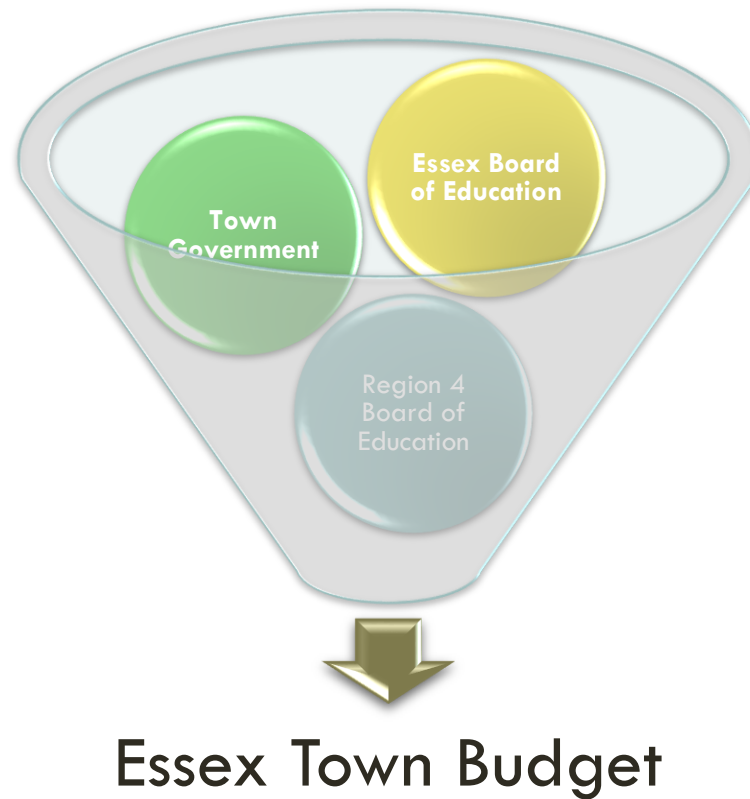


**PROPOSED 2020-2021 ESSEX
TOWN BUDGET
PRESENTATION**

Annual Budget
Public Hearing
April 16, 2020

PROPOSED 2020-2021 ESSEX TOWN BUDGET

WHAT GOES INTO THE FINAL BUDGET?



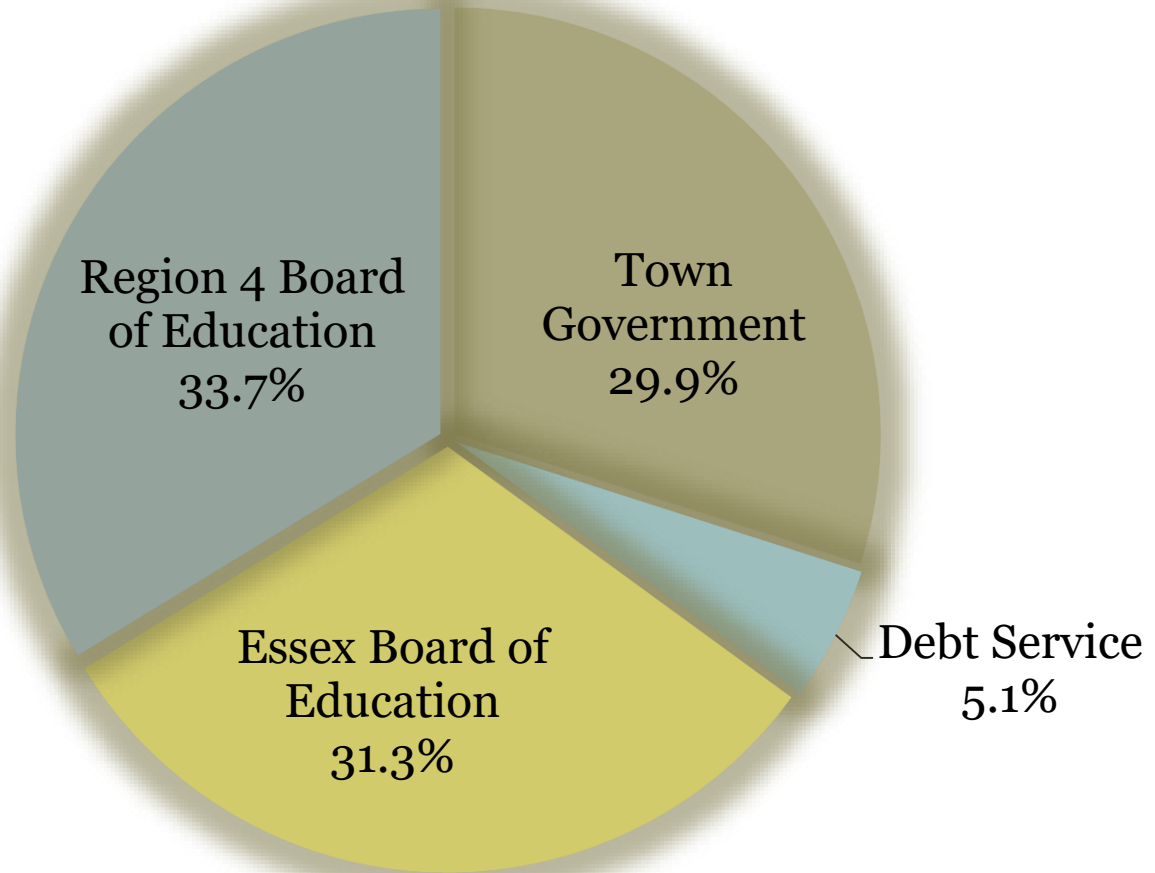
WHICH PROPOSED BUDGETS ARE WE PRESENTING AT THIS PUBLIC HEARING?

