

OPM Review of West Haven Recommended FY 2021 Budget

General Fund

Revenues

Overall General Fund revenues increase by \$2.3 million, or 1.4%, in the recommended FY 2021 budget. This increase is driven primarily by an increase in Property Taxes of \$2.98 million, partially offset by relatively modest downward adjustments to other select revenue categories as described in the sections below.

Revenue Summary

Category	FY 2019 Actual	FY 2020 Budget	FY 2021 Proposed	Change vs FY 2020	Percent Change
Property Taxes	\$96,894,415	\$99,215,707	\$102,195,784	\$2,980,077	2.9%
Intergovernmental	\$56,846,526	\$56,841,576	\$56,735,954	(\$105,622)	-0.2%
Licenses & Permits	\$1,961,408	\$1,791,424	\$1,594,150	(\$197,274)	-12.4%
Fines, Forfeits, Penalties	\$286,947	\$200,750	\$252,100	\$51,350	20.4%
Use of Money/Property	\$403,514	\$101,250	\$117,700	\$16,450	14.0%
Charges for Services	\$1,205,512	\$1,143,674	\$1,135,450	(\$8,224)	-0.7%
Other Revenue	\$2,513,728	\$2,217,579	\$2,223,012	\$5,433	0.2%
Other Financing Sources	\$1,525,141	\$1,408,875	\$963,643	(\$445,232)	-46.2%
Total Revenue	\$161,637,192	\$162,920,835	\$165,217,793	\$2,296,958	1.4%

Property Taxes

Grand List: The FY 2021 (October 2019) net taxable grand list grew by approximately \$36 million, or 1.3% over the prior year's grand list. At the current (FY 2020) mill rates, and collection rate of 98.4%, this growth generates approximately \$1.3 million in new revenue. Some adjustment to the Net Taxable Grand List may be needed after the Board of Assessment Appeals concludes its work.

Grand List

	FY 2020 Oct. 2018	FY 2021 Oct. 2019	Change	Percent Change
Net Assessment				
Real Estate	2,265,973,014	2,281,215,176	15,242,162	0.7%
Motor Vehicles	266,920,740	276,734,340	9,813,600	3.7%
Personal Property	150,234,335	161,168,039	10,933,704	7.3%
Total Net Assessment	2,683,128,089	2,719,117,555	35,989,466	1.3%

Note: Values before Board of Assessment Appeals

Mill rates: The recommended mill rate for Real Estate and Personal Property is 37.48 mills, an increase of 0.8 mills, or 2.2%, over the current mill rate of 36.68. The Motor Vehicle mill rate is held flat at 37.00 mills.

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Current and Non-Current Taxes: Current Property Taxes increase by \$3.2 million, or 3.35% in the recommended budget as a combined effect of the mill rate adjustment plus grand list growth. The following table breaks down the portion of the Current Levy increases attributable to grand list growth and to the 0.8 RE/PP mill increase.

Current Levy (In Millions)				
	FY 2020 Budget	Increase due to:		FY 2021 Budget
		Grand List Growth	Mill Increase +0.8	
Current Levy	\$96.4	\$1.3	\$1.9	\$99.6

Non-Current Property Taxes declines by \$245,550, or -9.0%, due to revenues from a personal property tax audit that were budgeted in the current year, but not in the next fiscal year.

Tax Collection Rate: The proposed budget assumes a collection rate of 98.4%. This rate has been used for budgeting purposes for the last several years. Actual collection rates in the prior two fiscal years were:

- FY 2019: 98.35%
- FY 2018: 98.43%

Assumptions in 5-Year Plan:

Grand List: The recently approved 5-Year Plan assumed a relatively flat grand list for FY 2021 (growth of \$2.2 million).

Mill Rates: The 5-Year Plan included a RE/PP mill rate of 37.86 and a MV mill rate of 37.00 mills for FY 2021.

Current and Non-Current Taxes: Current Property Taxes in the 5-Year Plan were projected to increase by \$2.86 million, almost entirely attributable to the projected mill rate increase. The following table breaks down the portions of the Current Levy increase attributable to grand list growth and to the 1.17 RE/PP mill increase as presented in the recently approved 5-Year Plan.

Current Levy (In Millions)				
	FY 2020 Budget	Increase due to:		FY 2021 Projected
		Grand List Growth	Mill Increase +0.8	
Current Levy	\$96.4	\$0.08	\$2.78	\$99.2

Tax Collection Rate: The 5-Year Plan assumed a tax collection rate of 98.4% in each year of the plan.

