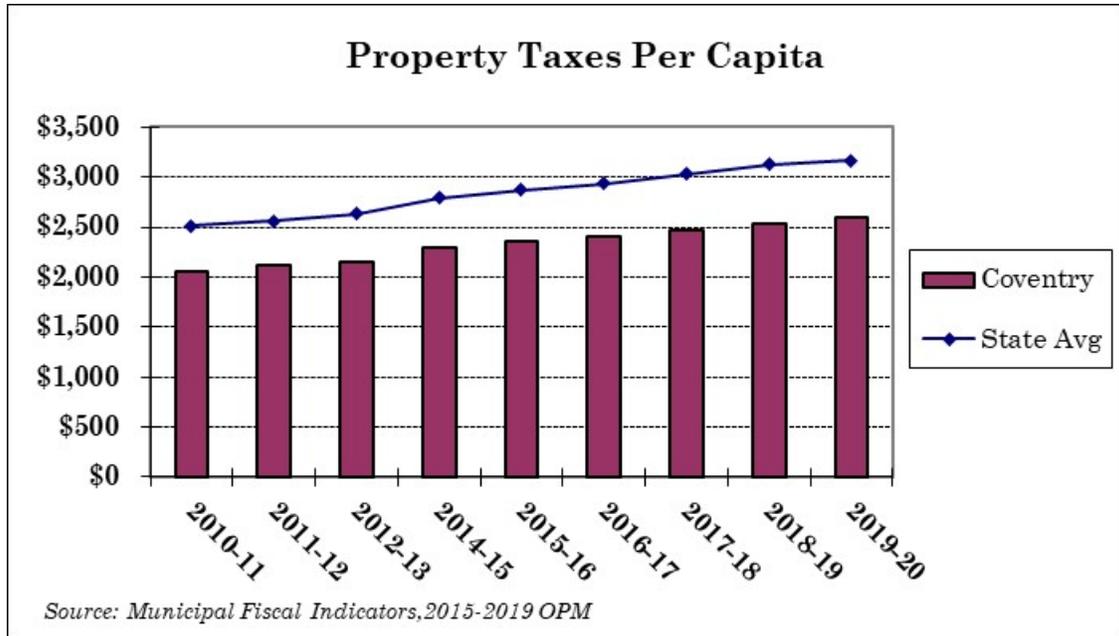
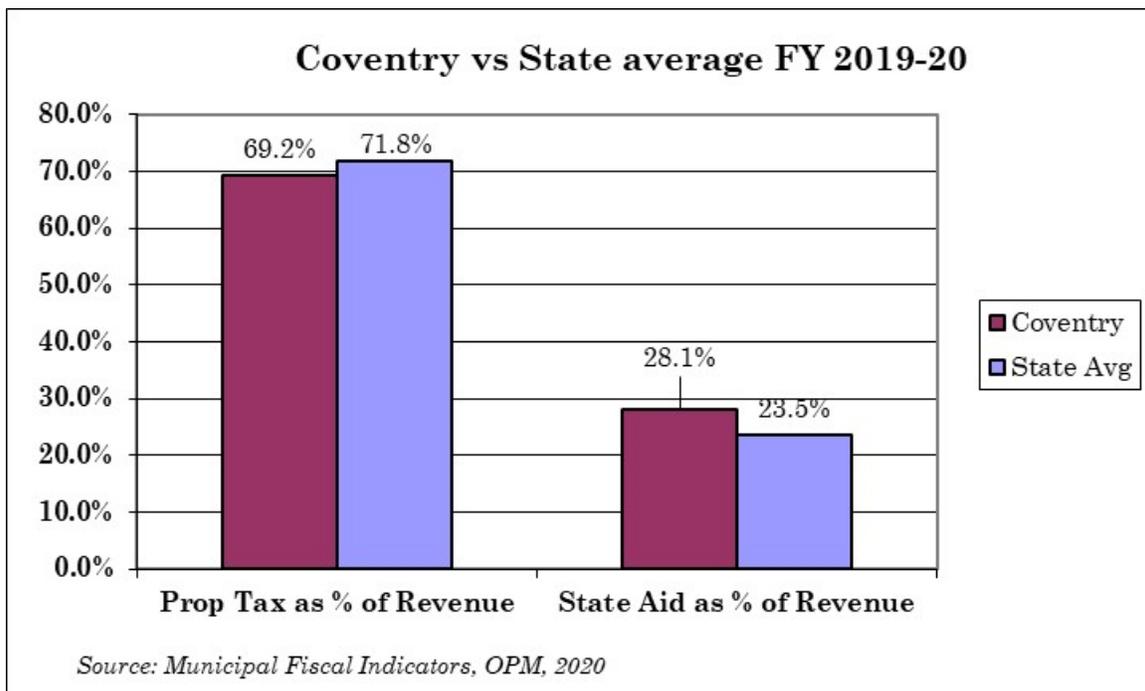


