

Segment II

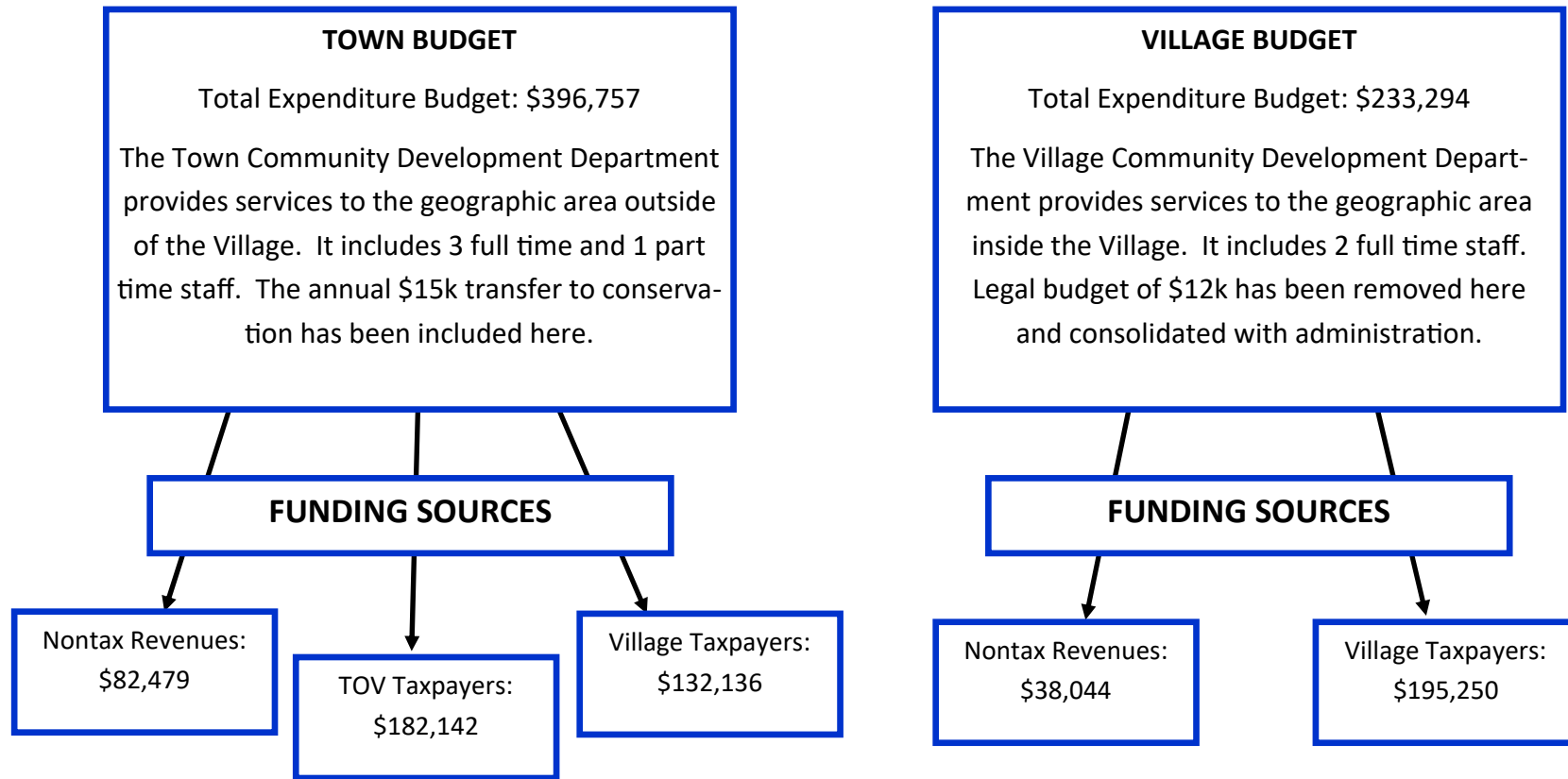
Separate Functions

The following pages show the General Fund functions that remain mostly or entirely separate in operations and/or funding.

Which functions are included here and why?

1. Community Development Departments — The Town Community Development Department serves the geographic area outside the Village, and is funded through the Town budget. The Village Community Development Department serves the geographic area inside the Village, and is funded through the Village budget. Because the Village grand list is part of the Town grand list, this causes Village taxpayers to pay a portion (42%) of the Town Community Development Budget as well as the entire Village Community Development Budget.
2. Fire Departments — The Town Fire Department is funded through the Town budget and the Village Fire Department is funded through the Village budget. This budget structure causes Village taxpayers to pay a portion (42%) of the Town Fire Department Budget as well as the entire Village Fire Department Budget.
3. Essex Free (Town) and Brownell (Village) Libraries — The Essex Free Library is funded through the Town budget and the Brownell Library is funded through the Village budget. Anyone in Essex can get a library card at Essex Free; Brownell issues library cards to Village residents only. This means that Village residents may get a library card from both Brownell and Essex Free, however, residents are encouraged to choose one home library. Brownell library cards and Essex Free library cards can be used at either library. The effect of this is that all Essex residents have equal access to the two libraries although the budget structure causes Village taxpayers to pay a portion (42%) of the Essex Free Library as well as the entire Brownell Library.
4. Operating Transfers to Capital and Capital Tax — The Town levies a \$0.0200 capital tax annually on all properties to fund the Town Capital Fund. Additionally, the Town budget includes operating transfers to capital within individual department budgets. In the following pages, all transfers to capital have been removed from department specific functions and summarized in the capital slide to allow for more meaningful comparison. The Village budget has operating transfer to capital all included in one budget segment. Although the Town Capital Fund does include projects in the Village, these funds are spent largely outside the Village.
5. Recreation (General Fund) - The Town and Village Recreation Departments are funded through both the General Fund and separate program funds. The program funds are paid for entirely with user fees and not tax dollars. The amounts in this document are General Fund amounts.
6. Buildings— Town Buildings are funded through the Town budget and Village Buildings are funded through the Village budget. This budget structure causes Village taxpayers to pay a portion (42%) of the Town Buildings Budget as well as the entire Village Buildings Budget. There is one staff member dedicated to buildings funded entirely from the Town budget.

