PROPOSED 2020-2021 ESSEX TOWN BUDGET
WHAT GOES INTO THE FINAL BUDGET?

Essex Town Budget

Town Government

Essex Board of Education

Region 4 Board of Education
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

- Region 4 Board of Education: 33.7%
- Essex Board of Education: 31.3%
- Town Government: 29.9%
- Debt Service: 5.1%
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

<table>
<thead>
<tr>
<th></th>
<th>2019-2020</th>
<th></th>
<th>2020-2021</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Students</td>
<td>%</td>
<td>Students</td>
<td>%</td>
</tr>
<tr>
<td>Chester</td>
<td>222</td>
<td>23.90%</td>
<td>212</td>
<td>24.42%</td>
</tr>
<tr>
<td>Deep River</td>
<td>326</td>
<td>35.09 %</td>
<td>311</td>
<td>35.83%</td>
</tr>
<tr>
<td>Essex</td>
<td>381</td>
<td>41.01%</td>
<td>345</td>
<td>39.75%</td>
</tr>
<tr>
<td>Total</td>
<td>929</td>
<td>100.00%</td>
<td>868</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th></th>
<th>Board of Finance, Essex BOE and R4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town Government</td>
<td>$8,632,452</td>
</tr>
<tr>
<td>R4-Essex share</td>
<td>$8,312,693</td>
</tr>
<tr>
<td>Essex BOE</td>
<td>$7,708,432</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$24,653,577</strong></td>
</tr>
</tbody>
</table>

Percent increase 1.89%
PROPOSED 2020-2021 ESSEX TOWN BUDGET
TOWN GOVERNMENT EXPENDITURES BY CATEGORY

- Salaries: 28.3%
- Fringe Benefits: 13.1%
- Supplies and Office Expenses: 4.6%
- Professional Fees: 3.2%
- Outside Service Contracts: 11.4%
- Maintenance & Repairs: 4.5%
- Other Purchased Supplies: 1.0%
- Office Equipment: 0.4%
- Support to Other Funds: 0.1%
- Contingency: 0.9%
- Debt Service: 14.5%
- Support to Outside Organizations: 11.5%
- Transfers to Sinking Funds: 3.9%
- Capital Expenditures: 2.7%
- Contingency: 0.9%

Salaries
Support to Outside Organizations
Transfers to Sinking Funds
Capital Expenditures
Support to Other Funds
Contingency
Debt Service
Other Purchased Supplies
Office Equipment
Maintenance & Repairs
Outside Service Contracts
Professional Fees
Supplies and Office Expenses
Fringe Benefits
**PROPOSED 2020-2021 ESSEX TOWN BUDGET MAJOR BUDGET DRIVERS**

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

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Insurance</td>
<td>$22,253</td>
</tr>
<tr>
<td>FICA</td>
<td>$4,000</td>
</tr>
<tr>
<td>Retirement/OPEB Contrib.</td>
<td>$6,443</td>
</tr>
<tr>
<td>W/C &amp; Other insurance</td>
<td>-$7,600</td>
</tr>
</tbody>
</table>
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
Outside Service Contracts reflects an 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

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

Net Annual Debt Service

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2020-21</th>
<th>FY 2021-22</th>
<th>FY 2022-23</th>
<th>FY 2023-24</th>
<th>FY 2024-25</th>
<th>FY 2025-26</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>$1,400,000</td>
<td>$1,200,000</td>
<td>$1,000,000</td>
<td>$800,000</td>
<td>$600,000</td>
<td>$400,000</td>
</tr>
</tbody>
</table>
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 Funding as a % of Total Expenditures

- 2019-2020: 8.37%
- 2018-2019: 9.14%
- 2017-2018: 7.89%
- 2016-2017: 6.14%
- 2009-2010: 4.72%
- 2006-2007: 4.33%
- 2002-2003: 3.86%
- 2012-2013: 3.06%
- 2015-2016: 2.36%
- 2014-2015: 1.95%
- 2013-2014: 1.88%
- 2012-2013: 1.86%
- 2011-2012: 0.00%
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.
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.