# Revenues

## 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.

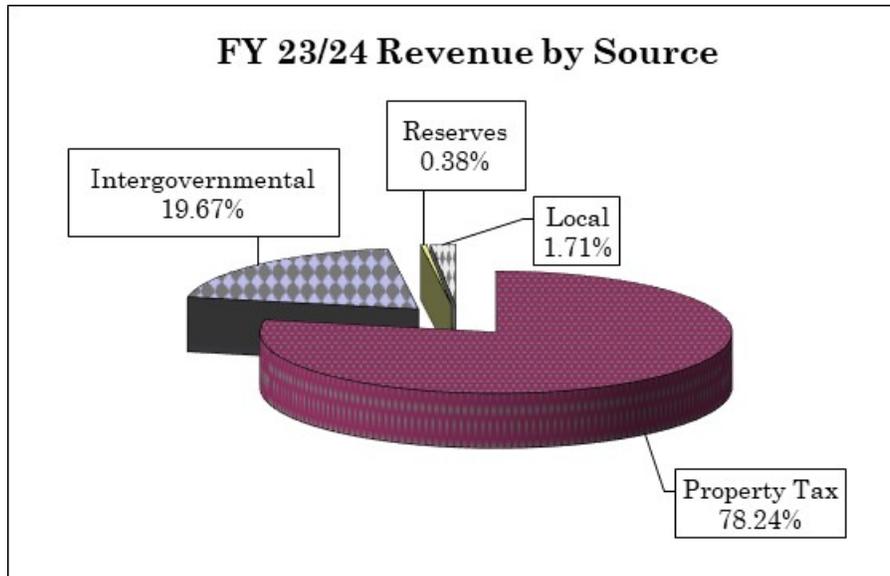


The Town receives more state aid than the state-wide average. In 2020, Coventry received 28.1% of our annual revenue from intergovernmental sources compared to the statewide average of 23.5%.

## Revenues

The expenditures proposed in the fiscal year 2023/2024 (“FY 23/24”) budget will require revenues equaling \$45,081,990. These revenues will be generated from local property taxes, intergovernmental grants, and other local revenues:

	<b>Actual FY 21-22</b>	<b>Current FY 22-23</b>	<b>Council Proposed FY 23-24</b>
<b>Property Tax</b>			
<b>Current Taxes</b>	\$ 31,899,159	\$ 33,139,280	\$ 34,370,794
<b>Delinquent Taxes</b>	313,773	300,000	300,000
<b>Interest &amp; Penalties</b>	194,239	180,000	180,000
<b>Sup. Motor Veh.</b>	456,069	420,000	420,000
<i>Subtotal</i>	<b>32,863,240</b>	<b>34,039,280</b>	<b>35,270,794</b>
<b>Intergovernmental</b>			
<b>Sewer Assessment</b>	478,993	375,000	375,000
<b>State - Education</b>	7,993,256	7,964,281	7,959,362
<b>State - Gen Govt</b>	481,236	484,584	531,684
<i>Subtotal</i>	<b>8,953,485</b>	<b>8,823,865</b>	<b>8,866,046</b>
<b>Reserves</b>	-	<b>175,000</b>	<b>175,000</b>
<b>Other Local</b>	<b>815,585</b>	<b>665,800</b>	<b>770,150</b>
<b>General Fund Total</b>	<b>\$ 42,632,310</b>	<b>\$ 43,703,945</b>	<b>\$ 45,081,990</b>