State Aid

State Aid (not including Municipal Restructuring Funds) in the proposed budget represents 32% of total General Fund revenue, and is flat compared to the current year. The proposed revenue amounts for each source of State Aid is consistent with the State budget as proposed by the Governor for FY 2021.

Assumptions in 5-Year Plan: State Aid funding levels in the recommended budget are consistent with the amounts included in the 5-Year Plan.

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Municipal Restructuring Funds (MRF)

The FY 2021 proposed budget includes the use of \$4 million of MRF (included in Intergovernmental). This is a reduction of \$115,000 from the current year amount.

Assumptions in 5-Year Plan: The proposed use of \$4 million of MRF is consistent with the 5-Year Plan.

Other Revenue Sources

All other revenue sources, including fees, licenses, fines, investment income and transfers from other funds make up less than 4% of General Fund revenues. In the aggregate, these sources decline by approximately \$577,000 in the proposed budget, driven primarily by a \$445,000 reduction in the transfer from the Sewer Fund for clean water debt service. This reduction is offset by a corresponding reduction in the General Fund debt service expenditures. Most of the other sources of revenue have been adjusted to align with actual collections in recent years. Use of Money (primarily investment income) has been increased in the proposed budget compared to the FY 2020 budget, but represents a reduction when compared to prior year actuals. This is an adjustment to lower anticipated returns resulting from lower interest rates.

Assumptions in 5-Year Plan: Other Revenue Sources in the 5-Year Plan totaled \$6.31 million compared to \$6.29 million in the proposed budget. This is a variance of approximately \$28,000, or less than 0.5%.

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Expenditures

Overall expenditures increase by about \$2.3 million, or 1.4% in the proposed FY 2021 budget. The budgeted expenditures include a set-aside of \$424,789 for fund balance. This is essentially a budgeted surplus, but treated as an expense in the budget document. Absent the set aside for fund balance, all other expenditures increase by 1.1% in the proposed budget. The large negative expenditure which had been included in the prior budget to account for efficiencies and budgetary savings has been eliminated in the proposed budget. Any efficiency savings or revenue enhancements that the City has implemented or is planning, have been incorporated into their respective line items.

Expenditure Summary

Category	FY 2019 Actual	FY 2020 Budget	FY 2021 Proposed	Change vs FY 2020	Percent Change
General Government	\$1,663,218	\$1,848,036	\$2,132,457	\$284,421	15.4%
Planning & Development	\$901,098	\$968,935	\$1,055,944	\$87,009	9.0%
Finance	\$2,697,794	\$2,769,795	\$2,647,692	-\$122,103	-4.4%
Public Safety	\$15,097,032	\$15,695,570	\$15,988,662	\$293,092	1.9%
Public Works	\$10,073,486	\$10,765,156	\$11,021,840	\$256,684	2.4%
Human Resources*	\$1,935,228	\$1,943,995	\$1,999,161	\$55,166	2.8%
Library	\$1,546,000	\$1,421,000	\$1,421,000	\$0	0.0%
Board of Education	\$89,941,197	\$89,960,421	\$89,960,421	\$0	0.0%
Operating Charges	\$16,187,296	\$18,842,560	\$18,832,341	-\$10,219	-0.1%
Debt Service	\$18,926,611	\$18,873,827	\$18,643,292	-\$230,535	-1.2%
Contingency	\$437,313	(\$168,460)	\$1,090,185	\$1,258,645	
Total Expenditures	\$159,406,272	\$162,920,835	\$164,792,995	\$1,872,160	1.1%
<i>Set-aside for Fund Balance adjustment</i>	<i>\$0</i>	<i>\$0</i>	<i>\$424,798</i>		
Expenditures with Fund Balance adjustment	\$159,406,272	\$162,920,835	\$165,217,793	\$2,296,958	1.4%

Payroll/Personnel Services

Regular salaries increase by \$277,000, or 1.45% in the proposed budget. The majority of this increase is a result of the net increase in the number of positions funded. The accompanying table depicts the addition of new or previously unfunded positions as well as eliminated positions and the resulting net increase of four funded positions. Two of the proposed additional positions are the direct outcome of the recommendations included in the HR Consulting Group study completed in 2019: Risk Manager and Benefits Coordinator.

The net increase of four positions accounts for approximately \$253,000 of the increase in regular salaries in the budget. The remaining increases are related to step increases for certain staff that have not reached their maximum wage step. No general wage increases are included in the proposed budget.