Community Development

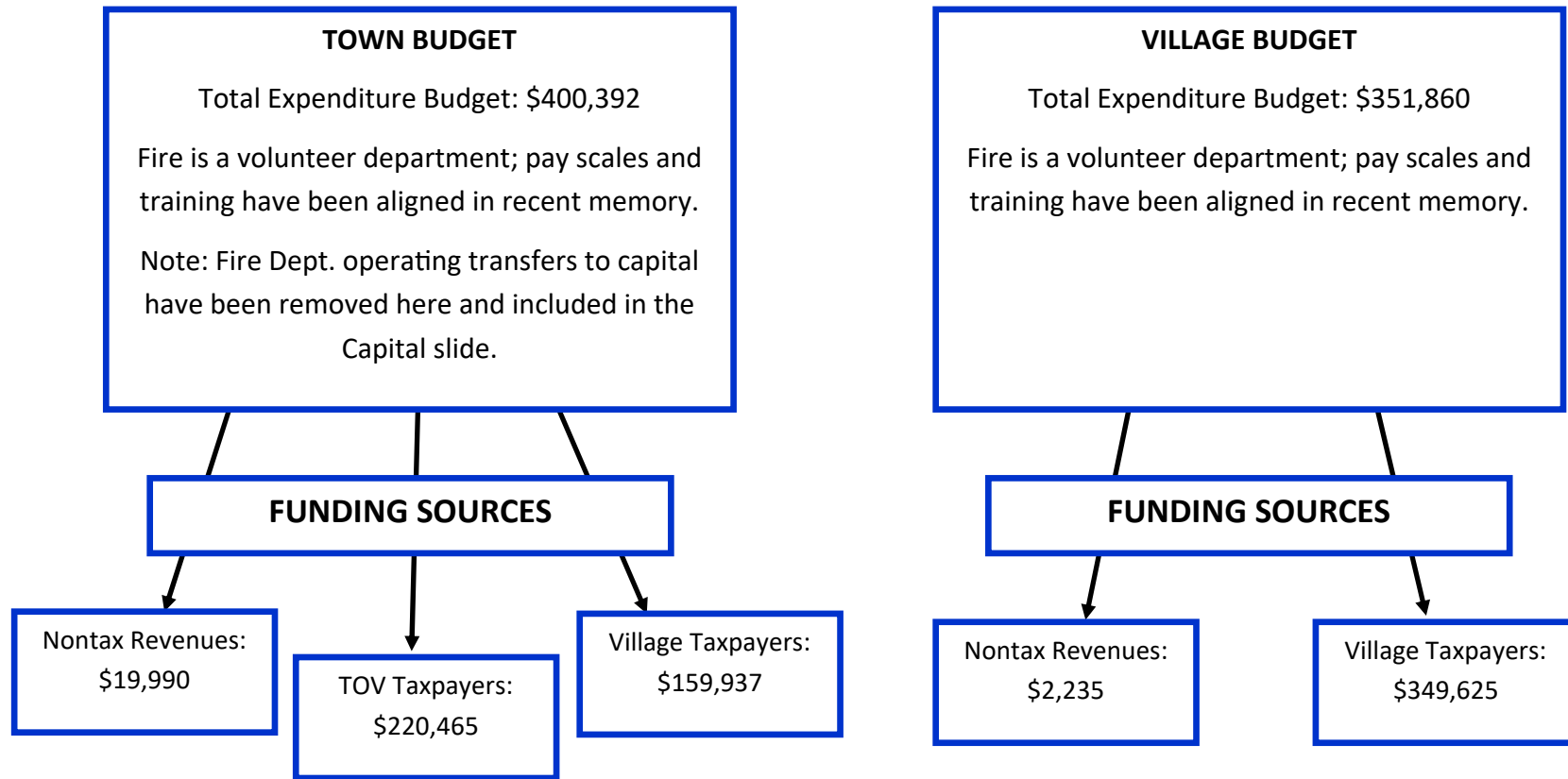


The following tables illustrate the tax impact for TOV Taxpayers and Village taxpayers of the current budget configuration and in a merged environment. Separation involves multiple assumptions and will be examined separately.

Effective Tax Rate:	TOV	Village
Current:	0.0119	0.0294
Merged:	0.0192	0.0192

Tax burden on \$280k home:	TOV	Village
Current:	\$33.32	\$82.32
Merged:	\$53.76	\$53.76