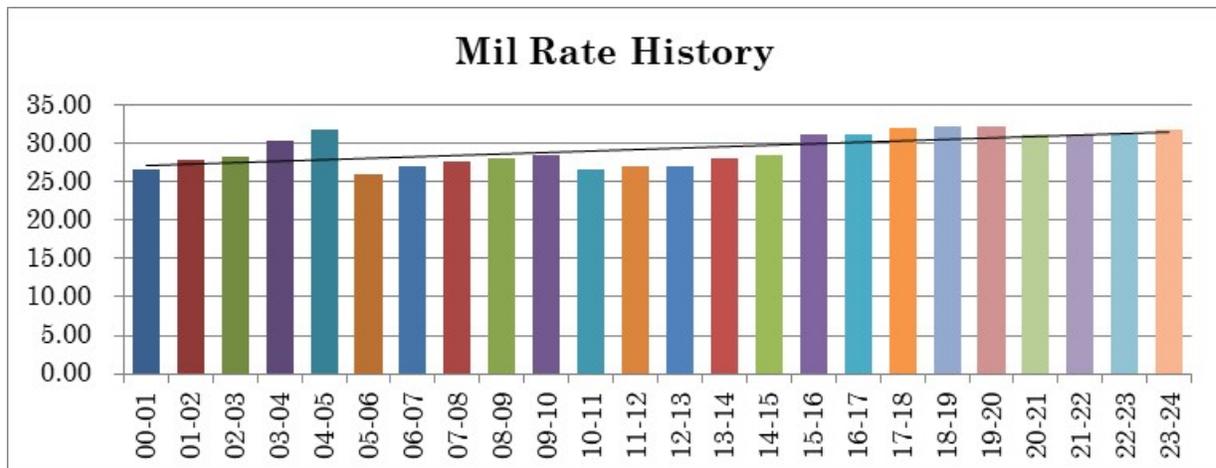
## Property Taxes

The property tax is the major revenue source for local governments in Connecticut and makes up 78.24% 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 Town Manager's budget included a mil rate of 32.57, an increase of 1.42 or 4.55%. The Town Council reviewed and reduced the Town Manager's proposed budget, with a total of \$520,950 cut from spending. The Town Council budget as proposed will require a 31.74 mil rate. This is a 0.59 or 1.89%, increase from the prior year. Factors influencing this change are inflation, increases to fuel and diesel costs, maintaining current staff levels and funding current operations. No additional services are proposed in the Town Council's budget. It is important to note that the three-year average mil rate increase is 0.19 or 0.6%, which is far below general inflation.

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	185.15	2,222	41	3.44
125,000	87,500	227.14	2,726	231.44	2,777	52	4.30
150,000	105,000	272.56	3,271	277.73	3,333	62	5.16
175,000	122,500	317.99	3,816	324.01	3,888	72	6.02
200,000	140,000	363.42	4,361	370.30	4,444	83	6.88
<b>252,700</b>	<b>176,890</b>	<b>459.18</b>	<b>5,510</b>	<b>467.87</b>	<b>5,614</b>	<b>104</b>	<b>8.70</b>
250,000	175,000	454.27	5,451	462.88	5,555	103	8.60
275,000	192,500	499.70	5,996	509.16	6,110	114	9.46
300,000	210,000	545.13	6,542	555.45	6,665	124	10.32
325,000	227,500	590.55	7,087	601.74	7,221	134	11.19



## **Intergovernmental Revenues**

Intergovernmental revenues are the second largest source of revenues for Coventry, representing 19.67% of the total budget.

Estimates pertaining to State aid were taken from the Governor's proposed State budget released in February 2023. Based on the revised Education Cost Share formula approved in 2017, Coventry is expected to see decreases in education funding each year through FY28. The Town Council's budget assumes that there will be a delay on this decrease and that Towns will be held harmless for FY24.

Intergovernmental revenue also includes use of American Rescue Plan Act ("ARPA" funding). This is a one-time federal revenue that was given to assist states and municipalities across the country respond and recover to the COVID-19 public health emergency. The Town Council has proposed to use an additional \$200,000 in ARPA funds, bringing total ARPA included in the FY24 budget to \$325,000. It is important to note that by doing this, the Town has now fully expended its ARPA allocation and this will not be a recurring revenue source in future years.

