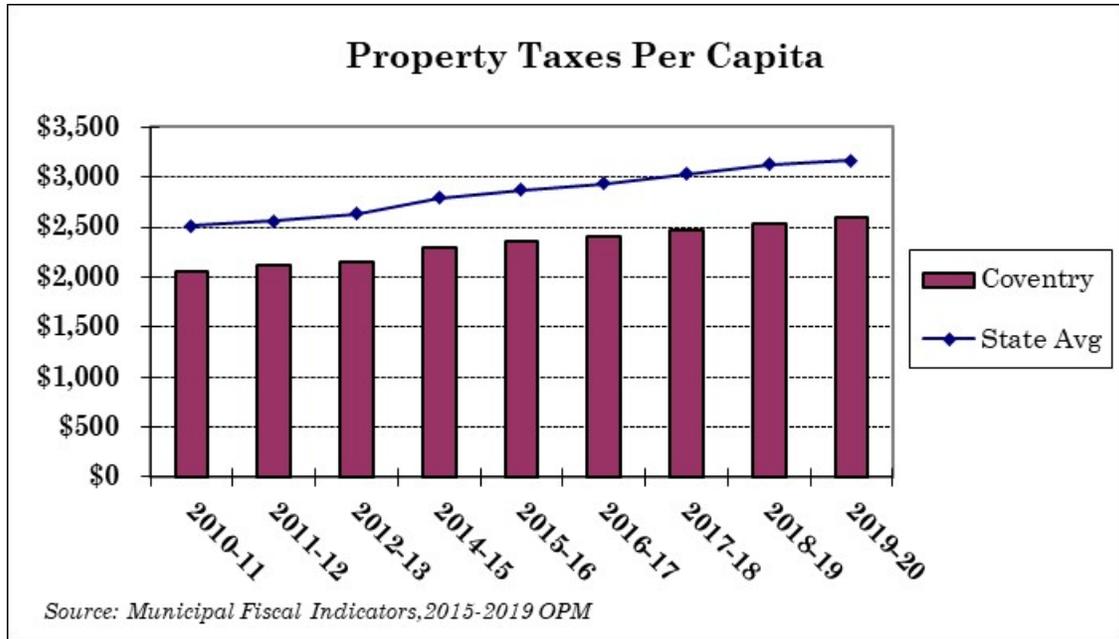
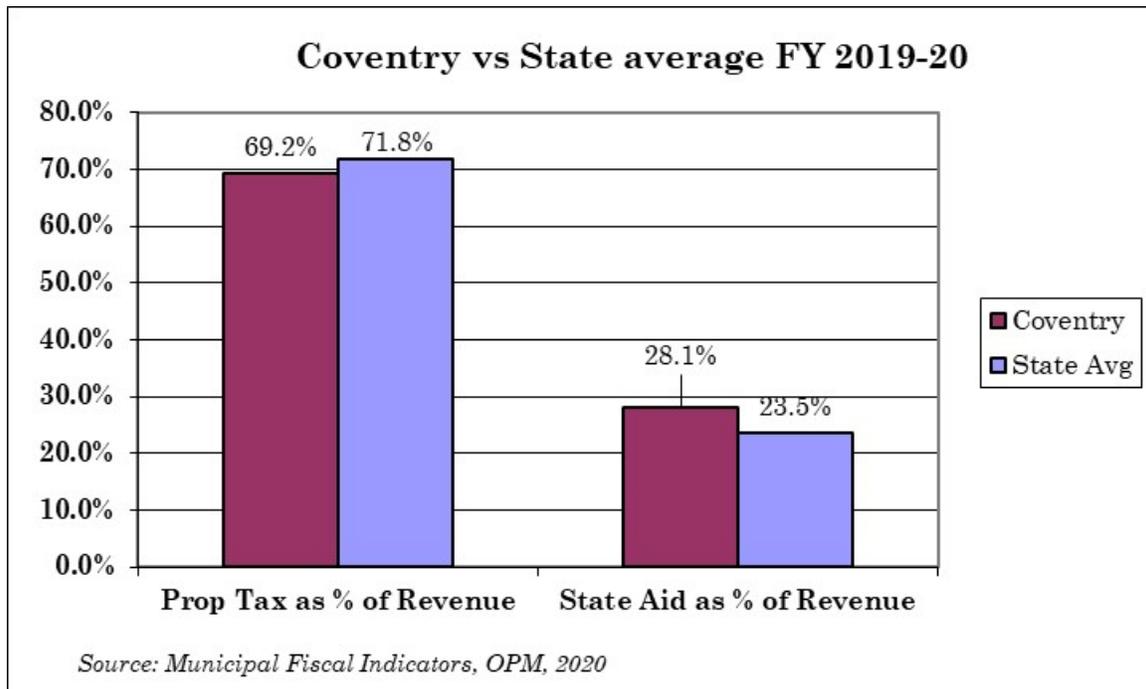


