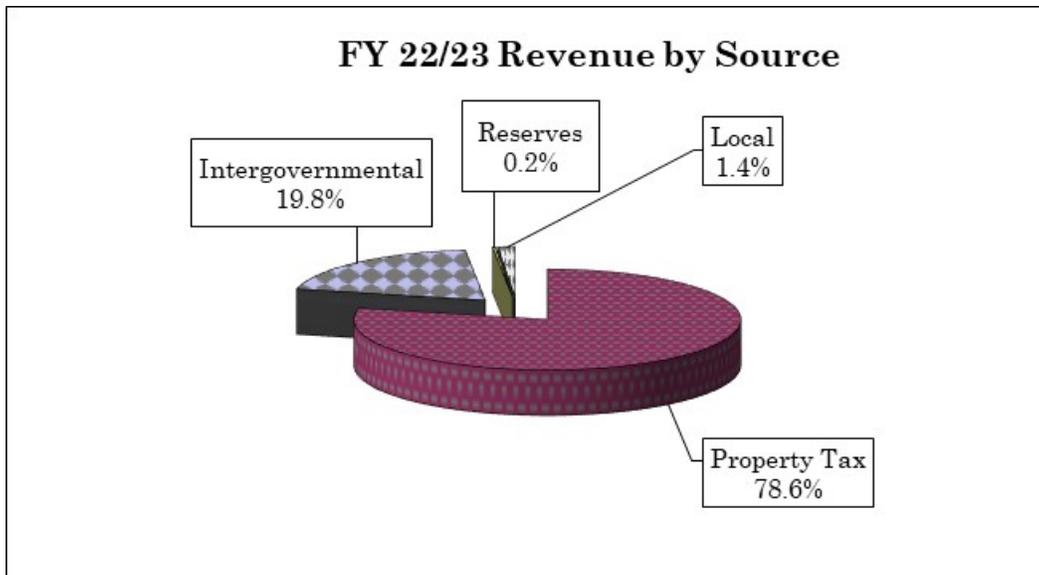


The Town receives more state aid than the state-wide average. In 2019, Coventry received 25.1% of our annual revenue from intergovernmental sources compared to the statewide average of 21.5%.

Revenues

The expenditures proposed in the fiscal year 2022/2023 (“FY 22/23”) budget will require revenues equaling \$44,559,405. These revenues will be generated from local property taxes, intergovernmental grants, and other local revenues:

	Actual FY 20-21	Current FY 21-22	Proposed FY 21-22
Property Tax			
Current Taxes	\$ 31,382,466	\$ 31,967,303	\$ 34,193,252
Delinquent Taxes	349,639	270,000	300,000
Interest & Penalties	189,506	180,000	180,000
Sup. Motor Veh.	368,937	340,000	340,000
Subtotal	32,290,548	32,757,303	35,013,252
Intergovernmental			
Sewer Assessment	479,976	478,993	355,000
State - Education	7,981,258	7,963,868	7,964,281
State - Gen Govt	277,402	391,616	491,072
Subtotal	8,738,636	8,834,477	8,810,353
Reserves	-	200,000	100,000
Other Local	840,721	631,350	635,800
General Fund Total	\$ 41,869,905	\$ 42,423,130	\$ 44,559,405



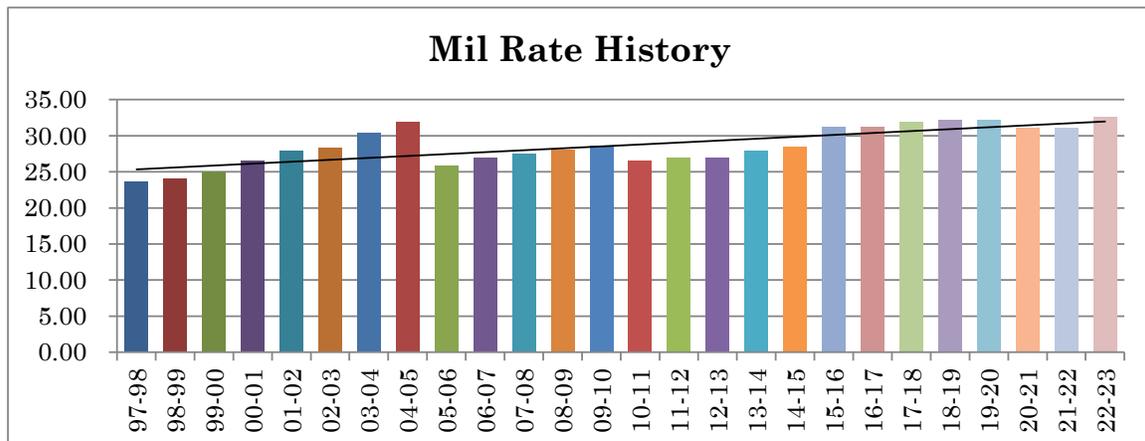
Property Taxes

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, 2020 amounted to \$1,076,852,645, an increase of 3.64% from the preceding year.