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.

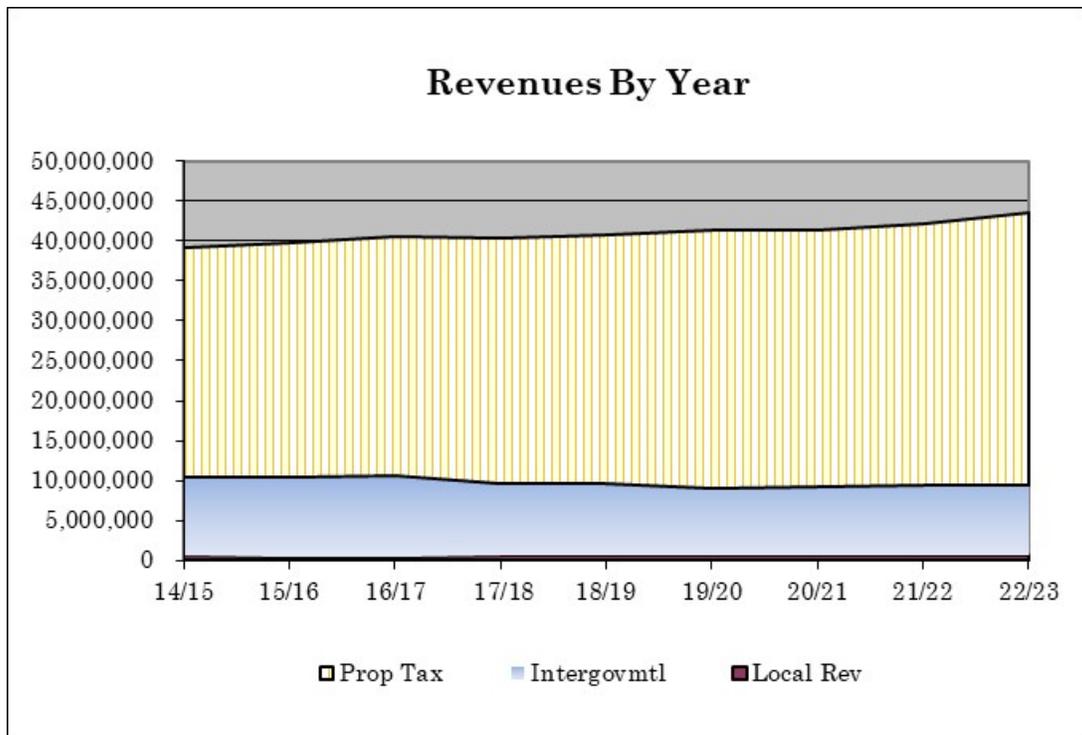
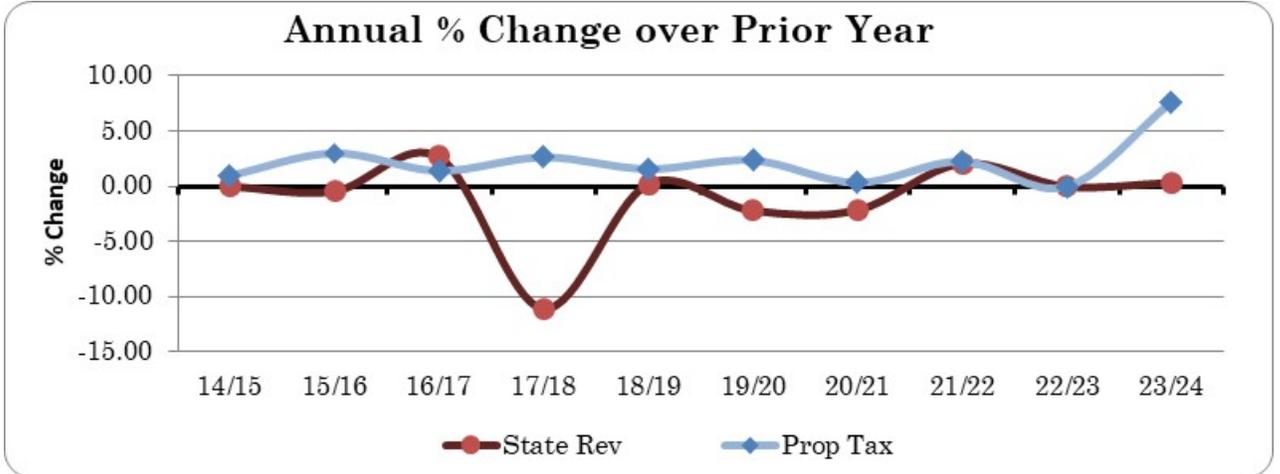
The FY20/21 budget included use of \$310,000 of fund balance to offset tax revenue. This was approved by the Council as part of a strategic COVID-19 Finance Response Plan. This plan included anticipation of use of fund balance while preparing future budgets to smooth the impact of returning to no use of fund balance. Based on this, the Town Manager has included the use of \$175,000 in the FY23/24 budget. This represents 0.39% 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 \$104,350 and is 1.71% 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  
COUNCIL RECOMMENDED 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	Council	Cou/Bud Inc/Dec	%
6010 GENERAL PROPERTY									
110-6010-40211 CURRENT	31,899,159	33,139,280	32,872,105	33,139,280	35,662,439	35,251,744	34,370,794	1,231,514	3.72
98.75% collection rate									
Mil rate of 31.74. Increase of 0.59 mil or 1.89%									
TM Request: Mil rate of 32.57. Increase of 1.42 mil or 4.55%									
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	297,470	300,000	300,000	300,000	300,000	0	.00
110-6010-40213 INT & PENALTI	194,239	180,000	170,165	180,000	170,000	180,000	180,000	0	.00
110-6010-40214 SUPP MOTOR VE	456,069	420,000	396,528	420,000	420,000	420,000	420,000	0	.00
<b>Total 6010 GENERAL PROP</b>	<b>32,863,240</b>	<b>34,039,280</b>	<b>33,736,268</b>	<b>34,039,280</b>	<b>36,552,439</b>	<b>36,151,744</b>	<b>35,270,794</b>	<b>1,231,514</b>	<b>3.62</b>
6026 SEWER ASSMT REIMB									
110-6026-40203 SEWER ASSESSM	478,993	375,000	281,250	375,000	375,000	375,000	375,000	0	.00