Fire Department

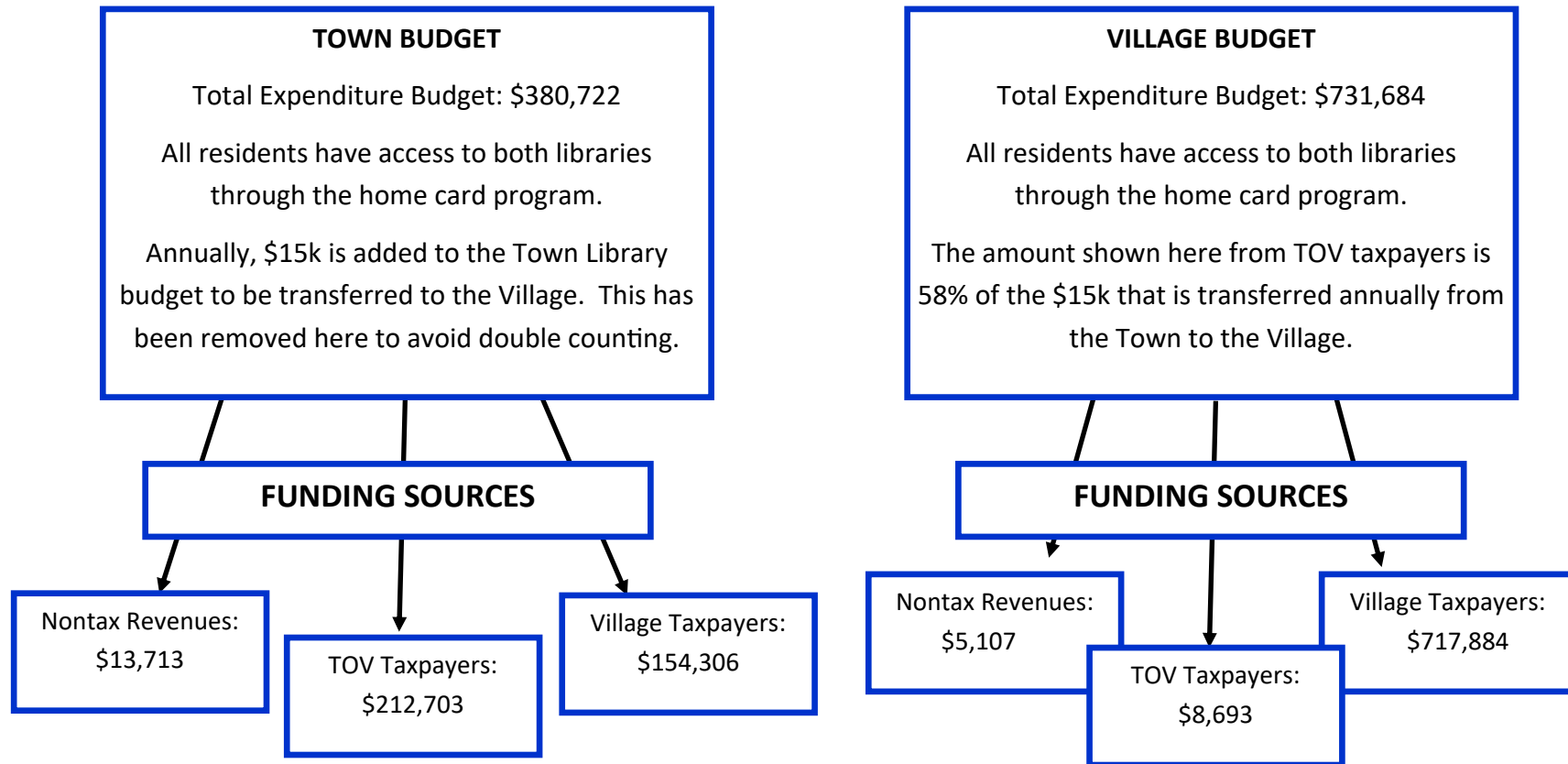


The following tables illustrate the tax impact for TOV Taxpayers and Village taxpayers of the current budget configuration and in a merged environment. Separation involves multiple assumptions and will be examined separately.

Effective Tax Rate:	TOV	Village
Current:	0.0144	0.0458
Merged:	0.0276	0.0276

Tax burden on \$280k home:	TOV	Village
Current:	\$40.32	\$128.24
Merged:	\$77.28	\$77.28