Change in Funded Full Time Positions	FTE
Funded Full Time Positions FY 2020	290.0
<u>Additions</u>	
Patrol Officer	1.0
Risk Manager	1.0
Deputy Corp Counsel	1.0
Benefits Coordinator	1.0
Assistant Building Official	2.0
Jr. Financial Analyst	1.0
<u>Deletions</u>	
Code Enforcement Officer	(1.0)
Payroll Clerk	(1.0)
Revenue Collection Clerk	(1.0)
Funded Full Time Positions FY 2021	294.0

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Minor adjustments to budgeted part-time wages, overtime, shift differentials and other salary-related accounts add a net total of approximately \$10,000 in the proposed budget.

Assumptions in 5-Year Plan: The 5-Year Plan assumed no general wage increases for employees. A total of three new positions were programmed into FY 2021 in the 5-Year Plan.

Employee Benefits

Health Insurance – Overall, the budget for health insurance benefits for City active and retirees is relatively flat, decreasing by 0.15% compared to the current year budget. The budgeted amount of \$10.6 million is the cumulative cost of City active employees enrolled in the State Partnership Plan and City retirees (both pre-Medicare and Medicare age) remaining in a self-insured plan.

The budgeted premiums for City actives assume that the Partnership rates increase by 7% over the current Partnership rates, as suggested by Partnership staff. Budgeted rates for City retirees were provided by Lockton and assume a continuation of self-insured plan design. The self-insured rates for retirees are a 24% increase over the last year’s claims experience. This rate assumption treats City retirees as a separate risk pool from the Board of Education actives and retirees. Given that the rates used in the Board of Education budget for health insurance are based on a blended rate with all City retirees and BOE employees/retirees in the same risk pool, this may be an item that warrants adjustment prior to budget adoption

Police Pension – The proposed budget fully funds the Police pension actuarially determined employer contribution (ADEC). The funded amount is consistent with the most recent pension valuation prepared by Milliman. The required contribution is a decrease of \$86,000 compared to the original budgeted amount for FY 2020. The original budget for FY 2020 was based on projections in a previously prepared valuation. Projections in the updated valuation, prepared in August 2019, were more favorable than the previous valuation.

FY 2020 Budget Based on March 2019 Est. ADEC	FY 2020 Projected Based on August 2019 Valuation Report	FY 2021 Proposed Based on August 2019 Valuation Report
2,498,000	2,201,317	2,412,000

Other Benefits – The remaining elements of Employee Benefits, including funding for employees’ defined contribution plans, are level funded. One new item is budgeted in FY 2021: a new account for Separation Pay at \$92,000.

Assumptions in 5-Year Plan:

Health Insurance - The 5-Year Plan based health insurance costs on a 7.6% increase in self-insured rates for actives and retirees. This assumption yielded a projected health insurance cost that was approximately \$805,000 higher than the amount in the proposed budget.

Police Pension – Police Pension in both the proposed budget and the 5-Year Plan is based on the projected ADEC from the most recent valuation.

Other Benefits – Other Benefits are consistent with the figures included in the 5-Year Plan, with the exception of the new account for Separation Pay which was not part of the 5-Year Plan.

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Non-Payroll Expenses

Significant year-over-year changes in non-payroll expenses include the following:

- Increase in funding for compliance with stormwater (MS4) regulations from \$150,000 to \$250,000. In FY 2020, the funding was split between the Public Works-Engineering division and in Capital. In FY 2021 all of the funding is consolidated in Engineering
- Increases totaling approximately \$40,000 across the City Clerk's Office and Registrars expenses related to the 2020 elections.
- Reduction in funding for consultant services in the Finance Department from \$125,000 to \$50,000.
- Increase in emergency communications expenses for equipment maintenance contracts
- Increase in Police telephone system expense to align with historical actuals
- Reduction of \$45,000 in budgeted purchases of road salt and sand in Public Works
- Reductions totaling approximately \$112,000 in several Public Works-Vehicle Maintenance accounts to align with historical actuals
- Increase of \$113,000 in Solid Waste collection costs based on a contract extension with the current hauler
- Increase of \$200,000 in Streetlighting costs as an adjustment to appropriately fund the account following the LED light installation project
- \$170,000 in new funding to pay for outsourcing payroll and certain other HR functions
- Increase of \$30,000 in bank fees to align with historical actuals
- Increase of \$25,000 for primary elections expenses

Debt Service

Debt Service in the proposed budget is essentially flat as the net result of declining scheduled payments on existing debt for public works, school and sewer related projects, offset by new debt service on a planned bond issuance in July 2020. Notes issued in October 2019 which were planned to be permanently financed in April 2020, will be rolled forward and permanently financed by the July issuance. FY 2021 payments on the new issue are projected to total \$1.94 million.