\$320,000 Sewer Assessment Fund, \$55,000 Sewer Operating Fund									
<b>Total 6026 SEWER ASSMT</b>	<b>478,993</b>	<b>375,000</b>	<b>281,250</b>	<b>375,000</b>	<b>375,000</b>	<b>375,000</b>	<b>375,000</b>	<b>0</b>	<b>.00</b>
6030 ST OF CT FOR EDUCA									
110-6030-40300 ED COST SHARI	7,981,654	7,952,911	3,976,456	7,952,911	7,818,245	7,818,245	7,948,245	(4,666)	(.06)
Per Governor budget estimate 2/8/23.									
Council budget increased by \$130,000. Assumes cut to ECS will not occur.									
110-6030-40306 ADULT EDUCATI	11,602	11,370	7,662	11,370	11,117	11,117	11,117	(253)	(2.23)
Per Governor budget estimate 2/8/23.									
<b>Total 6030 ST OF CT FOR</b>	<b>7,993,256</b>	<b>7,964,281</b>	<b>3,984,118</b>	<b>7,964,281</b>	<b>7,829,362</b>	<b>7,829,362</b>	<b>7,959,362</b>	<b>(4,919)</b>	<b>(.06)</b>
6040 ST OF CT FOR GEN G									
110-6040-40406 DISABILITY EX	1,563	1,600	1,905	1,905	1,900	1,900	1,900	300	18.75
110-6040-40407 GRANT IN LIEU	18,556	25,134	25,134	25,134	25,134	25,134	25,134	0	.00
Per Governor budget estimate 2/8/23.									
110-6040-40409 CASINO FUNDS	13,336	13,336	4,445	13,336	13,336	13,336	13,336	0	.00
Per Governor budget estimate 2/8/23.									
110-6040-40411 VETERANS ADDT	6,672	7,200	5,986	6,000	5,900	5,900	5,900	(1,300)	(18.06)
110-6040-40412 EMPG	13,037	6,225	0	6,225	6,225	6,225	6,225	0	.00
110-6040-40414 TELEPHONE ACC	16,437	18,400	17,998	18,400	16,500	16,500	16,500	(1,900)	(10.33)
110-6040-40415 YOUTH SERVICE	14,587	14,000	15,092	14,000	14,000	14,000	14,000	0	.00
110-6040-40428 MUNICIPAL REV	17,127	10,533	0	10,533	10,533	10,533	10,533	0	.00
Per Governor budget estimate 2/8/23.									