Library

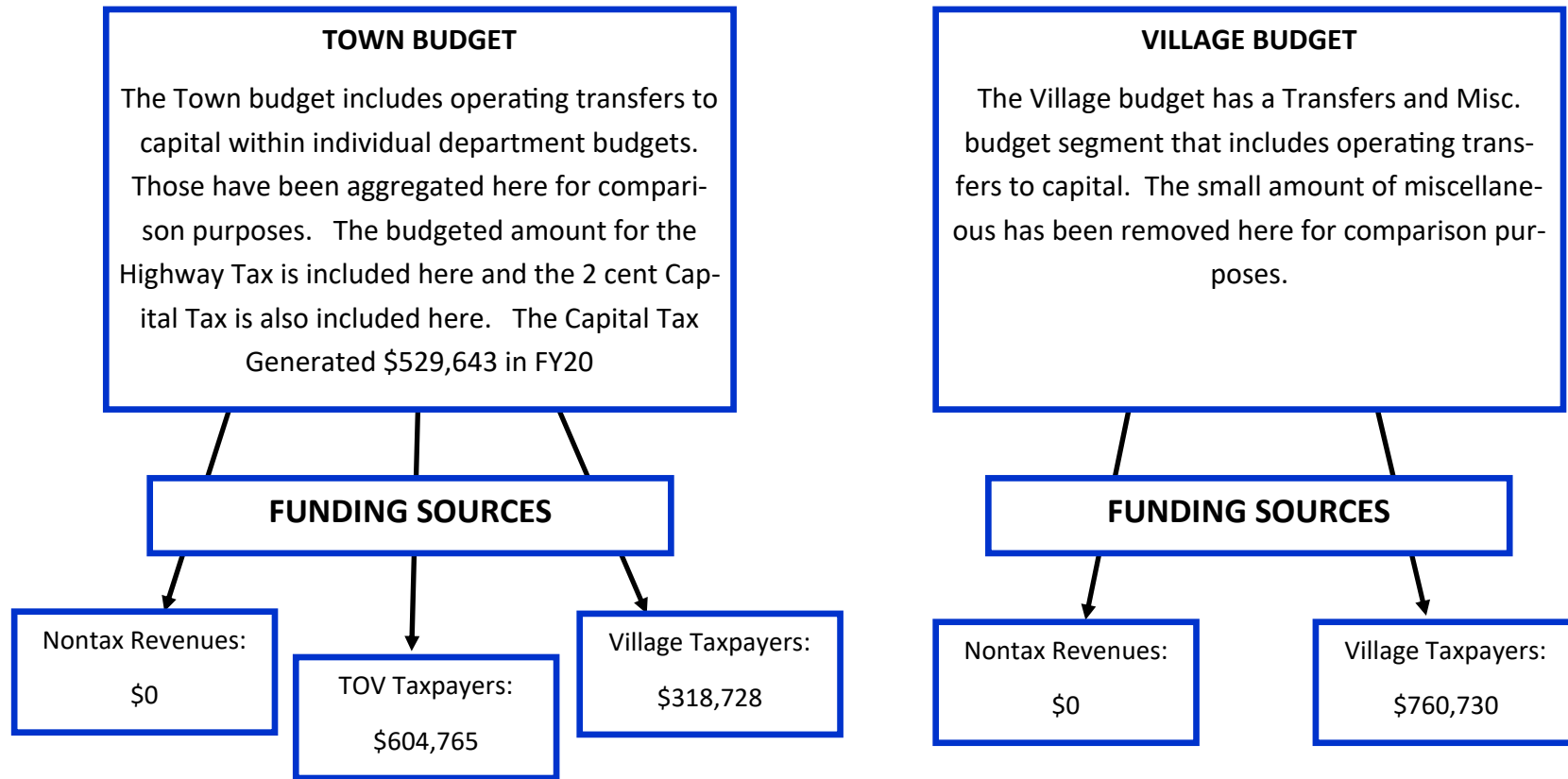


The following tables illustrate the tax impact for TOV Taxpayers and Village taxpayers of the current budget configuration and in a merged environment. Separation involves multiple assumptions and will be examined separately.

Effective Tax Rate:	TOV	Village
Current:	0.0145	0.0784
Merged:	0.0413	0.0413

Tax burden on \$280k home:	TOV	Village
Current:	\$40.60	\$219.52
Merged:	\$115.64	\$115.64

