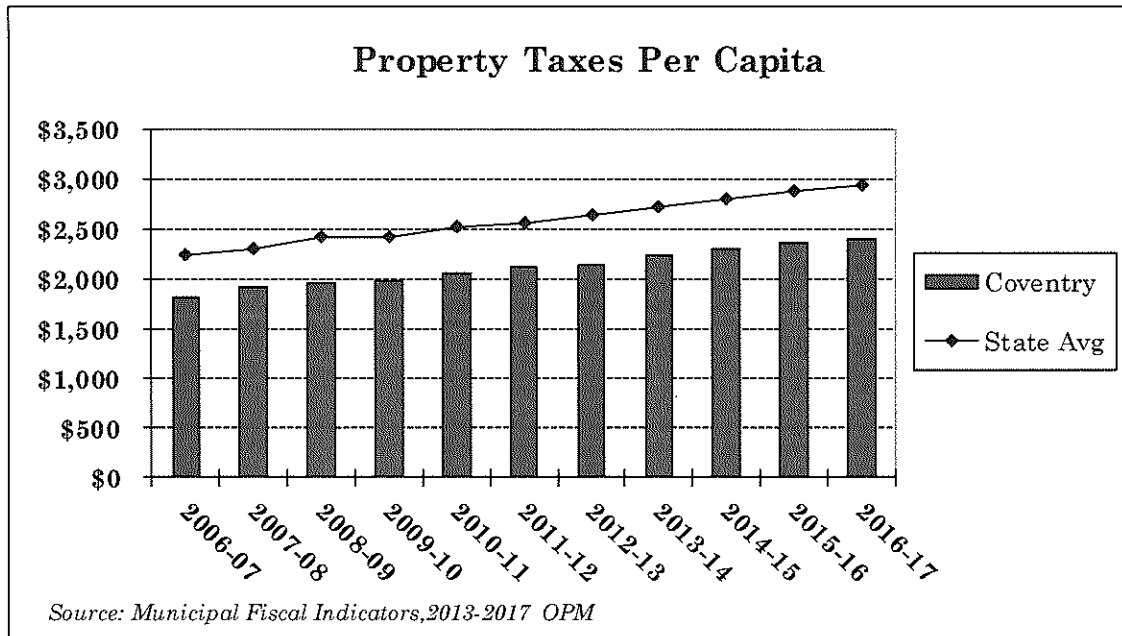


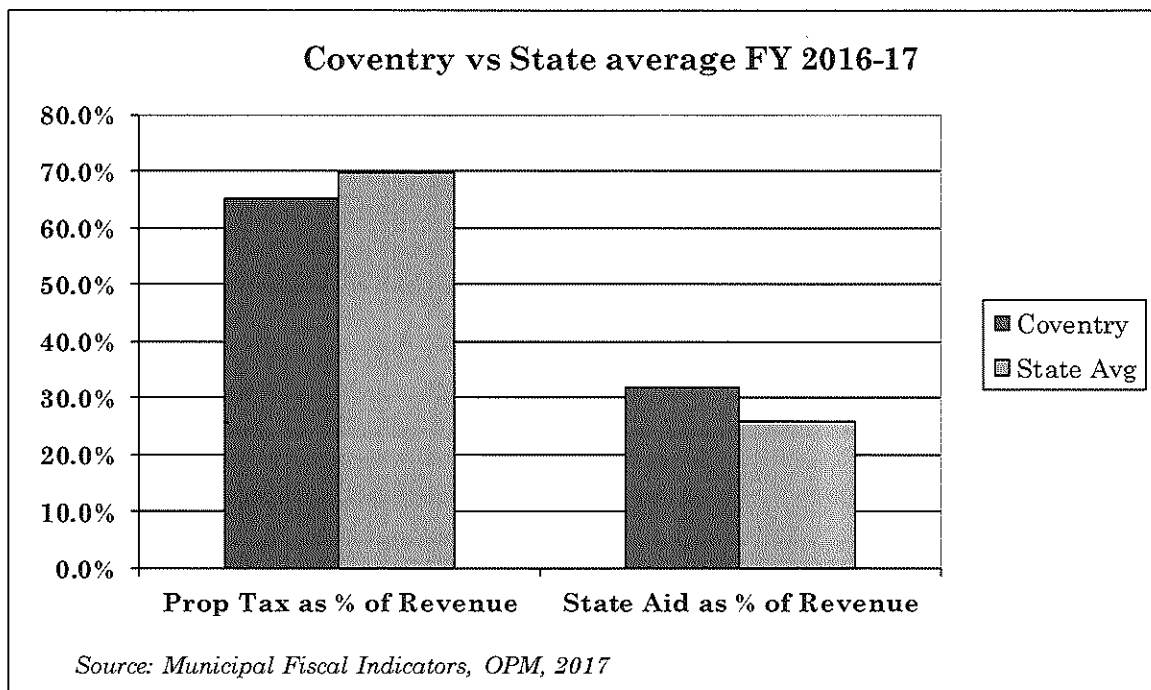
# Revenues

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## Revenues – General Government



Coventry continues to remain below the state average in per capita taxes, ranking 122 out of the 169 Connecticut towns and cities. Coventry's