Revenues

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, 2020, Coventry's per capita property taxes are 81.85% of (or \$575 less than) the average in Connecticut.

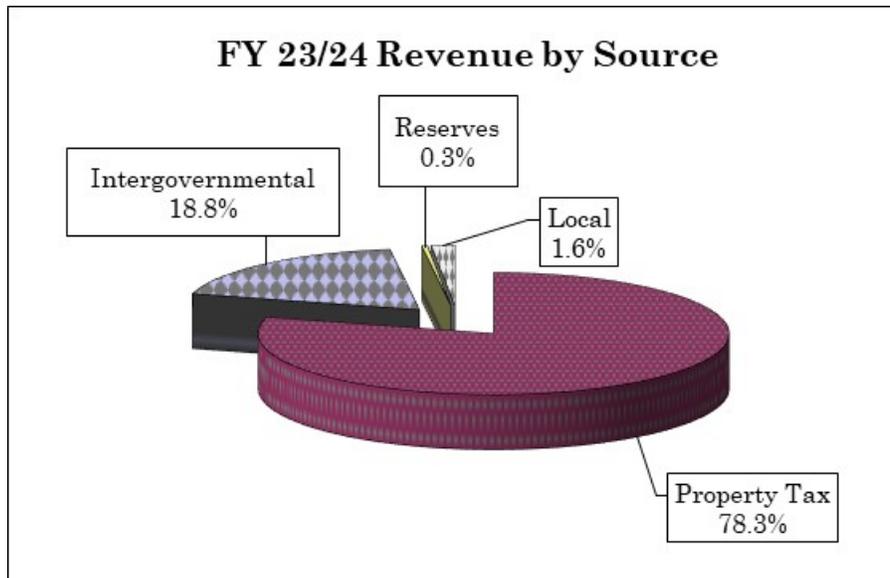


The Town receives more state aid than the state-wide average. In 2020, Coventry received 28.1% of our annual revenue from intergovernmental sources compared to the statewide average of 23.5%.

Revenues

The expenditures proposed in the fiscal year 2023/2024 (“FY 23/24”) 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 21-22	Current FY 22-23	Manager Proposed FY 23-24
Property Tax			
Current Taxes	\$ 31,899,159	\$ 33,139,280	\$ 35,251,744
Delinquent Taxes	313,773	300,000	300,000
Interest & Penalties	194,239	180,000	180,000
Sup. Motor Veh.	456,069	420,000	420,000
Subtotal	32,863,240	34,039,280	36,151,744
Intergovernmental			
Sewer Assessment	478,993	375,000	375,000
State - Education	7,993,256	7,964,281	7,829,362
State - Gen Govt	481,236	484,584	331,684
Subtotal	8,953,485	8,823,865	8,536,046
Reserves	-	175,000	175,000
Other Local	815,585	665,800	740,150
General Fund Total	\$ 42,632,310	\$ 43,703,945	\$ 45,602,940