Operating Transfers to Capital and Capital Tax

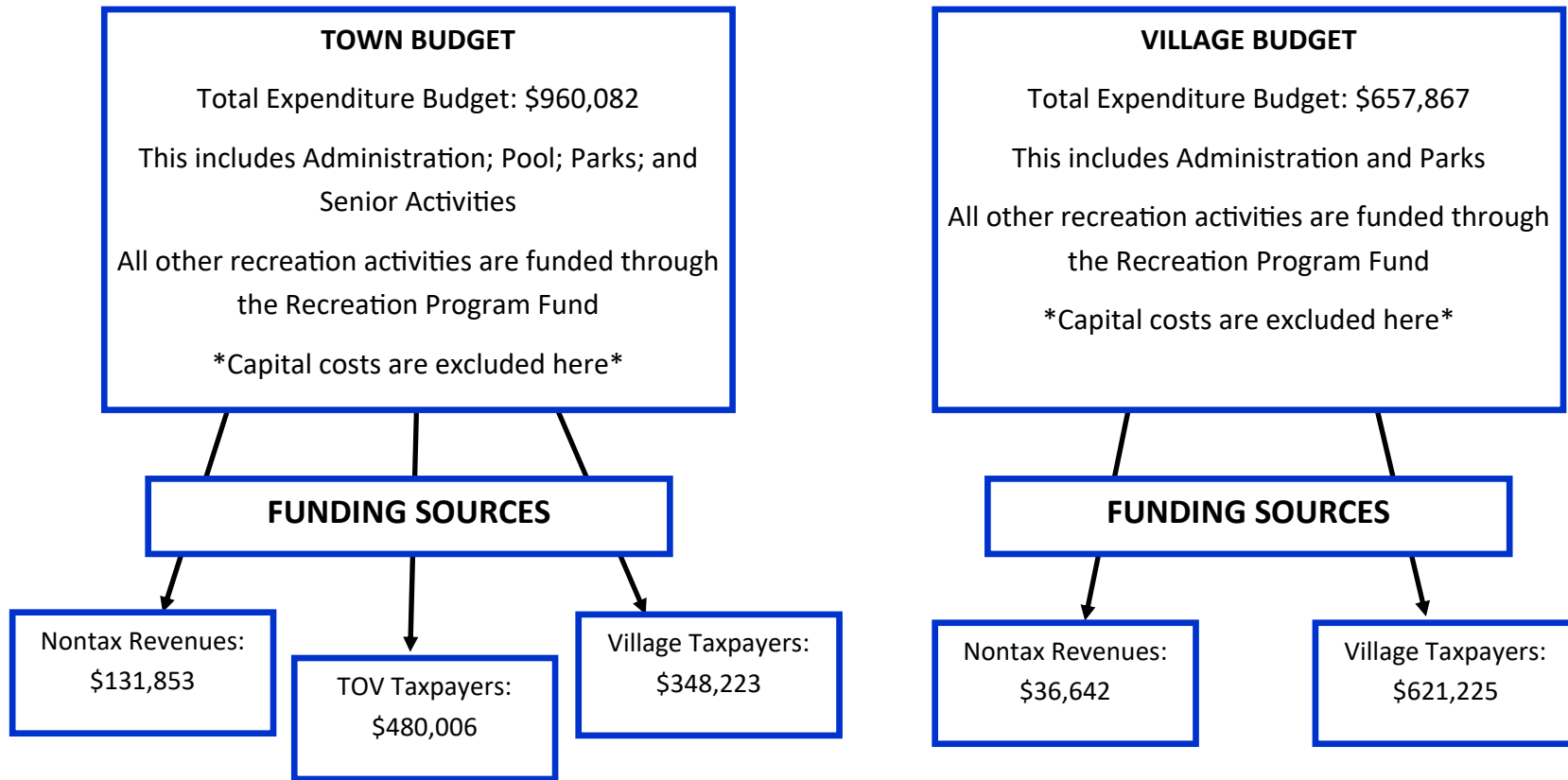


The following tables illustrate the tax impact for TOV Taxpayers and Village taxpayers of the current budget configuration and in a merged environment. Separation involves multiple assumptions and will be examined separately.

Effective Tax Rate:	TOV	Village
Current:	0.2194	0.2769
Merged:	0.2436	0.2436

Tax burden on \$280k home:	TOV	Village
Current:	\$54.32	\$215.32
Merged:	\$178.08	\$178.08

Recreation—General Fund

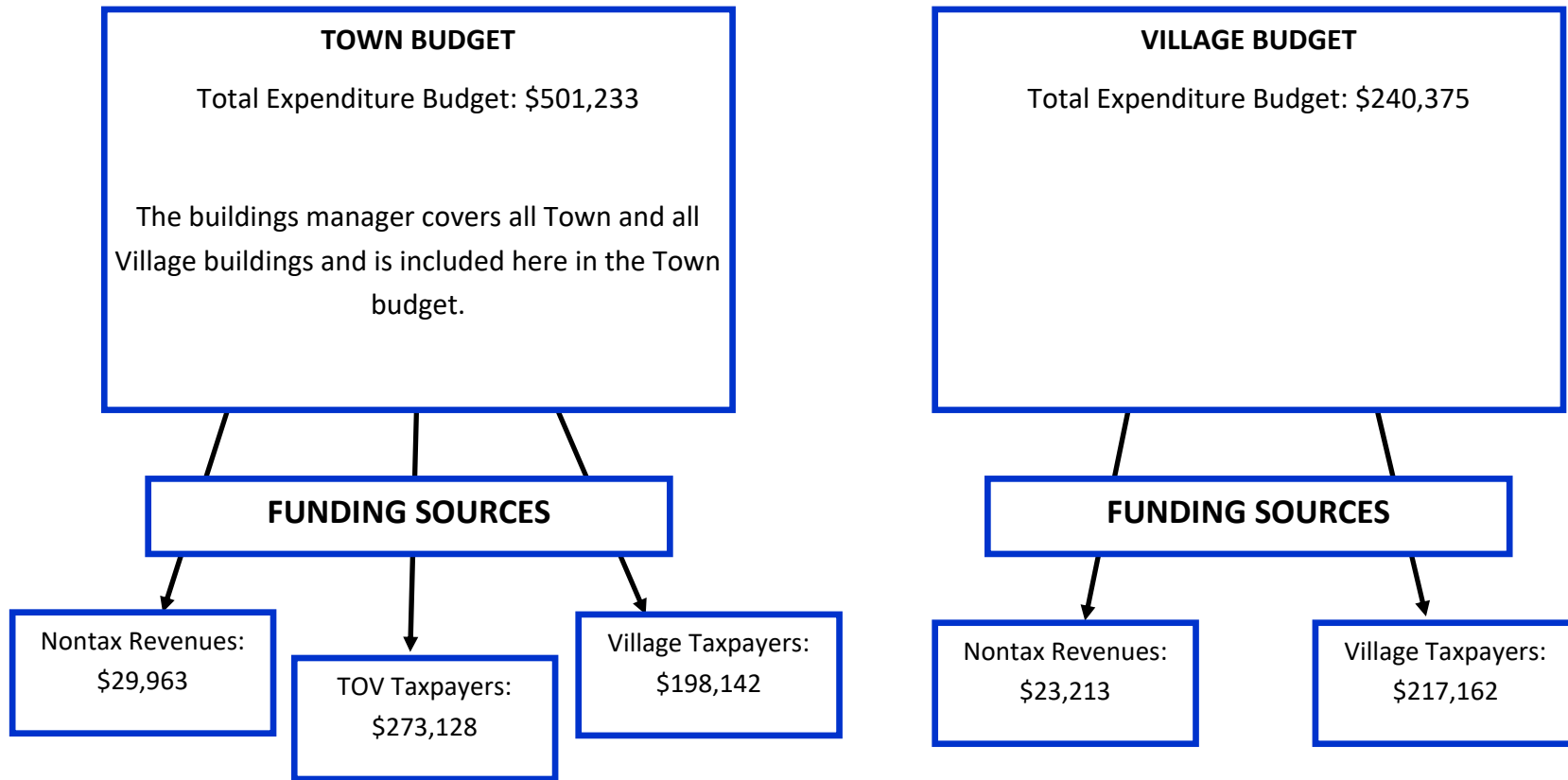


The following tables illustrate the tax impact for TOV Taxpayers and Village taxpayers of the current budget configuration and in a merged environment. Separation involves multiple assumptions and will be examined separately.

Effective Tax Rate:	TOV	Village
Current:	0.0313	0.0871
Merged:	0.0547	0.0547

Tax burden on \$280k home:	TOV	Village
Current:	\$87.64	\$243.88
Merged:	\$153.16	\$153.16

Buildings—General Fund



The following tables illustrate the tax impact for TOV Taxpayers and Village taxpayers of the current budget configuration and in a merged environment. Separation involves multiple assumptions and will be examined separately.