per capita property taxes are 81.8% of (or \$535 less than) the average in Connecticut.

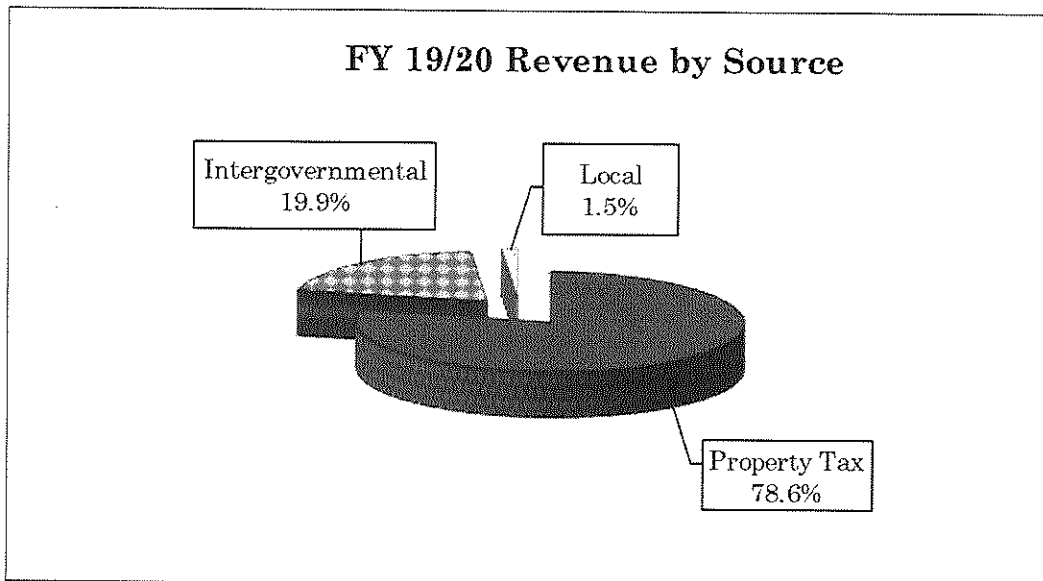


The Town receives more state aid than the state-wide average. In 2017, Coventry received 32.0% of our annual revenue from intergovernmental sources compared to the statewide average of 26.0%.