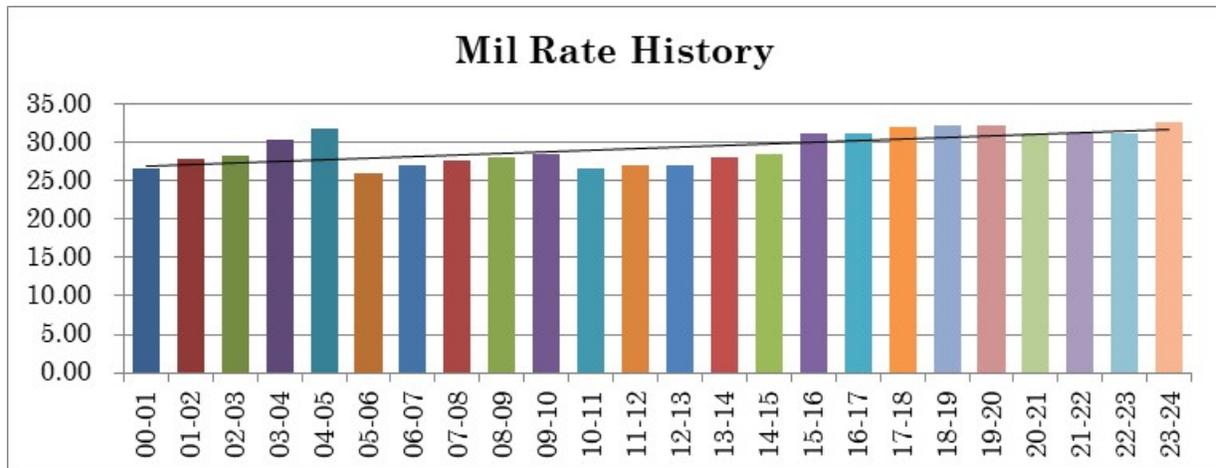
Property Taxes

The property tax is the major revenue source for local governments in Connecticut and makes up 79.28% of General Fund revenue for Coventry. The adjusted Real and Personal Net Valuation (Grand List) on October 1, 2022 amounted to \$1,096,582,610, an increase of 1.8% from the preceding year.

Using an average collection rate of 98.75%, one mil will now raise \$1,082,903 of taxes. The budget as proposed includes a split mil rate. The State of Connecticut currently has legislation that would cap the motor vehicle mil rate at 32.46. Using this cap, Coventry expects to receive \$4,455,237 in tax revenue from motor vehicles. To cover the remainder of taxes needed, real estate and personal property will require a mil rate of 32.57, an increase of 1.42 mils, or 4.55% from the approved FY 23/24 rate. Factors influencing this change are decreased intergovernmental revenues, inflation, increases to fuel and diesel costs, maintaining current staff levels and funding current operations. No additional services are proposed in the Town Manager's budget.

The chart below illustrates how the proposed mil rate would affect houses of differing assessed values. Assessed value is 70% of October 1, 2022 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 22/23		FY 23/24		Annual Increase	Monthly Increase
		Monthly	Annually	Monthly	Annually		
100,000	70,000	181.71	2,181	189.99	2,280	99	8.28
125,000	87,500	227.14	2,726	237.49	2,850	124	10.35
150,000	105,000	272.56	3,271	284.99	3,420	149	12.43
175,000	122,500	317.99	3,816	332.49	3,990	174	14.50
200,000	140,000	363.42	4,361	379.98	4,560	199	16.57
252,700	176,890	459.18	5,510	480.11	5,761	251	20.93
250,000	175,000	454.27	5,451	474.98	5,700	249	20.71
275,000	192,500	499.70	5,996	522.48	6,270	273	22.78
300,000	210,000	545.13	6,542	569.98	6,840	298	24.85
325,000	227,500	590.55	7,087	617.47	7,410	323	26.92



Intergovernmental Revenues

Intergovernmental revenues are the second largest source of revenues for Coventry, representing 18.72% of the total budget. The Town Manager recommended budget for the FY23/24 budget shows a decrease in total State and Federal Aid of \$287,819. This decrease is due to the phase out of one time American Rescue Plan Act funding (\$125,000) as well as a decrease in State Aid for the Education Cost Sharing Grant (\$134,666). This represents a 3.26% decrease from the FY22/23 approved budget. Estimates pertaining to State aid were taken from the Governor's proposed State budget released in February 2023. State Aid changes from year to year depending upon the climate at the State Capitol. Based on the revised Education Cost Share formula approved in 2017, Coventry will continue to see decreases in education funding each year through FY28.