Effective Tax	TOV	Village
Current:	0.0178	0.0373
Merged:	0.0260	0.0260

Tax burden on \$280k home:	TOV	Village
Current:	\$49.84	\$104.44
Merged:	\$72.80	\$72.80

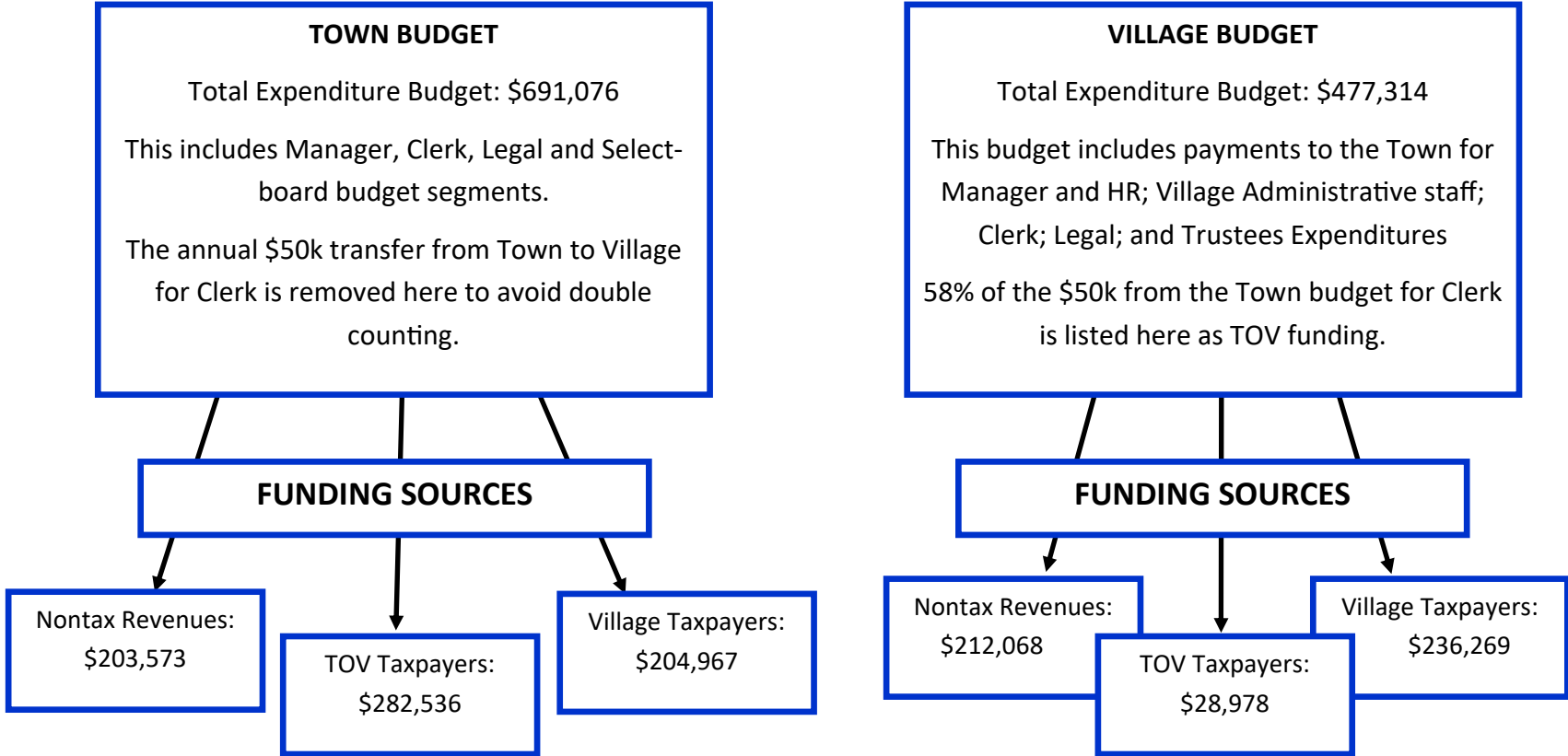
Consolidated Functions

The following pages show the General Fund functions that are mostly or entirely consolidated in operations and/or funding.

Which functions are included here and why?

1. Administration— In the Village budget there is one administration budget segment. On the Town side this is broken out into multiple segments. They have all been consolidated on the Town side here for comparative purposes.
2. Public Works: Administration, Highways, Stormwater— These Town and Village sides of these departments are under the budgetary control of their respective boards. However, they are all funded through the Town budget so that all taxpayers pay the same effective tax rates for these functions.
3. Finance—One Finance department supports the entire organization including enterprise funds. While Finance is consolidated it still consists of both Town employees and Village employees and the funding is not entirely consolidated.
4. Police—One Police department services the entire geographic area.
5. Assessor— One Assessing department services the entire geographic area.
6. Information Technology—One IT department supports the entire organization including enterprise funds.
7. Other Items—Debt, Economic Development, Health & Welfare, Intergovernmental and Miscellaneous have been summarized in one slide for ease of presentation.