## Revenues

The expenditures proposed in the fiscal year 2019/2020 ("FY 19/20") budget will require revenues equaling \$41,658,196. These revenues will be generated from local property taxes, intergovernmental grants, and other local revenues:

Source	Adopted Budget FY 18-19	Requested FY 19-20	Inc/Dec	% Change
<b>Property Tax</b>				
Current Taxes	\$ 30,407,098	\$ 31,853,096	\$ 1,445,998	4.76%
Delinquent Taxes	260,000	260,000	-	0.00%
Interest & Penalties	190,000	180,000	(10,000)	-5.26%
Suppl. MV	300,000	325,000	25,000	8.33%
<b>Subtotal</b>	<b>31,157,098</b>	<b>32,618,096</b>	<b>1,460,998</b>	<b>4.69%</b>
<b>Intergovernmental</b>				
Sewer Assessment	519,844	519,844	-	0.00%
State - Education	8,278,646	7,736,358	(542,288)	-6.55%
State - Gen Govt	242,448	209,448	(33,000)	-13.61%
<b>Subtotal</b>	<b>9,040,938</b>	<b>8,465,650</b>	<b>(575,288)</b>	<b>-6.36%</b>
<b>Other Local Revenues</b>	<b>614,450</b>	<b>574,450</b>	<b>(40,000)</b>	<b>-6.51%</b>
<b>TOTAL REVENUES</b>	<b>\$ 40,812,486</b>	<b>\$ 41,658,196</b>	<b>\$ 845,710</b>	<b>2.07%</b>



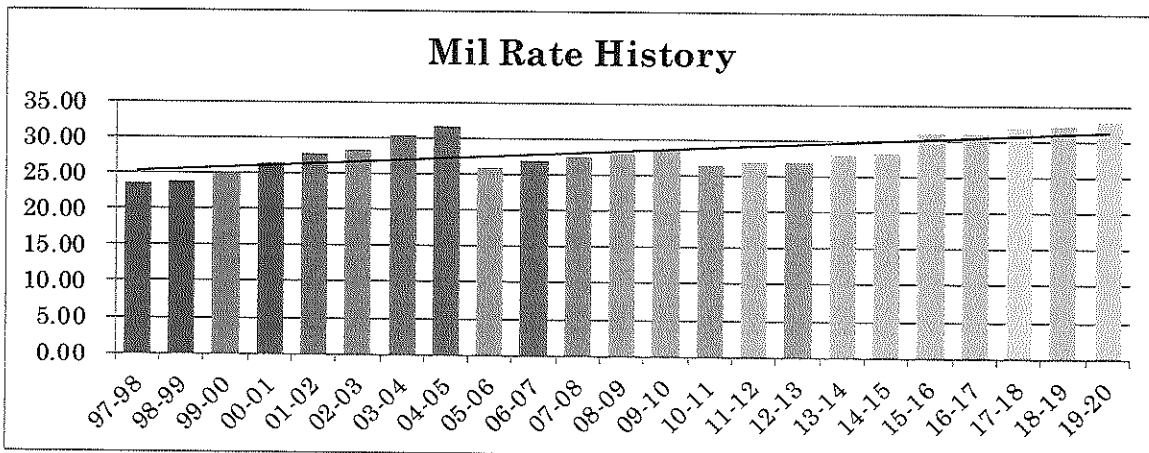
## Property Taxes

The property tax is the major revenue source for local governments in Connecticut and makes up 78.3% of General Fund revenue for Coventry. The adjusted Real and Personal Net Valuation (Grand List) on October 1, 2018 amounted to 977,892,640, an increase of 1.24% from the preceding year. Based on the FY18/19 mil rate of 32.2 mils, this increase in Grand List would generate an additional \$720,769 in property tax revenue.

Using an average collection rate of 98.87%, one mil will now raise \$966,842 of taxes. The budget as proposed requires a mil rate of 32.95, an increase of 0.75 mils, or 2.33%, from the approved FY 18/19 rate. The increase in mil rate is primarily attributable to the State of Connecticut. In total, Intergovernmental Revenue decreased \$542,784 in comparison to the prior year, which equates to 0.56 mils in Coventry. In addition, the current proposed State budget includes allocating 25% of the normal cost of teachers' pensions to local Towns. Coventry will need to contribute \$80,784 for FY19/20, which equates to 0.08 mils. The impact of the proposed State budget represents 0.64 mils, or 86.0%, of the increase in Coventry's proposed mil rate.