Assumptions in 5-Year Plan: Debt Service in the 5-Year Plan totaled \$18,985,732.

Education

The proposed FY 2021 budget level funds the General Fund contribution for Education at \$89,960,421. The Board of Education adopted a budget request totaling \$91,591,947, but indicated that the difference would be funded by the anticipated increase in ECS Alliance funding. Major expenditure drivers in the Education budget identified by the BOE include the following:

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- Special Education Tuition increase: Budgeted increase of \$200,000, or 2.5%, in FY 2021 over the FY 2020 budgeted amount. Special Education costs are budgeted net of the Special Education Excess Cost Reimbursements from the State of Connecticut. In FY 2021, the gross Special Education cost is projected to be \$10,837,226, with projected excess cost reimbursements bringing the net cost the district to \$8,139,386. The Business Office provided the following actual excess cost reimbursement figures from the prior four fiscal years.

Special Education Excess Cost Reimbursements			
FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
\$2,168,022	\$2,007,722	\$1,941,218	\$2,397,840

- Transportation Increase: Total Transportation costs increase by \$113,760 over the current year budget based on the current contract for bus services. The 2% increase in FY 2021 will be followed by another 2% increase for FY 2022. The Business Office noted that Special Education transportation, is subject to considerable growth in future years for the same reasons that Special Education tuition costs have the potential for increasing dramatically. The following transportation costs for prior years were provided by the Business Office.

Transportation Service	FY 16	FY 17	FY 18	FY 19
Bus Service/Public Schools	\$2,884,866	\$2,897,876	\$2,956,009	\$2,960,420
Bus Service/Non Public Schools	\$263,667	\$265,081	\$265,803	\$265,210
Bus Service to Vocational Tech	\$220,870	\$222,397	\$222,589	\$221,987
Bus Service to Vocational Agricultural School	\$71,803	\$71,626	\$71,547	\$66,417
Bus Service Special Education	\$1,740,251	\$1,601,462	\$1,925,344	\$1,942,795
Bus Service/Student Activities	\$105,125	\$105,250	\$98,415	\$105,000

- Personnel Costs:
 - Salaries: Contractual salary increases for the teachers union and nurses union add a combined \$467,000 to the budget (1% general wage increase in both cases). An additional \$50,000 was added as a new Communications position.
 - Benefits: Budgeted health insurance costs increase by \$300,000, or 2.1% over FY 2020. The Business Office reports that the budgeted figures are based on the rates provided by Lockton. Rates calculated by Lockton reflected a 2.4% increase based on claims experience over the last year. This rate is based on a set of calculations that does not separate City retirees from BOE members, but is rather a blended rate for all. The Business Office provided the following historical budget to actual expenditures for health insurance.

	2016-17 Budget	2016-17 Actual	2017-18 Budget	2017-18 Actual	2018-19 Budget	2018-19 Actual
Certified Health Insurance	9,255,945	8,597,940	9,255,945	8,900,283	9,487,344	8,611,153
Non Certified Health Insurance	4,605,120	4,788,796	4,505,120	4,488,617	4,617,748	4,372,390
Total Health	13,861,065	13,386,735	13,761,065	13,388,901	14,105,092	12,983,542

- Technology leasing program: The budget provides \$500,000 toward the first year of a three-year lease on technology equipment to outfit high school students with individual computers. A similar lease arrangement was initiated in the current fiscal year for the primary schools, but has been funded through the ECS Alliance grant.

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Assumptions in 5-Year Plan: The recently updated 5-Year Plans projected an increase of 0.8% to the General Fund contribution to Education in FY 2021, followed by increases of 0.4% in the out-years.

Contingency Items

The City budgets a wide range of expenditures within the Contingency category. Of the \$1.5 million budgeted in the Contingency category for FY 2021, only \$370,000 is budgeted as a true contingency account that would provide a buffer against revenue shortfalls or unanticipated, but necessary, expenditures. This amount equates to two tenths of one percent of overall expenditures.