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 23/24, the Sewer Operating Fund has committed to a contribution of \$55,000. In total, the Sewer Assessment funding has remained level from FY22/23. 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 21/22 saw unassigned fund balance increase, going from \$5,715,230 (FY20/21) to \$5,698,488 (FY21/22). As a percentage of FY21/22 General Fund expenditures, the unassigned balance is now 12.42%. Bond rating agencies look at fund balance, and other factors, when rating a municipality's credit worthiness. Please see the Appendix for this calculation.

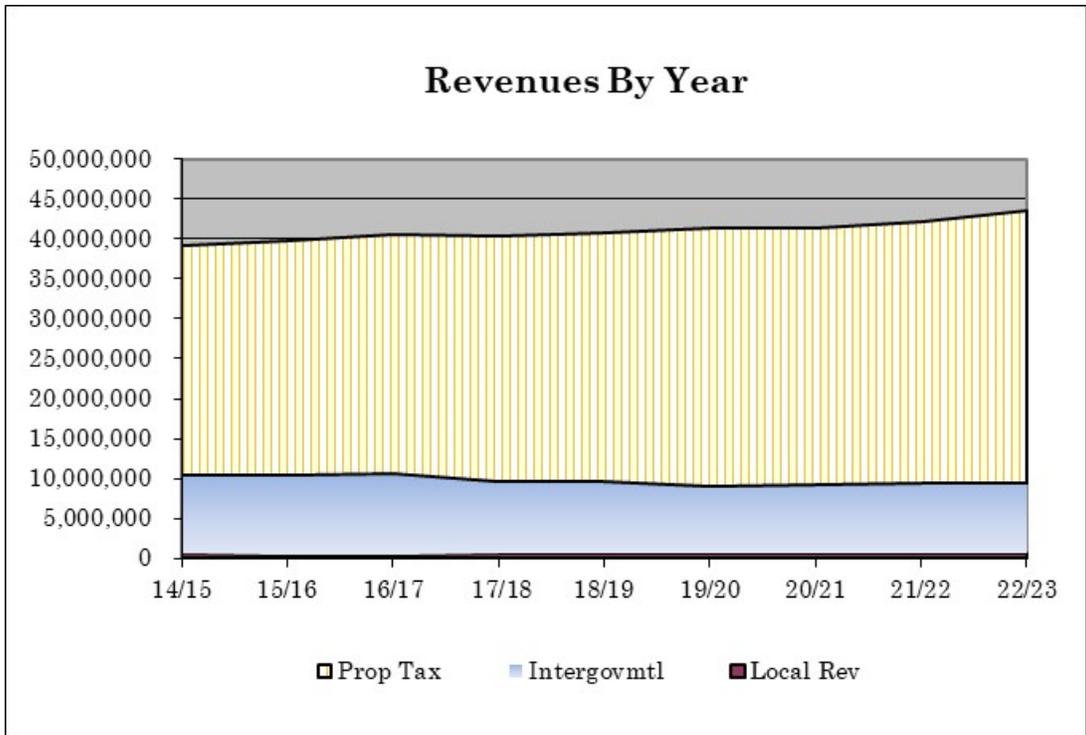
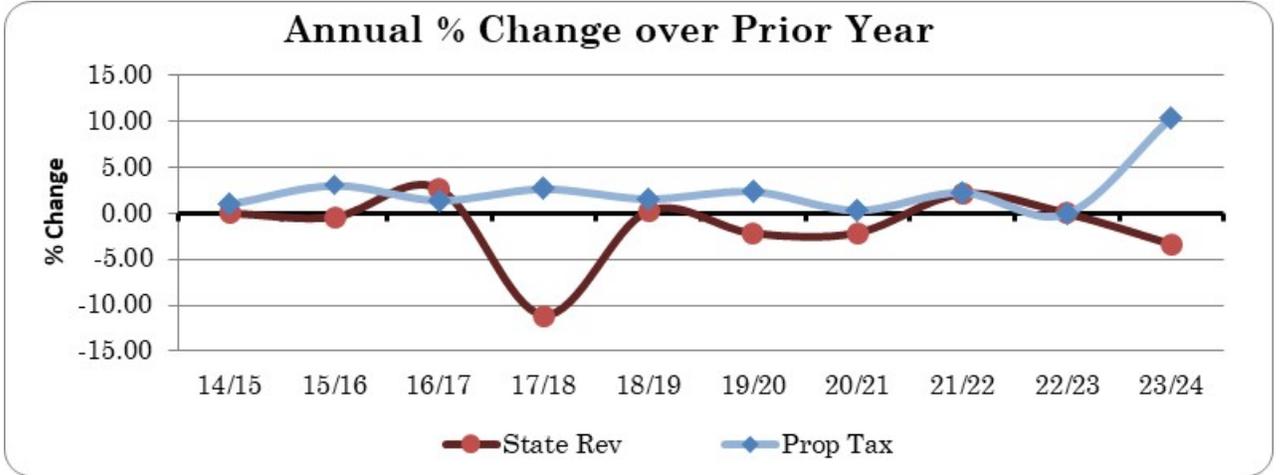
The FY20/21 budget included use of \$310,000 of fund balance to offset tax revenue. This was approved by the Council as part of a strategic COVID-19 Finance Response Plan. This plan included anticipation of use of fund balance while preparing future budgets to smooth the impact of returning to no use of fund balance. Based on this, the Town Manager has included the use of \$175,000 in the FY23/24 budget. This represents 0.38% 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 \$74,350 and is 1.62% of the overall revenue estimates. The increase is due to increases in insurance reimbursement, increased activity in the building department, additional funds from police private duty and an increase in interest revenue due to current market conditions.