Tonight:

Town Government including Debt Service
and
Essex Board of Education

The Region 4 Board of Education budget held a separate public hearing via Google Meeting on April 1st

SUMMARY OF PROPOSED BUDGET EXPENDITURES



SUMMARY OF PROPOSED BUDGET EXPENDITURES TOWN GOVERNMENT-SELECTMEN'S BUDGET

FY 2020-2021 Request:

\$8,632,452

This represents an increase of \$235,817 or 2.81%
over the prior fiscal year.

Includes debt service of \$1,253,879

SUMMARY OF PROPOSED BUDGET EXPENDITURES ESSEX BOARD OF EDUCATION

FY 2020-2021 request recommended by the Board of Finance at their March 24, 2020 meeting:

\$7,708,432

This represents an increase of \$244,456 or 3.28% versus fiscal year 2019-2020.

SUMMARY OF PROPOSED BUDGET EXPENDITURES REGION 4 – TOWN OF ESSEX SHARE

FY 2020-2021 billings to Essex:

\$8,312,693

This represents a decrease of \$21,846 or -0.26% compared to the 2019-2020 fiscal year.

The reduction in Essex share of ADM accounted for a \$264,243 decrease. Without this shift, the Essex share would have increased \$242,397 or 2.91% over current year.

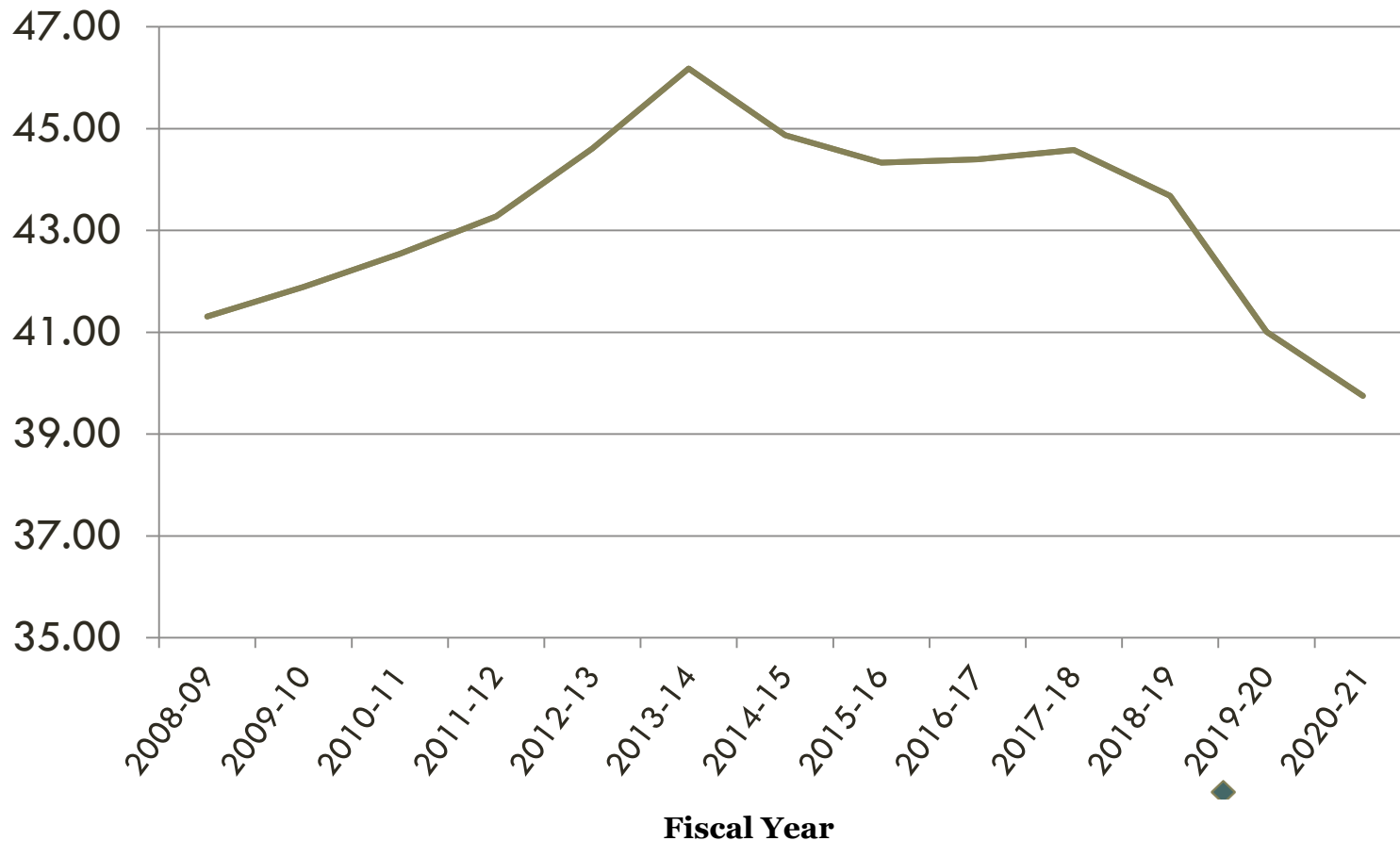
Per the Governor's Executive order No. 71, the regional budget shall be adopted by the Regional Board of Education

PROPOSED 2020-2021 ESSEX TOWN BUDGET AVERAGE DAILY MEMBERSHIP (ADM)

ADM = Town's share of total Region 4 student population as of October 1 of the previous year

	2019-2020		2020-2021	
	Students	%	Students	%
Chester	222	23.90%	212	24.42%
Deep River	326	35.09 %	311	35.83%
Essex	<u>381</u>	<u>41.01 %</u>	<u>345</u>	<u>39.75%</u>
Total	929	100.00 %	868	100.00%