Major items included in the remaining \$1.14 million Contingency category include:

- \$424,798 for Fund Balance adjustment. This items essentially represents the planned surplus in the budget.
- \$170,000 to fund select outsourced services in Payroll and Human Resources as an outcome of the HR Consulting Group study that was completed in 2019 and made numerous recommendations to improve Human Resources, payroll and employee benefits functions.
- \$115,644 budgeted toward medical expense runoff following the shift of active employees from self-insured to the State Partnership health plan.
- \$100,000 toward MARB expenses.
- \$75,000 for OPEB.
- \$95,000 toward election year expenditures.

Assumptions in 5-Year Plan: The 5-Year Plan included a negative expenditure of \$1.26 million for efficiencies and budgetary savings. The City has not included a negative expenditure for this item in the proposed budget but has incorporated any anticipated savings or revenue enhancements into the relevant revenue or expenditure account. Additional detail regarding these initiatives will continue to be reported by the City.

The 5-Year Plan did not include a projected change in fund balance as a Contingency item, but did project a surplus of approximately \$62,000.

The 5-Year Plan also did not project the expenses related to outsourcing select HR functions and did not include MARB expenses.

Capital Funding

The recommended FY21 budget keeps the contribution to the Capital Fund relatively flat at \$568,666. The City provides a list of proposed uses for this funding on page 121 of the budget document. In the pages that follow the proposed uses of the FY 2021 General Fund contribution to the Capital Fund is a summary 5-year capital improvement plan for fiscal years 2021-2025.

Assumptions in 5-Year Plan: The 5-Year Plan projected a General Fund contribution of \$576,000 to the Capital Fund.

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Allingtown Fire Fund

Revenues

Overall Fire Fund revenues increase by \$1.18 million, or 15.9%, in the recommended FY 2021 budget. The majority of the increase is the result of the motor vehicle transition grant from the State which compensates local governments with mill rates that exceed the mill rate cap on motor vehicle taxes. Grand list growth is also a significant driver of the revenue increase.

Revenue Summary

Category	FY 2019 Actual	FY 2020 Budget	FY 2021 Proposed	Change vs FY 2020	Percent Change
Property Taxes	\$ 7,085,656	\$ 7,151,957	\$ 7,436,508	\$284,551	3.8%
Other Revenues	\$ 667,863	\$ 275,810	\$ 1,168,600	\$892,790	76.4%
Other Financing Sources	\$0	\$0	\$0	\$0	
Total Revenue	\$7,753,519	\$7,427,767	\$8,605,108	\$1,177,341	15.9%

Property Taxes

Grand List: The FY 2021 (October 2019) net taxable grand list for the Allingtown Fire tax district grew by approximately \$20 million, or 3.8% over the prior year's grand list. At the current (FY 2020) mill rates, and collection rate of 98.4%, this growth generates approximately \$257,000 in new revenue.

Allingtown Fire Fund Grand List

	FY 2020 Oct. 2018	FY 2021 Oct. 2019	Change	Percent Change
Net Assessment				
Real Estate	444,496,278	456,479,452	11,983,174	2.7%
Motor Vehicles	53,128,800	57,523,260	4,394,460	8.3%
Personal Property	35,086,245	38,862,451	3,776,206	10.8%
Total Net Assessment	532,711,323	552,865,163	20,153,840	3.8%

Note: Values before Board of Assessment Appeals

Mill rates: The Recommended Budget keeps the mill rates flat at 14.02 mills for RE/PP and at 8 mills for motor vehicles.

Current and Non-Current Taxes: Current Property Taxes increase by \$256,851 in the recommended budget as a result of grand list growth.

Current Levy (In Millions)				
	FY 2020 Budget	Increase due to:		FY 2021 Budget
		Grand List Growth	Mill Increase +0.8	
Current Levy	\$7.032	\$0.257	\$0.00	\$7.289

Non-Current Property Taxes increase by \$27,700 in the next fiscal year.

Tax Collection Rate: The proposed budget assumes a collection rate of 98.4%, the same rate that is assumed for the General Fund.

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Non-Tax Sources

Non-tax sources in the Fire Fund includes the motor vehicle transition grant from the State, budgeted at \$900,000. This figure is somewhat below the amount projected in the governor’s proposed State budget (\$965,000). This source was not budgeted in the current year Fire Fund budget as the State allocation for the Allingtown Fire District was not added until late in the budget process.

Assumptions in 5-Year Plan:

Grand List: The recently approved 5-Year Plan assumed a relatively flat grand list for FY 2021 (growth of \$240,000, or less than 0.5%).