Administration

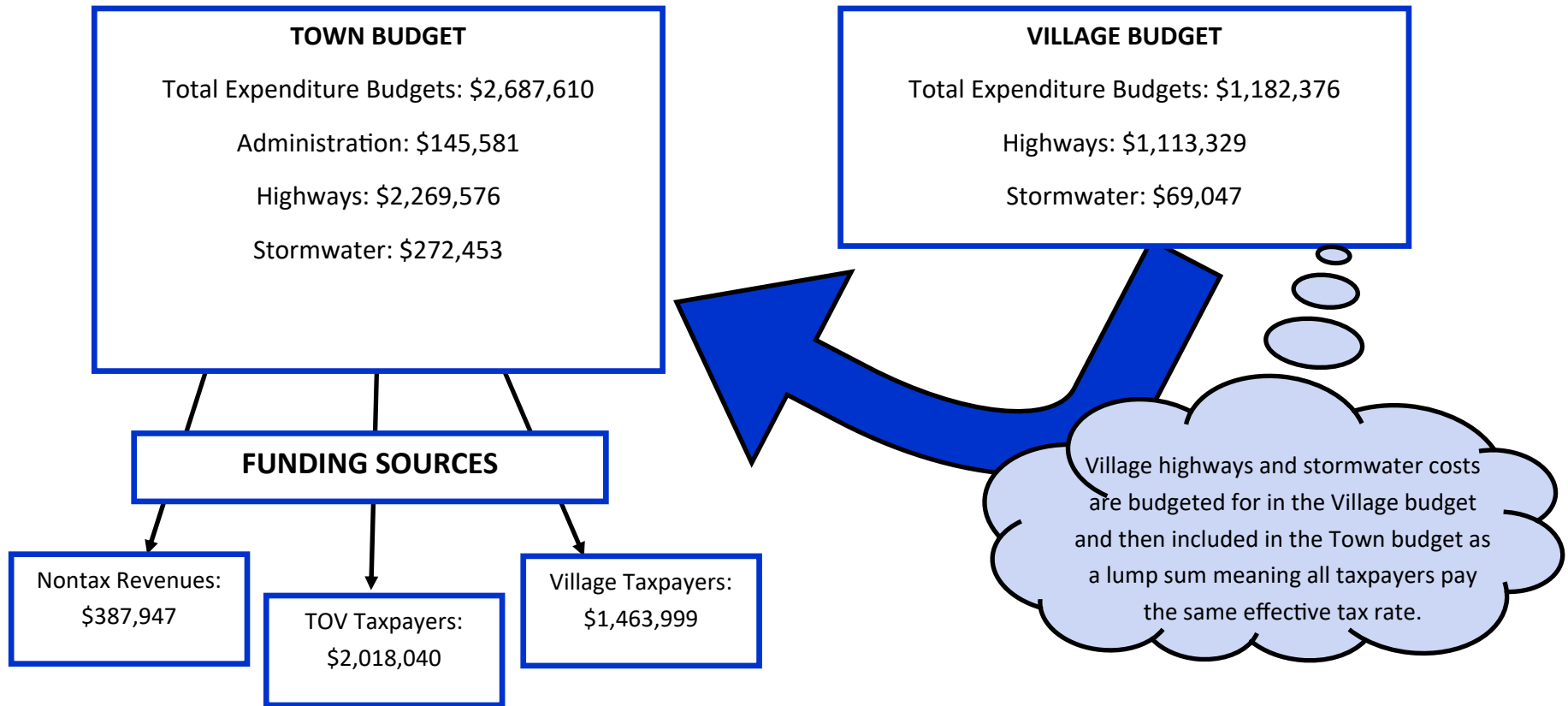


The following tables illustrate the tax impact for TOV Taxpayers and Village taxpayers of the current budget configuration and in a merged environment. Separation involves multiple assumptions and will be examined separately.

Effective Tax Rate:	TOV	Village
Current:	0.0203	0.0396
Merged:	0.0284	0.0284

Tax burden on \$280k home:	TOV	Village
Current:	\$56.84	\$110.88
Merged:	\$79.52	\$79.52

Public Works: Administration, Highways, Stormwater



The following tables illustrate the tax impact for TOV Taxpayers and Village taxpayers of the current budget configuration and in a merged environment. Separation involves multiple assumptions and will be examined separately.

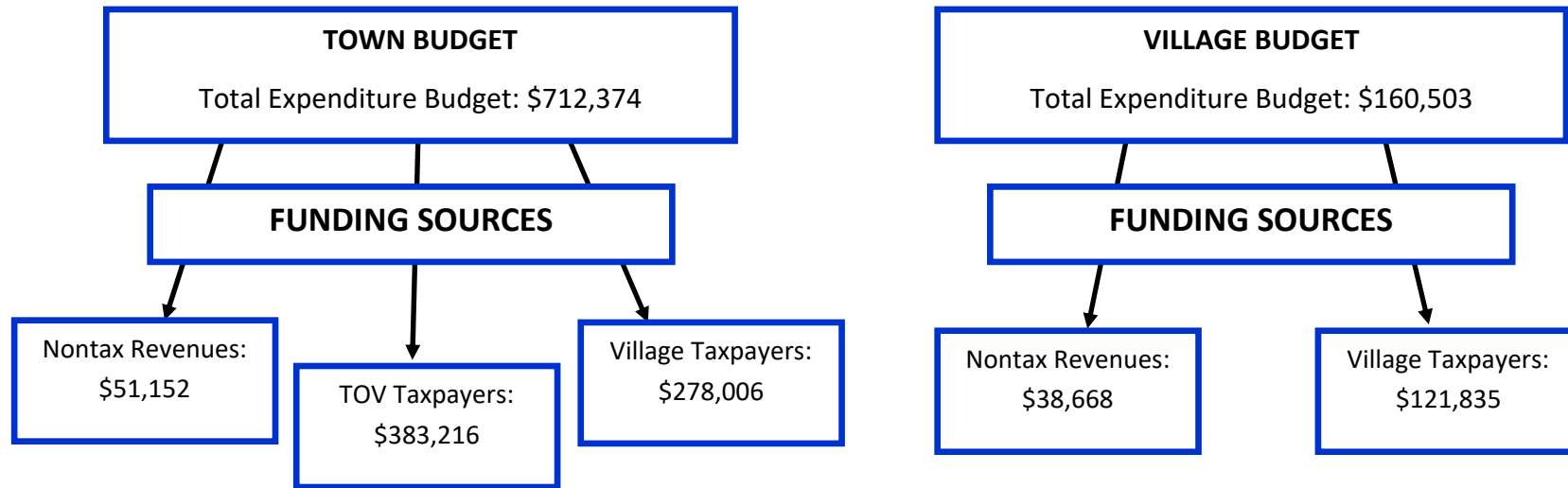
Effective Tax Rate:	TOV	Village
Current:	0.1314	0.1314
Merged:	0.1314	0.1314