Revenue Trends

Trends in year to year revenue changes are displayed below.



Town of Coventry

Town Managers Recommended Revenue Budget

Budget Fiscal Year: 2024 to 2024

Account# and Description	2022 Actual	2023 Base Budget	2023 Actual YTD	2023 Est. Actual	Dept Head	Town Manager	Inc/Dec	%
6010 GENERAL PROPERTY								
110-6010-40211 CURRENT 98.75% collection rate MV mil rate capped at 32.46 RE + PP mil rate of 32.57. Increase of 1.42 mil or 4.55%	31,899,159	33,139,280	32,741,061	33,139,280	35,662,439	35,251,744	2,112,464	6.37
Department Request: RE + PP mil rate of 33.00. Increase of 1.85 mil or 5.94%								
110-6010-40212 DELINQUENT	313,773	300,000	278,657	300,000	300,000	300,000	0	.00
110-6010-40213 INT & PENALTIES	194,239	180,000	153,235	180,000	170,000	180,000	0	.00
110-6010-40214 SUPP MOTOR VEHICLE	456,069	420,000	376,148	420,000	420,000	420,000	0	.00
Total 6010 GENERAL PROPERTY	32,863,240	34,039,280	33,549,101	34,039,280	36,552,439	36,151,744	2,112,464	6.21
6026 SEWER ASSMT REIMB DEBT SERVI								
110-6026-40203 SEWER ASSESSMENT COLLEC \$320,000 Sewer Assessment Fund, \$55,000 Sewer Operating Fund	478,993	375,000	281,250	375,000	375,000	375,000	0	.00
Total 6026 SEWER ASSMT REIMB DEBT	478,993	375,000	281,250	375,000	375,000	375,000	0	.00
6030 ST OF CT FOR EDUCATION								
110-6030-40300 ED COST SHARING ECS GRA Per Governor budget estimate 2/8/23.	7,981,654	7,952,911	3,976,456	7,952,911	7,818,245	7,818,245	(134,666)	(1.69)
110-6030-40306 ADULT EDUCATION Per Governor budget estimate 2/8/23.	11,602	11,370	7,662	11,370	11,117	11,117	(253)	(2.23)
Total 6030 ST OF CT FOR EDUCATION	7,993,256	7,964,281	3,984,118	7,964,281	7,829,362	7,829,362	(134,919)	(1.69)
6040 ST OF CT FOR GEN GOV'T								
110-6040-40406 DISABILITY EXEMPT	1,563	1,600	1,905	1,905	1,900	1,900	300	18.75
110-6040-40407 GRANT IN LIEU OF TAXES Per Governor budget estimate 2/8/23.	18,556	25,134	25,134	25,134	25,134	25,134	0	.00
110-6040-40409 CASINO FUNDS Per Governor budget estimate 2/8/23.	13,336	13,336	4,445	13,336	13,336	13,336	0	.00
110-6040-40411 VETERANS ADDT TAX RELIE	6,672	7,200	5,986	6,000	5,900	5,900	(1,300)	(18.06)
110-6040-40412 EMPG	13,037	6,225	0	6,225	6,225	6,225	0	.00
110-6040-40414 TELEPHONE ACCESS GRANT	16,437	18,400	0	18,400	16,500	16,500	(1,900)	(10.33)
110-6040-40415 YOUTH SERVICES SALARY G	14,587	14,000	15,092	14,000	14,000	14,000	0	.00
110-6040-40428 MUNICIPAL REVENUE SHARI Per Governor budget estimate 2/8/23.	17,127	10,533	0	10,533	10,533	10,533	0	.00
110-6040-40436 LAKE MANAGEMENT GRANTS	0	25,000	50,000	50,000	0	0	(25,000)	(100.0)
110-6040-40459 MUNICIPAL REVENUE SHARI Per Governor budget estimate 2/8/23.	0	0	245,417	245,417	113,156	113,156	113,156	.00