Mill Rates: The 5-Year Plan included a RE/PP mill rate of 14.42 and a MV mill rate of 8.00 mills for FY 2021.

Current and Non-Current Taxes: Current Property Taxes in the 5-Year Plan were projected to increase by \$192,000, almost entirely attributable to the projected mill rate increase.

Tax Collection Rate: The 5-Year Plan assumed a tax collection rate of 98.4% in each year of the plan.

Non-Tax Sources: The 5-Year Plan did not assume revenue from the motor vehicle transition grant.

Expenditures

Overall expenditures in the Fire Fund increase by about \$1.18 million, or 15.8% in the proposed FY 2021 budget. The budgeted expenditures include a set-aside of \$250,000 for capital needs and \$650,000 as an additional contribution toward the district’s pension liability. The total of these two set-asides are equal to the motor vehicle transition grant amount the City has included as revenue.

The increase in Administration expenses is driven by an additional \$319,000 in contribution to the Fire pension fund and approximately \$51,000 to fund the vacant Fire Chief position for a full year (budgeted for half year in FY 2020). These increases are partially offset by a reduction in Contingency funding, from \$115,000 to \$100,000, and approximately \$70,000 lower health insurance cost than current year attributable to the shift to the high deductible plan.

Expenditure Summary

Category	FY 2019 Actual	FY 2020 Budget	FY 2021 Proposed	Change vs FY 2020	Percent Change
Administration	\$4,267,632	\$4,951,646	\$5,256,079	\$304,433	6.1%
Operations	\$ 2,204,210	\$ 2,455,872	\$ 2,449,029	-\$6,843	-0.3%
Set-aside for deficit reduction	\$ -	\$ 25,000	\$ -	-\$25,000	-100.0%
Set-aside for Capital	\$0	\$0	\$250,000	\$250,000	
Set-aside for Pension Liability	\$0	\$0	\$650,000	\$650,000	
Total Expenditures	\$6,471,842	\$7,432,518	\$8,605,108	\$1,172,590	15.8%

Assumptions in 5-Year Plan: Adjusting for the set-asides for additional contribution to pension and to capital reserve, recommended expenditures for FY 2021 are approximately \$83,000, or 1%, higher than the projections in the 5-Year Plan.

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Sewer Fund

Revenues

Overall Sewer Fund revenues are flat in the recommended FY 2021 budget. The Sewer user charge remains at \$426 per housing unit with an assumed uncollectible rate of 1.5%. No changes are made to collections on prior years billing. Charges to the Town of Orange, which are comprised of a combination of consumption charges and a share of Sewer Fund debt service, remain flat compared to the current year budget.

Revenue Summary

Category	FY 2019 Actual	FY 2020 Budget	FY 2021 Proposed	Change vs FY 2020	Percent Change
Sewer Use Fees	11,329,068	11,191,507	11,191,507	0	0.0%
Town of Orange	484,509	536,425	536,425	(0)	0.0%
Other Revenues	79,005	70,000	70,000	0	0.0%
Total Revenue	11,892,582	11,797,932	11,797,932	0	0.0%

Expenditures

Overall expenditures in the Sewer Fund remain at \$11.8 million, but reflect reallocation of expenses among expense categories. Increases of 2% to most payroll and benefits related accounts adds approximately \$55,000 in expenditures (labor contract expires 6/30/20), and funding for overtime expense adds roughly \$57,000. A new account for Separation Pay has been incorporated into the FY 2021 budget at \$50,000. An increase in heating oil adds \$130,000 to the budget. These increases have been offset by reductions in debt service requirements, chemical expenses and a lower contingency amount.

Additional detail regarding the Sewer Fund's debt service requirements and a breakdown of budgeted employee benefits has been requested.

Expenditure Summary

Category	FY 2019 Actual	FY 2020 Budget	FY 2021 Proposed	Change vs FY 2020	Percent Change
Administration	\$4,324,812	\$5,244,080	\$4,954,093	-\$289,987	-5.5%
Operations	\$6,071,766	\$6,553,852	\$6,843,839	\$289,987	4.4%
Total Expenditures	\$10,396,578	\$11,797,932	\$11,797,932	\$0	0.0%

Assumptions in 5-Year Plan: The 5-Year Plan assumed a sewer use fee increase from \$426 to \$430 per housing unit in FY 2021. Overall expenditures in the 5-Year Plan increase by 1%, or \$113,000. No salary adjustments were provided in FY 2021 of the plan, however most non-payroll accounts were adjusted by 2%.