The chart below illustrates how the proposed mil rate would affect houses of differing assessed values. Assessed value is 70% of October 1, 2018 fair market value. It is estimated that the median house in Coventry is now assessed at \$144,900. This means that half the properties are above this point and half are below:

Market Value	Assessed Value	FY 18/19		FY 19/20		Annual Increase	Monthly Increase
		Monthly	Annually	Monthly	Annually		
100,000	70,000	187.83	2,254	192.21	2,307	53	4.38
125,000	87,500	234.79	2,818	240.26	2,883	66	5.47
150,000	105,000	281.75	3,381	288.31	3,460	79	6.56
175,000	122,500	328.71	3,945	336.36	4,036	92	7.66
200,000	140,000	375.67	4,508	384.42	4,613	105	8.75
<b>207,000</b>	<b>144,900</b>	<b>368.82</b>	<b>4,666</b>	<b>397.87</b>	<b>4,774</b>	<b>109</b>	<b>9.06</b>
250,000	175,000	469.58	5,635	480.52	5,766	131	10.94
275,000	192,500	516.54	6,199	528.57	6,343	144	12.03
300,000	210,000	563.50	6,762	576.63	6,920	158	13.13
325,000	227,500	610.46	7,326	624.68	7,496	171	14.22



## **Intergovernmental Revenues**

Intergovernmental revenues are the second largest source of revenues for Coventry, representing 20.32% of the total budget. The Town Manager recommended budget for FY19/20 budget shows a decrease in total State Aid of \$575,288, primarily due to reductions in State Aid for Education. This represents a 6.36% decrease from the FY18/19 approved budget. Estimates pertaining to State aid were taken from the Governor's proposed State budget released in February 2019. 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 17/18 the Sewer Operation Fund also began contributing to the sewer debt service payments. For FY 19/20 the Sewer Operating Fund has committed to a contribution of \$55,000. In total, the sewer funding has remained unchanged from the FY18/19 approved budget.

## **Reserves and Transfers**

This budget does not propose a transfer of any funds from fund balance to offset FY 19/20 expenditures. 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 17/18 saw unassigned fund balance remain flat, going from \$5,343,224 (FY 2016/17) to \$5,303,759 (FY2017/18). As a percentage of adopted FY 2017/18 budget appropriation, the balance is now 13.3% (an increase from 11.9% in the prior year). No recommendation is being made to use fund balance as an offset to tax revenue. Bond rating agencies look at fund balance, and other factors, when rating a municipality's credit worthiness. Please see the Appendix for this calculation.

## **Other Local Revenues**

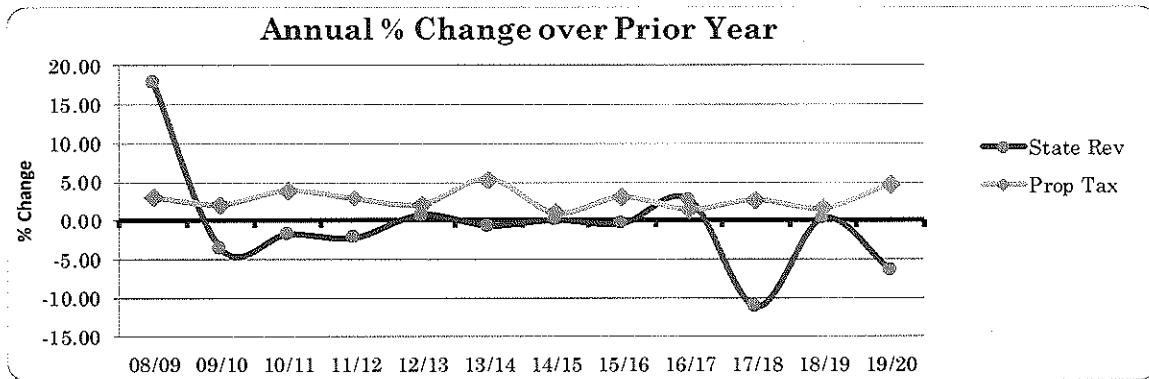
Other Local Revenues consist of a variety of fees for permits and services and interest earnings. This source of revenue is expected to decrease by \$40,000 and is 6.51% of the overall revenue estimates. The decrease is primarily due to a decrease in revenue related to the sale of town land, as there are no additional town-owned properties to sell at this time. The Building Department continues to issue permits for new construction and renovations, and the Town Clerk reports steady real estate conveyance revenue. Investment income shows an increase in anticipation of rising rates.