Using an average collection rate of 98.80%, one mil will now raise \$1,063,903 of taxes. The budget as proposed includes a split mil rate. The State of Connecticut is currently proposing legislation that would cap the motor vehicle mil rate at 29.00. using this cap, Coventry expects to receive \$3,814,022 in tax revenue. To cover the remainder of taxes needed, real estate and personal property will require a mil rate of 32.58, an increase of 4.60% from the approved FY 22/23 rate. Of this increase, 0.54 mils is attributable to the transfer needed to fund the ambulance operations. Other factors influencing this change are increased staffing needs in general government and public works, increased IT needs and increased prices for utilities. 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 \$123,993.

The chart below illustrates how the proposed mil rate would affect houses of differing assessed values. Assessed value is 70% of October 1, 2021 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 21/22		FY 22/23		Annual Increase	Monthly Increase
		Monthly	Annually	Monthly	Annually		
100,000	70,000	181.71	2,181	190.05	2,281	100	8.34
125,000	87,500	227.14	2,726	237.56	2,851	125	10.43
150,000	105,000	272.56	3,271	285.08	3,421	150	12.51
175,000	122,500	317.99	3,816	332.59	3,991	175	14.60
200,000	140,000	363.42	4,361	380.10	4,561	200	16.68
252,700	176,890	459.18	5,510	480.26	5,763	253	21.08
250,000	175,000	454.27	5,451	475.13	5,702	250	20.85
275,000	192,500	499.70	5,996	522.64	6,272	275	22.94
300,000	210,000	545.13	6,542	570.15	6,842	300	25.03
325,000	227,500	590.55	7,087	617.66	7,412	325	27.11



Intergovernmental Revenues

Intergovernmental revenues are the second largest source of revenues for Coventry, representing 19.8% of the total budget. The Town Manager recommended budget for the FY22/23 budget shows a decrease in total State Aid of \$24,124, primarily due to reductions contributions from the Sewer Assessment Fund offset by an increase in funding from the State to help offset the cap on the motor vehicle mil rate. This represents a 0.27% decrease from the FY21/22 approved budget. Estimates pertaining to State aid were taken from the Governor's proposed State budget released in February 2022. 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 22/23, the Sewer Operating Fund has committed to a contribution of \$55,000. In total, the Sewer Assessment funding has decreased from the FY21/22 approved budget by \$123,993 or 25.89%. 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 20/21 saw unassigned fund balance increase, going from \$5,685,780 (FY19/20) to \$5,715,230 (FY20/21). As a percentage of final FY 2021/2022 budget appropriation, the balance is now 12.72% of General Fund governmental expenditures. 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 FY22/23 budget to smooth the impact of returning to no use of fund balance. Based on this, the Town Manager has included the use of \$100,000 in the FY22/23 budget. This represents 0.2% of the total revenue estimate.