Town of Coventry  
COUNCIL RECOMMENDED 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	Council	Cou/Bud Inc/Dec	%
110-6040-40436 LAKE MANAGEME	0	25,000	50,000	50,000	0	0	0	(25,000)	(100.0)
110-6040-40459 MUNICIPAL REV	0	0	245,417	245,417	113,156	113,156	113,156	113,156	.00
Per Governor budget estimate 2/8/23.									
110-6040-40462 MUNICIPAL ASS	113,156	113,156	113,156	113,156	0	0	0	(113,156)	(100.0)
110-6040-40463 FEMA	116,766	0	929	930	0	0	0	0	.00
<b>Total 6040 ST OF CT FOR</b>	<b>331,237</b>	<b>234,584</b>	<b>480,062</b>	<b>505,036</b>	<b>206,684</b>	<b>206,684</b>	<b>206,684</b>	<b>(27,900)</b>	<b>(11.89)</b>
6041 AMERICAN RESCUE PL									
110-6041-40465 AMERICAN RESC	150,000	250,000	250,000	250,000	0	125,000	325,000	75,000	30.00
The Town Manager's budget proposes using 50% less ARPA than prior year. This will help phase use of ARPA out of budget.									
Council increased use of ARPA by \$200,000									
<b>Total 6041 AMERICAN RES</b>	<b>150,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>0</b>	<b>125,000</b>	<b>325,000</b>	<b>75,000</b>	<b>30.00</b>
6046 HOUSING AUTHORITY									
110-6046-40460 P I L O T	43,097	40,000	21,974	43,948	43,000	43,000	43,000	3,000	7.50
<b>Total 6046 HOUSING AUTH</b>	<b>43,097</b>	<b>40,000</b>	<b>21,974</b>	<b>43,948</b>	<b>43,000</b>	<b>43,000</b>	<b>43,000</b>	<b>3,000</b>	<b>7.50</b>
6060 FINANCE									
110-6060-40601 INVESTMENT IN	18,533	20,000	104,719	85,000	35,000	50,000	80,000	60,000	300.00
Decrease based on actual.									
Council increased based on interest rate increase.									
110-6060-40602 INSURANCE REI	38,332	20,000	36,695	36,695	25,000	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 TA	199,251	170,000	122,640	170,000	170,000	175,000	175,000	5,000	2.94
110-6060-40605 PRESCHOOL ADM	1,291	1,000	0	1,000	1,000	1,000	1,000	0	.00
<b>Total 6060 FINANCE</b>	<b>257,407</b>	<b>211,000</b>	<b>264,054</b>	<b>292,695</b>	<b>231,000</b>	<b>251,000</b>	<b>281,000</b>	<b>70,000</b>	<b>33.18</b>
6062 TOWN CLERK									
110-6062-40621 OFFICE RECEIP	124,997	120,000	60,030	110,000	110,000	110,000	110,000	(10,000)	(8.33)
<b>Total 6062 TOWN CLERK</b>	<b>124,997</b>	<b>120,000</b>	<b>60,030</b>	<b>110,000</b>	<b>110,000</b>	<b>110,000</b>	<b>110,000</b>	<b>(10,000)</b>	<b>(8.33)</b>
6063 ASSESSOR									
110-6063-40631 COPY CHARGES	189	300	223	300	300	300	300	0	.00
<b>Total 6063 ASSESSOR</b>	<b>189</b>	<b>300</b>	<b>223</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>0</b>	<b>.00</b>
6064 DEVELOPMENT/PLANNI									
110-6064-40641 ZONING PERMIT	13,050	9,000	8,650	9,000	11,000	11,000	11,000	2,000	22.22
110-6064-40642 PLANNING & ZO	(1,292)	0	(2,682)	0	0	0	0	0	.00