## Three Year Revenue Comparison

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

	Actual FY 17-18	Estimated FY 18-19	Proposed FY 19-20
<b>Property Tax</b>			
Current Taxes	\$ 29,931,392	\$ 30,407,098	\$ 31,853,096
Delinquent Taxes	347,537	260,000	260,000
Interest & Penalties	189,376	190,000	180,000
Sup. Motor Veh.	370,368	300,000	325,000
<i>Subtotal</i>	<u>30,838,673</u>	<u>31,157,098</u>	<u>32,618,096</u>
<b>Intergovernmental</b>			
Sewer Assessment	495,722	519,844	519,844
State - Education	7,591,431	8,278,646	7,736,358
State - Gen Govt	184,225	242,448	209,448
<i>Subtotal</i>	<u>8,271,378</u>	<u>9,040,938</u>	<u>8,465,650</u>
<b>Other Local</b>	<u>742,548</u>	<u>614,450</u>	<u>574,450</u>
<b>General Fund Total</b>	<u>\$ 39,852,599</u>	<u>\$ 40,812,486</u>	<u>\$ 41,658,196</u>

Trends in year to year revenue changes are displayed below.



Town of Coventry  
Town Managers Recommended Revenue Budget

Budget Fiscal Year: 2020 to 2020

Account# and Description	2018 Actual	2019 Base Budget	2019 Actual YTD	2019 Est. Actual	Dept Head	Town Manager	Inc/Dec	%
<b>6010 GENERAL PROPERTY</b>								
110-6010-40211 CURRENT	29,931,392	30,407,098	30,120,256	30,407,098	31,767,242	31,853,096	1,445,998	4.76
GL = \$977,892,640; 1 mil = 966.842, Collection 98.87%								
PY Mil rate 32.2								
Increase of 0.75 mils (2.33%) - results in expected collections of \$31,853,096								
-----								
110-6010-40212 DELINQUENT	347,537	260,000	188,382	260,000	260,000	260,000	0	.00
110-6010-40213 INT & PENALTIES	189,376	190,000	98,054	190,000	190,000	180,000	(10,000)	(5.26)
110-6010-40214 SUPP MOTOR VEHICLE	370,368	300,000	303,405	300,000	320,000	325,000	25,000	8.33
-----								
Total 6010 GENERAL PROPERTY	30,838,673	31,157,098	30,710,097	31,157,098	32,537,242	32,618,096	1,460,998	4.69
-----								
<b>6026 SEWER ASSMT REIMB DEBT SERVI</b>								
110-6026-40203 SEWER ASSESSMENT COLLEC	495,722	519,844	367,577	519,844	519,844	519,844	0	.00
\$464,844 from sewer assessment fund; \$55k WPCA operating contribution.								
-----								
Total 6026 SEWER ASSMT REIMB DEBT	495,722	519,844	367,577	519,844	519,844	519,844	0	.00
-----								
<b>6030 ST OF CT FOR EDUCATION</b>								
110-6030-40300 ED COST SHARING ECS GRA	7,580,352	8,267,802	4,133,898	8,267,802	7,725,530	7,725,530	(542,272)	(6.56)
Per State Budget 2.20								
110-6030-40306 ADULT EDUCATION	11,079	10,844	7,497	10,844	10,828	10,828	(16)	(.15)
Per State Budget 2.20								
-----								
Total 6030 ST OF CT FOR EDUCATION	7,591,431	8,278,646	4,141,395	8,278,646	7,736,358	7,736,358	(542,288)	(6.55)
-----								
<b>6040 ST OF CT FOR GEN GOV'T</b>								
110-6040-40401 ELDERLY CIRCUIT BREAKER	0	33,000	0	33,000	0	0	(33,000)	(100.0)
110-6040-40406 DISABILITY EXEMPT	2,114	1,800	1,473	1,800	1,800	1,800	0	.00
110-6040-40407 GRANT IN LIEU OF TAXES	260	23,414	23,414	23,414	23,414	23,414	0	.00
Per State Budget 2.20								
110-6040-40409 CASINO FUNDS	44,362	13,336	4,445	13,336	13,336	13,336	0	.00
Per State Budget 2.20								
110-6040-40411 VETERANS ADTT TAX RELIE	7,808	7,000	7,598	7,000	7,000	7,000	0	.00
110-6040-40412 EMPG	6,209	6,209	0	6,209	6,209	6,209	0	.00
110-6040-40414 TELEPHONE ACCESS GRANT	18,500	20,000	0	20,000	20,000	20,000	0	.00
110-6040-40415 YOUTH SERVICES SALARY G	14,366	14,000	3,600	14,000	14,000	14,000	0	.00
110-6040-40428 MUNICIPAL REVENUE SHARI	10,533	10,533	0	10,533	10,533	10,533	0	.00
"Grants for Municipal Projects"								
Per State Budget 2.20								
110-6040-40462 MUNICIPAL ASSISTANCE GR	80,072	113,156	113,156	113,156	113,156	113,156	0	.00
Per State Budget 2.20								