Other Local Revenues

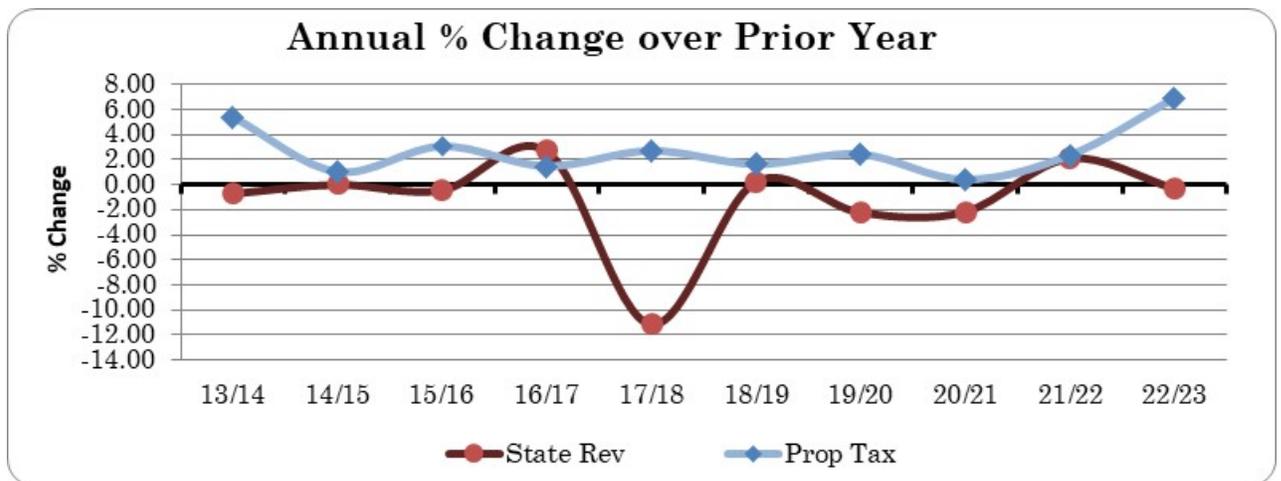
Other Local Revenues consist of a variety of fees for permits and services and interest earnings. This source of revenue is expected to increase by \$4,450 and is 1.4% of the overall revenue estimates. The decrease is due to increases in quantity of building department fees, offset by decreases in interest.

Three Year Revenue Comparison

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

	Actual FY 20-21	Current FY 21-22	Proposed FY 21-22
Property Tax			
Current Taxes	\$ 31,382,466	\$ 31,967,303	\$ 34,193,252
Delinquent Taxes	349,639	270,000	300,000
Interest & Penalties	189,506	180,000	180,000
Sup. Motor Veh.	368,937	340,000	340,000
<i>Subtotal</i>	32,290,548	32,757,303	35,013,252
Intergovernmental			
Sewer Assessment	479,976	478,993	355,000
State - Education	7,981,258	7,963,868	7,964,281
State - Gen Govt	277,402	391,616	491,072
<i>Subtotal</i>	8,738,636	8,834,477	8,810,353
Reserves	-	200,000	100,000
Other Local	840,721	631,350	635,800
General Fund Total	\$ 41,869,905	\$ 42,423,130	\$ 44,559,405

Trends in year to year revenue changes are displayed below.



Town Managers Recommended Revenue Budget

Budget Fiscal Year: 2023 to 2023

Account# and Description	2021 Actual	2022 Base Budget	2022 Actual YTD	2022 Est. Actual	Dept Head	Town Manager	Inc/Dec	%
6010 GENERAL PROPERTY								
110-6010-40211 CURRENT	31,382,466	31,967,303	31,469,792	31,967,303	34,235,115	34,193,252	2,225,949	6.96
GL = \$1,076,852,645; 1 mil = 1,063,903; Collection 98.8%								
PY Mil rate 31.15								
At prior mil, 2021 Grand List generates an additional \$1,177,506.								
Department Head Budget: Assumes 29.0 Mil cap on Motor Vehicles = \$3,814,022								
Need \$30,379,456 from RE and PP. Results in 32.58 Mil (1.43 increase, 4.60%)								
Of this mil increase, 0.54 mil is related to the \$500,000 transfer to the EMS fund.								
110-6010-40212 DELINQUENT	349,639	270,000	251,733	290,000	300,000	300,000	30,000	11.11
110-6010-40213 INT & PENALTIES	189,506	180,000	129,034	180,000	180,000	180,000	0	.00
110-6010-40214 SUPP MOTOR VEHICLE	368,937	340,000	388,322	400,000	340,000	340,000	0	.00
Could increase \$20k based on historical. Left flat based on proposed 29 mil cap on MV.								
Total 6010 GENERAL PROPERTY	32,290,548	32,757,303	32,238,881	32,837,303	35,055,115	35,013,252	2,255,949	6.89
6026 SEWER ASSMT REIMB DEBT SERVI								
110-6026-40203 SEWER ASSESSMENT COLLEC	479,976	478,993	367,577	478,993	355,000	355,000	(123,993)	(25.89)
\$300,000 from sewer assessment fund; \$55k WPCA operating contribution.								
Total 6026 SEWER ASSMT REIMB DEBT	479,976	478,993	367,577	478,993	355,000	355,000	(123,993)	(25.89)
6030 ST OF CT FOR EDUCATION								
110-6030-40300 ED COST SHARING ECS GRA	7,969,721	7,952,911	3,976,456	7,952,911	7,952,911	7,952,911	0	.00
Per budget estimates 2.9.22								
110-6030-40306 ADULT EDUCATION	11,537	10,957	7,537	10,957	11,370	11,370	413	3.77
Per budget estimates 2.9.22								
Total 6030 ST OF CT FOR EDUCATION	7,981,258	7,963,868	3,983,993	7,963,868	7,964,281	7,964,281	413	.01
6040 ST OF CT FOR GEN GOV'T								
110-6040-40403 MOTOR VEHICLE TAX REIMB	0	0	0	0	256,488	256,488	256,488	.00
Per budget estimates 2.9.22								
110-6040-40406 DISABILITY EXEMPT	1,651	1,600	1,563	1,600	1,600	1,600	0	.00
110-6040-40407 GRANT IN LIEU OF TAXES	23,414	23,414	18,556	23,414	25,134	25,134	1,720	7.35
Per budget estimates 2.9.22								
110-6040-40409 CASINO FUNDS	13,336	13,336	4,445	13,336	13,336	13,336	0	.00
Per budget estimates 2.9.22								