Town of Coventry

Town Managers Recommended Revenue Budget

Budget Fiscal Year: 2024 to 2024

Account# and Description	2022 Actual	2023 Base Budget	2023 Actual YTD	2023 Est. Actual	Dept Head	Town Manager	Inc/Dec	%
110-6040-40462 MUNICIPAL ASSISTANCE GR	113,156	113,156	113,156	113,156	0	0	(113,156)	(100.0)
110-6040-40463 FEMA	116,766	0	929	930	0	0	0	.00
Total 6040 ST OF CT FOR GEN GOV'T	331,237	234,584	462,064	505,036	206,684	206,684	(27,900)	(11.89)
6041 AMERICAN RESCUE PLAN FUNDING								
110-6041-40465 AMERICAN RESCUE PLAN FU	150,000	250,000	0	250,000	0	125,000	(125,000)	(50.00)
The Town Manager's budget proposes using 50% less ARPA than prior year. This will help phase use of ARPA out of budget.								
Total 6041 AMERICAN RESCUE PLAN F	150,000	250,000	0	250,000	0	125,000	(125,000)	(50.00)
6046 HOUSING AUTHORITY P.I.L.O.T.								
110-6046-40460 P I L O T	43,097	40,000	21,974	43,948	43,000	43,000	3,000	7.50
Total 6046 HOUSING AUTHORITY P.I.	43,097	40,000	21,974	43,948	43,000	43,000	3,000	7.50
6060 FINANCE								
110-6060-40601 INVESTMENT INCOME	18,533	20,000	75,697	85,000	35,000	50,000	30,000	150.00
Decrease based on actual.								
110-6060-40602 INSURANCE REIMB & CLAIM	38,332	20,000	36,695	36,695	25,000	25,000	5,000	25.00
\$36k FY20; \$14.5k for FY21; \$38k for FY22								
Remain at \$20k due to annual variance.								
110-6060-40603 CONVEYANCE TAX	199,251	170,000	114,722	170,000	170,000	175,000	5,000	2.94
110-6060-40605 PRESCHOOL ADMINISTRATIO	1,291	1,000	0	1,000	1,000	1,000	0	.00
Total 6060 FINANCE	257,407	211,000	227,114	292,695	231,000	251,000	40,000	18.96
6062 TOWN CLERK								
110-6062-40621 OFFICE RECEIPTS	124,997	120,000	55,641	110,000	110,000	110,000	(10,000)	(8.33)
Total 6062 TOWN CLERK	124,997	120,000	55,641	110,000	110,000	110,000	(10,000)	(8.33)
6063 ASSESSOR								
110-6063-40631 COPY CHARGES	189	300	174	300	300	300	0	.00
Total 6063 ASSESSOR	189	300	174	300	300	300	0	.00
6064 DEVELOPMENT/PLANNING								
110-6064-40641 ZONING PERMITS	13,050	9,000	7,850	9,000	11,000	11,000	2,000	22.22
110-6064-40642 PLANNING & ZONING	(1,292)	0	(2,098)	0	0	0	0	.00
110-6064-40643 ZONING BD OF APPEALS	1,547	0	240	0	0	0	0	.00
110-6064-40644 INLAND WETLANDS	2,600	0	1,423	0	0	0	0	.00
110-6064-40645 REGS AND MAPS	217	500	160	500	350	350	(150)	(30.00)
110-6064-40646 10% PERMIT FEES	(2,390)	100	(1,729)	100	100	100	0	.00
Total 6064 DEVELOPMENT/PLANNING	13,732	9,600	5,846	9,600	11,450	11,450	1,850	19.27