Town of Coventry

Town Managers Recommended Revenue Budget

Budget Fiscal Year: 2020 to 2020

Account# and Description	2018 Actual	2019 Base Budget	2019 Actual YTD	2019 Est. Actual	Dept Head	Town Manager	Inc/Dec	%
Total 6040 ST OF CT FOR GEN GOV'T	184,224	242,448	153,686	242,448	209,448	209,448	(33,000)	(13.61)
6046 HOUSING AUTHORITY P.I.L.O.T.								
110-6046-40460 P I L O T	23,711	18,800	20,080	18,800	20,000	20,000	1,200	6.38
Total 6046 HOUSING AUTHORITY P.I.	23,711	18,800	20,080	18,800	20,000	20,000	1,200	6.38
6060 FINANCE								
110-6060-40601 INVESTMENT INCOME	54,911	52,000	40,076	52,000	54,000	54,000	2,000	3.85
110-6060-40602 INSURANCE REIMB & CLAIM	36,916	25,000	35,395	25,000	25,000	27,000	2,000	8.00
\$36k is actual for FY18; Estimate for FY19 slightly less								
110-6060-40603 CONVEYANCE TAX	168,374	120,000	81,026	120,000	120,000	125,000	5,000	4.17
110-6060-40604 SALE OF TAX SALE PROPER	38,009	50,000	0	50,000	52,000	0	(50,000)	(100.0)
Total 6060 FINANCE	298,210	247,000	156,497	247,000	251,000	206,000	(41,000)	(16.60)
6062 TOWN CLERK								
110-6062-40621 OFFICE RECEIPTS	94,639	95,000	71,940	95,000	95,000	95,000	0	.00
Total 6062 TOWN CLERK	94,639	95,000	71,940	95,000	95,000	95,000	0	.00
6063 ASSESSOR								
110-6063-40631 COPY CHARGES	519	700	308	700	500	500	(200)	(28.57)
Total 6063 ASSESSOR	519	700	308	700	500	500	(200)	(28.57)
6064 DEVELOPMENT/PLANNING								
110-6064-40641 ZONING PERMITS	11,925	11,000	6,800	11,000	11,000	11,000	0	.00
110-6064-40642 PLANNING & ZONING	4,681	0	4,175	0	0	0	0	.00
Remove revenue due to change in ordinance and related accounting for advertising fees								
110-6064-40643 ZONING BD OF APPEALS	3,500	0	1,974	0	0	0	0	.00
Remove revenue due to change in ordinance and related accounting for advertising fees								
110-6064-40644 INLAND WETLANDS	3,300	0	(300)	0	0	0	0	.00
Remove revenue due to change in ordinance and related accounting for advertising fees								
110-6064-40645 REGS AND MAPS	98	1,000	157	1,000	1,000	1,000	0	.00
110-6064-40646 10% PERMIT FEES	92	100	50	100	100	100	0	.00
Total 6064 DEVELOPMENT/PLANNING	23,596	12,100	12,856	12,100	12,100	12,100	0	.00
6066 BUILDING DEPARTMENT								
110-6066-40661 BLDG PERMITS/FEES	203,292	165,000	97,281	165,000	165,000	165,000	0	.00
110-6066-40662 FIRE INSPECTION	2,020	1,500	630	1,500	1,500	1,500	0	.00