Town of Coventry  
COUNCIL RECOMMENDED 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	Council	Cou/Bud Inc/Dec	%
110-6064-40643 ZONING BD OF	1,547	0	509	0	0	0	0	0	.00
110-6064-40644 INLAND WETLAN	2,600	0	1,813	0	0	0	0	0	.00
110-6064-40645 REGS AND MAPS	217	500	163	500	350	350	350	(150)	(30.00)
110-6064-40646 10% PERMIT FE	(2,390)	100	(1,721)	100	100	100	100	0	.00
<b>Total 6064 DEVELOPMENT/</b>	<b>13,732</b>	<b>9,600</b>	<b>6,732</b>	<b>9,600</b>	<b>11,450</b>	<b>11,450</b>	<b>11,450</b>	<b>1,850</b>	<b>19.27</b>
<b>6066 BUILDING DEPARTMEN</b>									
110-6066-40661 BLDG PERMITS/	268,352	220,000	263,610	265,000	250,000	250,000	250,000	30,000	13.64
110-6066-40662 FIRE INSPECTI	900	1,500	720	1,500	1,000	1,000	1,000	(500)	(33.33)
<b>Total 6066 BUILDING DEP</b>	<b>269,252</b>	<b>221,500</b>	<b>264,330</b>	<b>266,500</b>	<b>251,000</b>	<b>251,000</b>	<b>251,000</b>	<b>29,500</b>	<b>13.32</b>
<b>6070 POLICE SERVICES</b>									
110-6070-40622 WARDEN RECEIP	480	300	200	300	300	300	300	0	.00
110-6070-40625 DOG LICENSE	10,331	8,500	2,958	8,500	10,000	10,000	10,000	1,500	17.65
110-6070-40626 FINGERPRINTIN	2,238	2,000	1,870	2,000	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	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	70	300	0	300	300	300	300	0	.00
110-6070-40703 PERMITS	6,975	7,500	5,105	7,500	7,000	7,000	7,000	(500)	(6.67)
110-6070-40705 OTHER	1,140	1,000	646	1,000	1,000	1,000	1,000	0	.00
110-6070-40707 MUNICIPAL SUR	868	1,800	300	1,800	800	800	800	(1,000)	(55.56)
<b>Total 6070 POLICE SERVI</b>	<b>29,602</b>	<b>31,400</b>	<b>21,079</b>	<b>31,400</b>	<b>41,400</b>	<b>41,400</b>	<b>41,400</b>	<b>10,000</b>	<b>31.85</b>
<b>6078 RENTS/MISCELLANEOU</b>									
110-6078-40781 RENTS/STATE L	32,510	32,000	32,510	32,510	32,000	32,000	32,000	0	.00
110-6078-40782 UNANTICIPATED	44,801	0	2,488	2,500	0	0	0	0	.00
<b>Total 6078 RENTS/MISCEL</b>	<b>77,311</b>	<b>32,000</b>	<b>34,998</b>	<b>35,010</b>	<b>32,000</b>	<b>32,000</b>	<b>32,000</b>	<b>0</b>	<b>.00</b>
<b>6079 SUPPLEMENTAL</b>									
110-6079-40862 USE OF FUND B	0	175,000	0	0	175,000	175,000	175,000	0	.00
Decrease use of Fund Balance per COVID Financial Plan. Council proposal to slow down decrease.									
<b>Total 6079 SUPPLEMENTAL</b>	<b>0</b>	<b>175,000</b>	<b>0</b>	<b>0</b>	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>	<b>0</b>	<b>.00</b>
<b>*** Grand Total ***</b>	<b>42,632,313</b>	<b>43,703,945</b>	<b>39,405,118</b>	<b>43,923,050</b>	<b>45,858,635</b>	<b>45,602,940</b>	<b>45,081,990</b>	<b>1,378,045</b>	<b>3.15</b>