Town of Coventry

Town Managers Recommended Revenue Budget

Budget Fiscal Year: 2023 to 2023

Account# and Description	2021 Actual	2022 Base Budget	2022 Actual YTD	2022 Est. Actual	Dept Head	Town Manager	Inc/Dec	%
110-6040-40411 VETERANS ADDT TAX RELIE	7,708	7,200	6,672	6,672	7,200	7,200	0	.00
110-6040-40412 EMPG	6,216	13,037	0	13,037	6,225	6,225	(6,812)	(52.25)
110-6040-40414 TELEPHONE ACCESS GRANT	16,820	18,400	0	18,400	18,400	18,400	0	.00
110-6040-40415 YOUTH SERVICES SALARY G	14,590	14,000	11,562	14,000	14,000	14,000	0	.00
110-6040-40428 MUNICIPAL REVENUE SHARI	10,533	10,533	6,594	10,533	10,533	10,533	0	.00
Per budget estimates 2.9.22								
Additional \$187,998 from new grant per CGS 4-661(e)- omitted from budget per OPM projection.								
110-6040-40436 LAKE MANAGEMENT GRANTS	0	26,940	0	26,940	26,940	25,000	(1,940)	(7.20)
110-6040-40462 MUNICIPAL ASSISTANCE GR	113,156	113,156	113,156	113,156	113,156	113,156	0	.00
Per budget estimates 2.9.22								
110-6040-40463 FEMA	20,024	0	4,647	95,000	0	0	0	.00
Total 6040 ST OF CT FOR GEN GOV'T	227,448	241,616	167,195	336,088	493,012	491,072	249,456	103.24
6041 AMERICAN RESCUE PLAN FUNDING								
110-6041-40465 AMERICAN RESCUE PLAN FU	0	150,000	150,000	150,000	0	0	(150,000)	(100.0)
One time revenue source in prior year.								
Total 6041 AMERICAN RESCUE PLAN F	0	150,000	150,000	150,000	0	0	(150,000)	(100.00)
6046 HOUSING AUTHORITY P.I.L.O.T.								
110-6046-40460 P I L O T	42,508	40,000	21,549	40,000	40,000	40,000	0	.00
Total 6046 HOUSING AUTHORITY P.I.	42,508	40,000	21,549	40,000	40,000	40,000	0	.00
6060 FINANCE								
110-6060-40601 INVESTMENT INCOME	15,911	50,000	16,138	10,000	20,000	20,000	(30,000)	(60.00)
Decrease based on actual.								
110-6060-40602 INSURANCE REIMB & CLAIM	14,542	20,000	38,332	38,332	20,000	20,000	0	.00
\$36k FY20; \$14.5k for FY21; \$38k for FY22								
Remain at \$20k due to annual variance.								
110-6060-40603 CONVEYANCE TAX	234,847	135,000	129,314	145,000	150,000	150,000	15,000	11.11
110-6060-40605 PRESCHOOL ADMINISTRATIO	1,019	1,000	0	0	1,000	1,000	0	.00
Total 6060 FINANCE	266,319	206,000	183,784	193,332	191,000	191,000	(15,000)	(7.28)
6062 TOWN CLERK								
110-6062-40621 OFFICE RECEIPTS	150,995	100,000	84,633	100,000	110,000	110,000	10,000	10.00
Total 6062 TOWN CLERK	150,995	100,000	84,633	100,000	110,000	110,000	10,000	10.00
6063 ASSESSOR								
110-6063-40631 COPY CHARGES	146	500	120	500	300	300	(200)	(40.00)
Total 6063 ASSESSOR	146	500	120	500	300	300	(200)	(40.00)