Town Managers Recommended Revenue Budget

Budget Fiscal Year: 2020 to 2020

Account# and Description	2018 Actual	2019 Base Budget	2019 Actual YTD	2019 Est. Actual	Dept Head	Town Manager	Inc/Dec	%
110-6066-40663 BLASTING PERMITS	50	50	50	50	50	50	0	.00
<b>Total 6066 BUILDING DEPARTMENT</b>	<b>205,362</b>	<b>166,550</b>	<b>97,961</b>	<b>166,550</b>	<b>166,550</b>	<b>166,550</b>	<b>0</b>	<b>.00</b>
<b>6070 POLICE SERVICES</b>								
110-6070-40622 WARDEN RECEIPTS	635	1,000	440	1,000	1,000	1,000	0	.00
110-6070-40625 DOG LICENSE	9,060	9,300	2,222	9,300	9,300	9,300	0	.00
110-6070-40626 FINGERPRINTING	2,780	1,800	1,460	1,800	1,800	1,800	0	.00
110-6070-40701 SPECIAL DUTY Unchanged from PY	35,000	20,000	20,000	20,000	20,000	20,000	0	.00
110-6070-40702 LOCAL PARKING FINES	1,000	300	825	300	300	300	0	.00
110-6070-40703 PERMITS	7,847	8,000	4,355	8,000	8,000	8,000	0	.00
110-6070-40705 OTHER	1,676	600	762	600	600	600	0	.00
110-6070-40707 MUNICIPAL SURCHARGE	930	4,500	1,843	4,500	4,500	4,500	0	.00
<b>Total 6070 POLICE SERVICES</b>	<b>58,928</b>	<b>45,500</b>	<b>31,907</b>	<b>45,500</b>	<b>45,500</b>	<b>45,500</b>	<b>0</b>	<b>.00</b>
<b>6078 RENTS/MISCELLANEOUS</b>								
110-6078-40781 RENTS/STATE LEASES	29,751	28,800	30,644	28,800	28,800	28,800	0	.00
110-6078-40782 UNANTICIPATED REVENUE	4,264	0	9,797	0	0	0	0	.00
<b>Total 6078 RENTS/MISCELLANEOUS</b>	<b>34,015</b>	<b>28,800</b>	<b>40,441</b>	<b>28,800</b>	<b>28,800</b>	<b>28,800</b>	<b>0</b>	<b>.00</b>
<b>*** Grand Total ***</b>	<b>39,849,030</b>	<b>40,812,486</b>	<b>35,804,745</b>	<b>40,812,486</b>	<b>41,622,342</b>	<b>41,658,196</b>	<b>845,710</b>	<b>2.07</b>

==== Selection Legend =====

Account Type: R  
 BudYr: 2020 to 2020  
 From Fund: 110 to 110  
 Entity Type: Town  
 Account Sub Type: P  
 Column 1: 1 Year Prior Actuals  
 Column 2: Current GL Fiscal Year Original Budget  
 Column 3: Current GL Fiscal Year Actuals  
 Column 4: Estimated Actuals  
 Column 5: Approved Level 2 Budget  
 Column 6: Approved Level 3 Budget