HISTORIC AVERAGE DAILY MEMBERSHIP (ADM) SHARE % FOR TOWN OF ESSEX



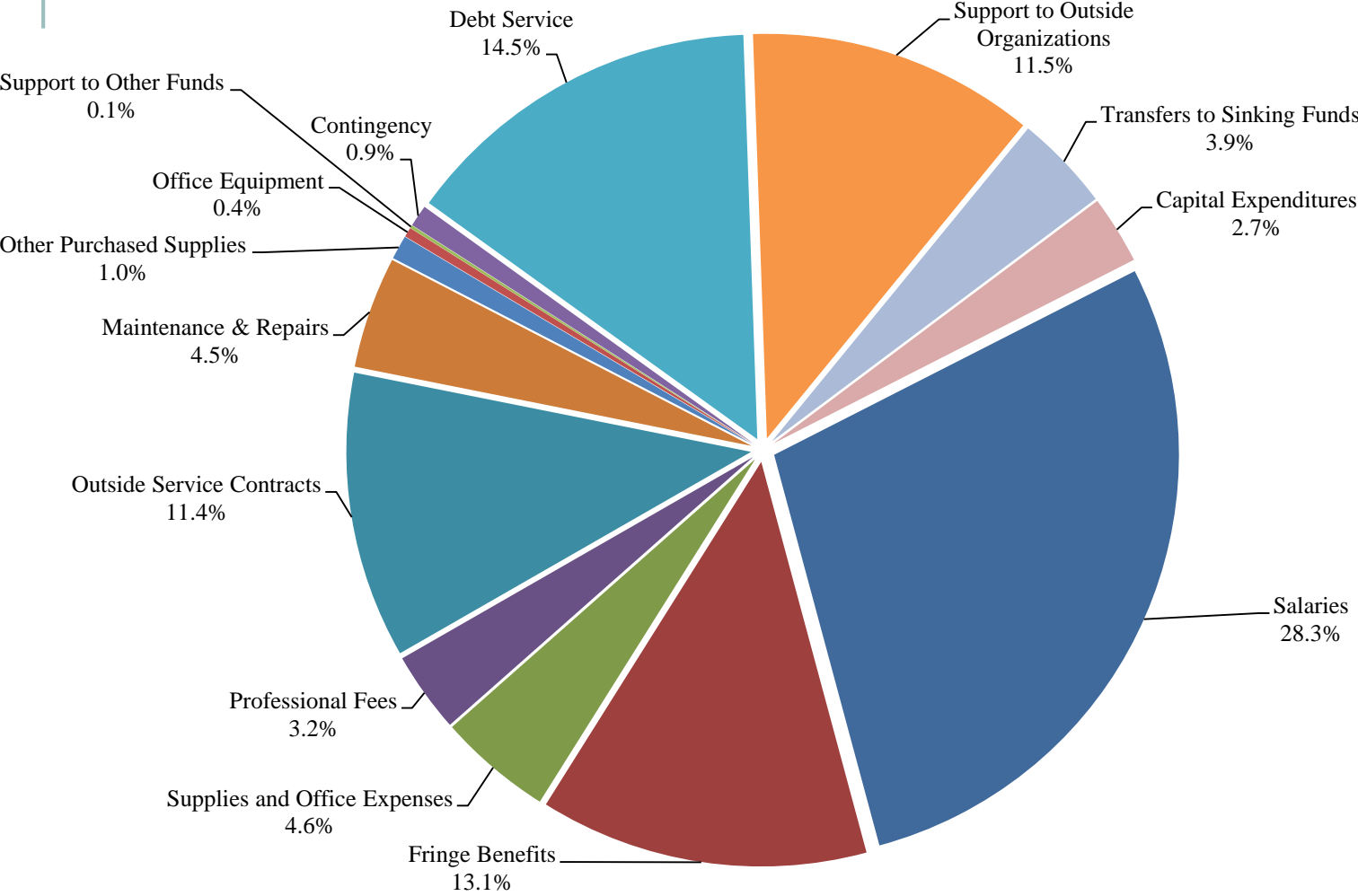
SUMMARY OF PROPOSED 2020-2021 BUDGET

Summarizing these budgets results in the following total proposed 2020-2021 Town of Essex budget:

	Board of Finance, Essex BOE and R4
Town Government	\$ 8,632,452
R4-Essex share	\$ 8,312,693
Essex BOE	\$ 7,708,432
Total	<hr/> \$ 24,653,577
Percent increase	1.89%

PROPOSED 2020-2021 ESSEX TOWN BUDGET

TOWN GOVERNMENT EXPENDITURES BY CATEGORY



PROPOSED 2020-2021 ESSEX TOWN BUDGET MAJOR BUDGET DRIVERS

Description	2019-2020 Budget	2020-2021		
		Request	Increase/ (Decrease)	% Change
Salaries	2,339,972	2,443,881	103,909	4.44%
Fringe Benefits	1,107,468	1,132,564	25,096	2.27%
Supplies and Office Expenses	391,584	392,841	1,257	0.32%
Professional Fees	277,039	278,492	1,453	0.52%
Outside Service Contracts	972,372	986,880	14,508	1.49%
Maintenance & Repairs	378,235	385,085	6,850	1.81%
Other Purchased Supplies	82,650	82,650	-	0.00%
Office & Safety Equipment	30,600	33,100	2,500	8.17%
Support to Other Funds	10,000	10,000	-	0.00%
Contingency	75,000	75,000	-	0.00%
Total Operating Expenditures	\$ 5,664,920	\$ 5,820,491	\$ 155,571	2.75%
Debt Service	1,211,612	1,253,878	42,266	3.49%
Support to Outside Organizations	966,603	989,581	22,978	2.38%
Transfers to Sinking Funds	322,500	332,500	10,000	3.10%
Capital Expenditures	231,000	236,000	5,000	2.16%
Total Expenditures	\$ 8,396,635	\$ 8,632,452	\$ 235,817	2.81%

