

**Town of Coventry, Connecticut**  
**COVID-19 Financial Response Plan**

In response to the COVID-19 pandemic and both National, State and Local emergency declarations, the Town of Coventry has taken the following steps to ensure financial stability in both the current fiscal year and as the Town plans for future ramifications:

1. Achieve the use of fund balance for the fiscal year 2020-2021 budget in an amount that will allow the unassigned General Fund fund balance to remain over 13% of budgeted expenditures. This was achieved in anticipation of surplus funds in FY2020 that will lapse into fund balance as of June 30, 2020. The current adopted budget for FY2020-2021 includes the use of \$310,000.
2. Anticipate use of fund balance while preparing the FY2021-2022 budget, at a reduced level from the FY2020-2021 budget to smooth the impact of returning to no use of fund balance.
3. Create a designated School COVID-19 impact reserve of approximately \$100,000 to assist in the offset of COVID-19 related education expenditures anticipated for FY2020-2021.
4. Allow up to \$100,000 of the BOE surplus anticipated for FY2020 to be transferred into the BOE 1% Carryover fund for future capital costs and additional unbudgeted expenditures.
5. Reduce the anticipated tax collection rate for the FY2020-2021 revenue budget by 0.87% based on historical collection rates achieved during the last economic recession.
6. Reduce the proposed budget for FY2020-2021 to a zero-effective tax rate increase.
7. Distributed additional guidance with all FY2021 tax bills sent to outline and push our online tax collection option.
8. In accordance with State of Connecticut Executive Order 7S, the Town of Coventry implemented the "Low Interest Rate Program" which lowers the interest rate to three percent (3%) per annum (0.25% monthly) for ninety (90) days on any delinquent portion of the principal of any municipal real property, personal property or motor vehicle taxes, or municipal utility charge or assessment that became or will become due and payable from March 10, 2020 through July 1, 2020. This program was chosen in lieu of the Deferment Program after analysis of Town cash-flow to ensure liquid cash assets were available to meet all anticipated future obligations.
9. Reduce non-critical capital purchases for the FY2020-2021 budget to allow for greater flexibility and obtain the zero-effective tax rate increase.
10. Apply for grant reimbursement of COVID-19 related costs from various sources as deemed eligible, including but not limited to FEMA Emergency Assistance, FEMA American Firefighter Grants and the Connecticut Coronavirus Relief Fund.
11. Utilize formula grants received to cover future COVID-19 costs to the full extent possible, including but not limited to the CARES Act Education Funding that has already been awarded.

Adopted by the Town of Coventry Town Council on 07/20/2020