Town of Coventry

Town Managers Recommended Revenue Budget

Budget Fiscal Year: 2024 to 2024

Account# and Description	2022 Actual	2023 Base Budget	2023 Actual YTD	2023 Est. Actual	Dept Head	Town Manager	Inc/Dec	%
6066 BUILDING DEPARTMENT								
110-6066-40661 BLDG PERMITS/FEES	268,352	220,000	246,733	265,000	250,000	250,000	30,000	13.64
110-6066-40662 FIRE INSPECTION	900	1,500	720	1,500	1,000	1,000	(500)	(33.33)
Total 6066 BUILDING DEPARTMENT	269,252	221,500	247,453	266,500	251,000	251,000	29,500	13.32
6070 POLICE SERVICES								
110-6070-40622 WARDEN RECEIPTS	480	300	200	300	300	300	0	.00
110-6070-40625 DOG LICENSE	10,331	8,500	2,741	8,500	10,000	10,000	1,500	17.65
110-6070-40626 FINGERPRINTING	2,238	2,000	1,660	2,000	2,000	2,000	0	.00
110-6070-40701 SPECIAL DUTY	7,500	10,000	10,000	10,000	20,000	20,000	10,000	100.00
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	70	300	0	300	300	300	0	.00
110-6070-40703 PERMITS	6,975	7,500	4,405	7,500	7,000	7,000	(500)	(6.67)
110-6070-40705 OTHER	1,140	1,000	583	1,000	1,000	1,000	0	.00
110-6070-40707 MUNICIPAL SURCHARGE	868	1,800	300	1,800	800	800	(1,000)	(55.56)
Total 6070 POLICE SERVICES	29,602	31,400	19,889	31,400	41,400	41,400	10,000	31.85
6078 RENTS/MISCELLANEOUS								
110-6078-40781 RENTS/STATE LEASES	32,510	32,000	32,510	32,510	32,000	32,000	0	.00
110-6078-40782 UNANTICIPATED REVENUE	44,801	0	2,434	2,500	0	0	0	.00
Total 6078 RENTS/MISCELLANEOUS	77,311	32,000	34,944	35,010	32,000	32,000	0	.00
6079 SUPPLEMENTAL								
110-6079-40862 USE OF FUND BALANCE	0	175,000	0	0	175,000	175,000	0	.00
Decrease use of Fund Balance per COVID Financial Plan. Council proposal to slow down decrease.								
Total 6079 SUPPLEMENTAL	0	175,000	0	0	175,000	175,000	0	.00
*** Grand Total ***	42,632,313	43,703,945	38,889,568	43,923,050	45,858,635	45,602,940	1,898,995	4.35