MAJOR BUDGET DRIVERS

SALARIES

Increase of \$103,909 (or +4.44%) reflects:

Contractual increases	\$60,185
Non-Union Increases	\$31,055
Step increases	\$5,655
Longevity	\$7,013

The Town's 3 unions cover the majority of the non-elected/full time employees

MAJOR BUDGET DRIVERS

FRINGE BENEFITS

Increase of \$25,096 (or +2.27%) reflects:

Health Insurance	\$22,253
FICA	\$4,000
Retirement/OPEB Contrib.	\$6,443
W/C & Other insurance	-\$7,600

MAJOR BUDGET DRIVERS

PROFESSIONAL FEES

Increase of \$1,453 (or +0.52%) reflects:

Legal Fees-Tax Appeals	-\$5,000
Engineering Services	\$3,750
Technology Services	\$3,000
Various Other	-\$292

MAJOR BUDGET DRIVERS

OUTSIDE SERVICE CONTRACT

Outside Service Contracts reflects a increase of \$14,508 (or +1.49%). Major contributors to this increase include:

▪ Resident Trooper Contract	-\$18,640
▪ Technology Support	\$3,313
▪ Public Water	\$24,550
▪ PSAP – 911 Service	\$2,715
▪ Various other	\$2,570

MAJOR BUDGET DRIVERS

SUPPORT TO OUTSIDE ORGANIZATIONS

Organization	2019-2020 Budget	2020-2021	
		Request	Increase/ (Decrease)
Essex Fire Department	357,436	363,900	6,464
Essex Library	299,441	307,676	8,235
Ivoryton Library	112,993	116,100	3,107
Visiting Nurses	66,874	68,546	1,672
Tri-Town Youth Services	36,500	37,000	500
Estuary Council of Seniors Club	37,000	35,100	(1,900)
Essex Ambulance Association	12,000	17,000	5,000
Estuary Transit	20,015	20,415	400
Emergency Medical Services Support	6,700	6,700	-
Shoreline Soup Kitchens	5,000	6,000	1,000
Gilead	3,500	3,500	-
Middlesex Ctr for Behavioral Health	2,500	2,500	-
Ct River Costal Conservation	1,690	1,690	-
Community Health Center, Inc.	1,500	-	(1,500)
Literacy Volunteers of America	1,100	1,100	-
The Connection	750	750	-
Middlesex Cty Substance Abuse Council	750	750	-
Friends in Service Here (FISH)	500	500	-
Regional Mental Health	354	354	-
Total	\$ 966,603	\$ 989,581	\$ 22,978