Town of Coventry

Town Managers Recommended Revenue Budget

Budget Fiscal Year: 2023 to 2023

Account# and Description	2021 Actual	2022 Base Budget	2022 Actual YTD	2022 Est. Actual	Dept Head	Town Manager	Inc/Dec	%
6064 DEVELOPMENT/PLANNING								
110-6064-40641 ZONING PERMITS	16,915	11,000	7,550	11,000	9,000	9,000	(2,000)	(18.18)
110-6064-40642 PLANNING & ZONING	1,055	0	(1,744)	0	0	0	0	.00
110-6064-40643 ZONING BD OF APPEALS	625	0	1,033	0	0	0	0	.00
110-6064-40644 INLAND WETLANDS	2,275	0	(20)	0	0	0	0	.00
110-6064-40645 REGS AND MAPS	445	500	84	100	500	500	0	.00
110-6064-40646 10% PERMIT FEES	106	100	42	100	100	100	0	.00
Total 6064 DEVELOPMENT/PLANNING	21,421	11,600	6,945	11,200	9,600	9,600	(2,000)	(17.24)
6066 BUILDING DEPARTMENT								
110-6066-40661 BLDG PERMITS/FEES	235,544	211,000	157,571	211,000	220,000	220,000	9,000	4.27
110-6066-40662 FIRE INSPECTION	970	1,500	480	1,500	1,500	1,500	0	.00
110-6066-40663 BLASTING PERMITS	0	50	0	50	0	0	(50)	(100.0)
Total 6066 BUILDING DEPARTMENT	236,514	212,550	158,051	212,550	221,500	221,500	8,950	4.21
6070 POLICE SERVICES								
110-6070-40622 WARDEN RECEIPTS	110	500	220	500	300	300	(200)	(40.00)
110-6070-40625 DOG LICENSE	8,159	9,000	2,315	9,000	9,000	8,500	(500)	(5.56)
110-6070-40626 FINGERPRINTING	3,971	2,000	1,228	2,000	2,000	2,000	0	.00
110-6070-40701 SPECIAL DUTY	15,000	7,500	7,500	7,500	10,000	10,000	2,500	33.33
Increase of \$2.5k based on fund balance of special duty fund (\$10,704 as of 2.15.22).								
110-6070-40702 LOCAL PARKING FINES	160	500	25	500	300	300	(200)	(40.00)
110-6070-40703 PERMITS	17,855	7,500	5,425	7,500	7,500	7,500	0	.00
110-6070-40705 OTHER	930	1,200	740	1,200	1,000	1,000	(200)	(16.67)
110-6070-40707 MUNICIPAL SURCHARGE	478	2,500	643	2,500	1,800	1,800	(700)	(28.00)
Total 6070 POLICE SERVICES	46,663	30,700	18,096	30,700	31,900	31,400	700	2.28
6078 RENTS/MISCELLANEOUS								
110-6078-40781 RENTS/STATE LEASES	32,510	30,000	32,510	33,000	32,000	32,000	2,000	6.67
110-6078-40782 UNANTICIPATED REVENUE	43,646	0	1,485	5,000	0	0	0	.00
Total 6078 RENTS/MISCELLANEOUS	76,156	30,000	33,995	38,000	32,000	32,000	2,000	6.67
6079 SUPPLEMENTAL								
110-6079-40862 USE OF FUND BALANCE	0	200,000	0	200,000	100,000	100,000	(100,000)	(50.00)
Decrease use of Fund Balance per COVID Financial Plan								
Total 6079 SUPPLEMENTAL	0	200,000	0	200,000	100,000	100,000	(100,000)	(50.00)
*** Grand Total ***	41,819,952	42,423,130	37,414,819	42,592,534	44,603,708	44,559,405	2,136,275	5.04