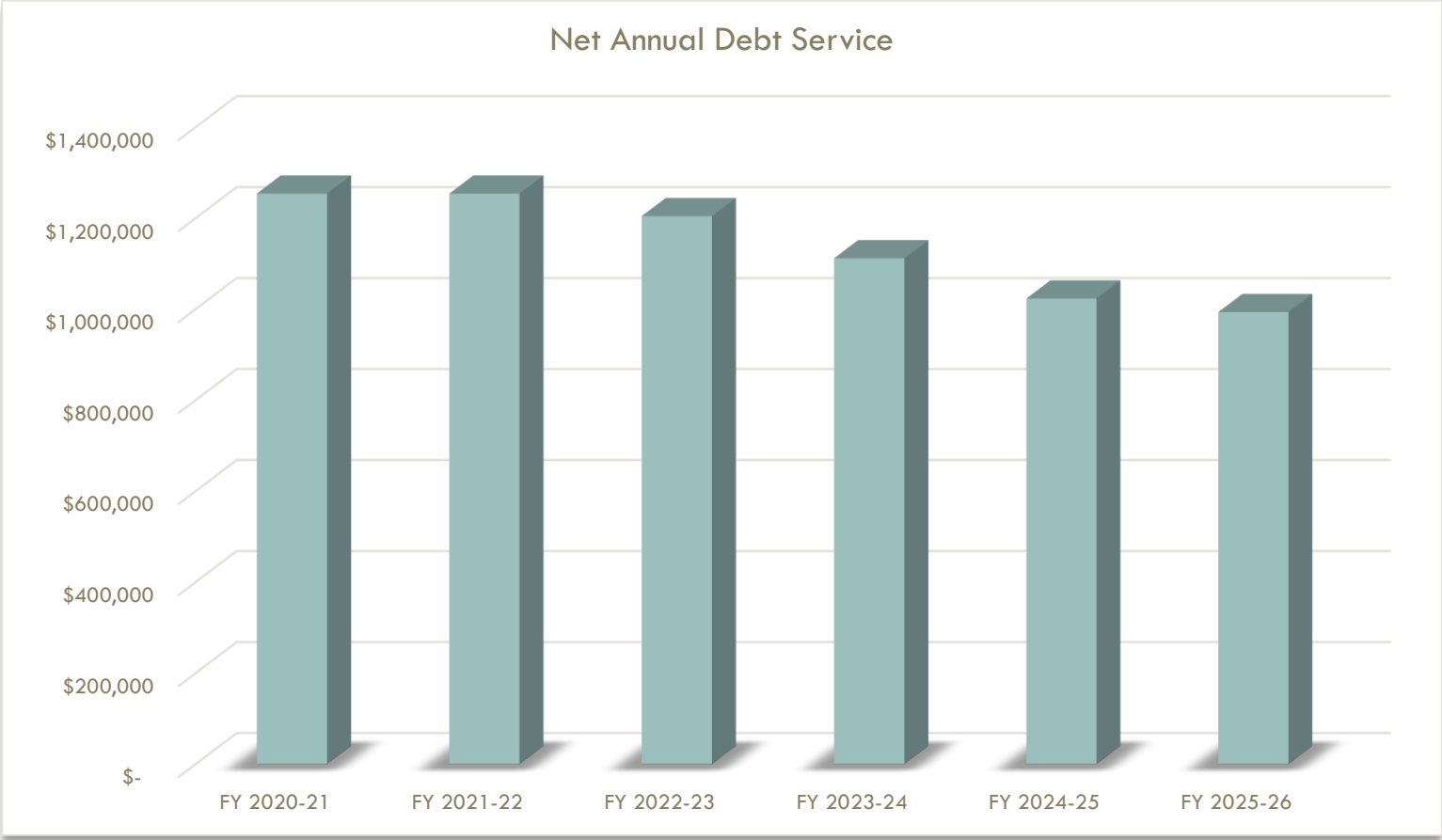
MAJOR BUDGET DRIVERS

DEBT SERVICE

Debt Service increase reflects a \$42,266 increase (or +3.49%).

- Principal payments will experience a net increase of \$100,000
 - 2013 general obligation refunding -5,000
 - 2017 general obligation bond +105,000
- Net interest expense shows a net decrease of -\$32,734
 - 2013 general obligation refunding -25,825
 - 2017 general obligation bond -6,909

DEBT SERVICE A LOOK FORWARD



MAJOR BUDGET DRIVERS CAPITAL & SINKING FUNDS

Sinking Fund includes a net increase of \$10,000 (or +3.10%).

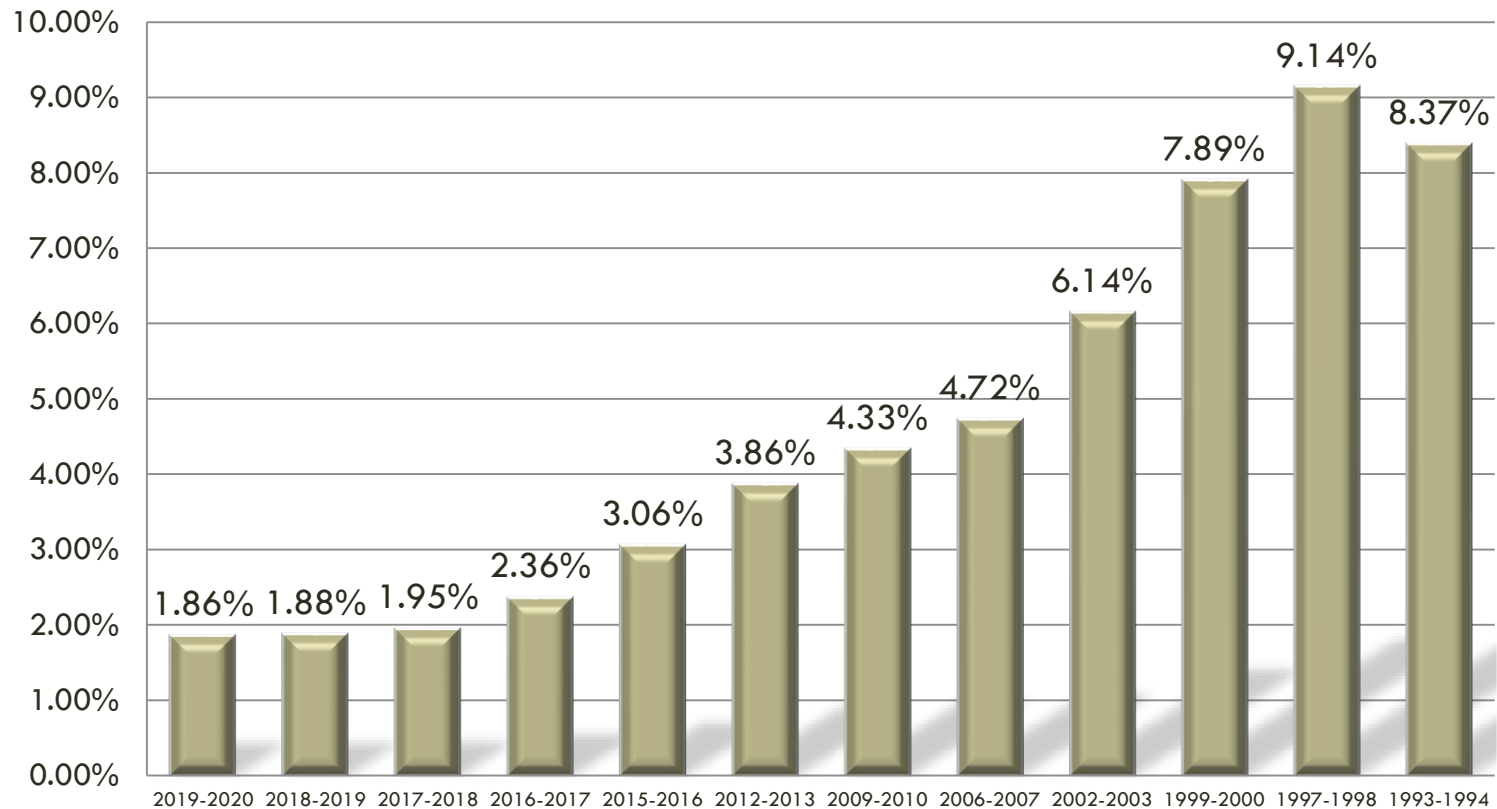
- Sinking Funds changes
 - Fire Department Sinking Fund +15,000
 - Municipal Property Sinking Fund -5,000
 - Open Space Sinking Fund -5,000
 - Essex Ambulance Sinking Fund +5,000

Capital Expenditures increases \$5,000 (or +2.16%).

- Entire increase located in Road Construction budget line

STATE & FEDERAL REVENUES

State Funding as a % of Total Expenditures



PRIMARY FACTORS IMPACTING OUR MILL RATE

Negative Impact

- State Revenue
- Increase in operating expenditures
- Debt Service

Positive Impact

- Grand list growth
- Shift in ADM

Mill rate is set by Board of Finance after the budget is adopted

MUNICIPAL FISCAL INDICATORS

EQUALIZED MILL RATE



Source: OPM – Municipal Fiscal Indicators -fiscal year ended 2018

BUDGET APPROVAL UNDER THE GOVERNOR'S EXECUTIVE ORDERS

- Region 4 Board of Education

Budget for the FY 2020-2021 shall be adopted by the Regional Board of Education

- FY 2020-2021 Essex Budget

Board of Selectmen shall authorize the Board of Finance to adopt a budget and set the necessary mill rate

Note: Town of Essex operates under State Statute

WEBSITE LINKS

❖ Town Website:

www.essexct.gov

Monthly financial reports available under Finance Dept.

❖ Region 4 Schools website:

www.reg4.k12.ct.us

We also encourage everyone to sign up for our Constant Contact emails, Safer Essex Alerts and follow the Town of Essex on Facebook.