Tax burden on \$280k home:	TOV	Village
Current:	\$367.92	\$367.92
Merged:	\$367.92	\$367.92

Finance

One Finance department supports all Town and Village functions, handles weekly payroll, tax billing, utility billing, audit, and budgeting. The Finance department budgets include the complete general fund portion of property and liability insurance for the respective entity. The Town Finance Budget includes 3 fulltime staff, the Village Finance Budget includes 1 fulltime staff. The fifth fulltime Finance employee is included in the Town Water/Sewer budget.

Nontax Revenues in the Town and Village include contributions from the Village Enterprise Funds.



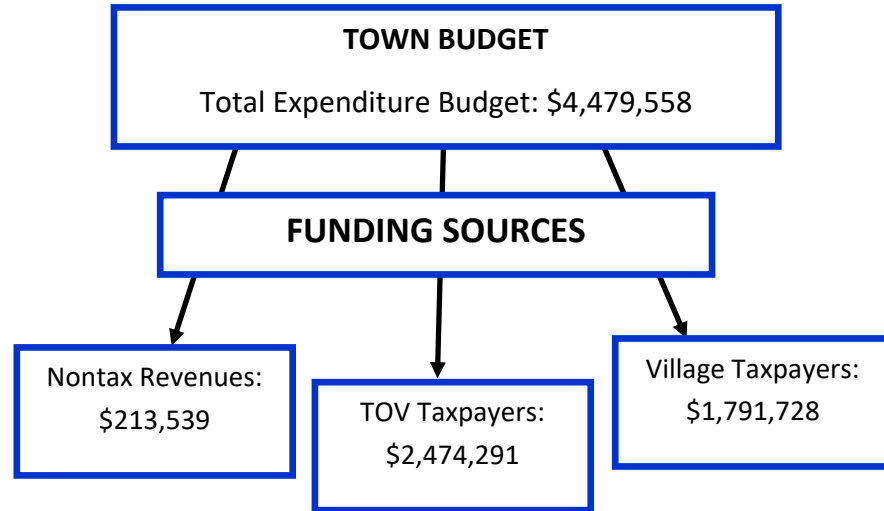
The following tables illustrate the tax impact for TOV Taxpayers and Village taxpayers of the current budget configuration and in a merged environment. Separation involves multiple assumptions and will be examined separately.

Effective Tax Rate:	TOV	Village
	Current:	0.0250
Merged:	0.0296	0.0296

Tax burden on \$280k home:	TOV	Village
	Current:	\$70.00
Merged:	\$82.88	\$82.88

Police

For over 40 years, one police department has served the entire community. This function resides in the Town Budget and the bonded debt on the new police facility is also in the Town Budget (included in the debt slide).



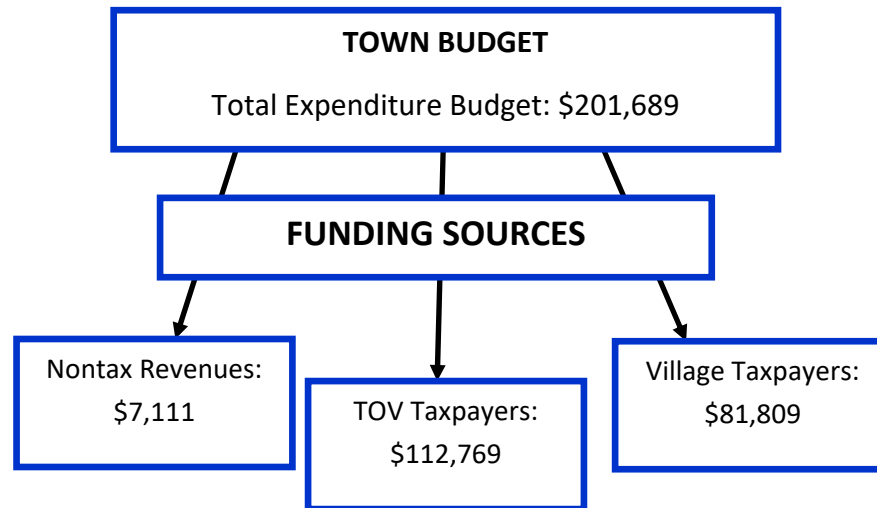
The following tables illustrate the tax impact for TOV Taxpayers and Village taxpayers of the current budget configuration and in a merged environment. Separation involves multiple assumptions and will be examined separately.

Effective Tax Rate:	TOV	Village
Current:	0.1611	0.1611
Merged:	0.1611	0.1611

Tax burden on \$280k home:	TOV	Village
Current:	\$451.08	\$451.08
Merged:	\$451.08	\$451.08

Assessor

One Assessing Department serves the entire community. Included in this budget is the cost of two employees—one full time and one part time. The annual transfer to capital has been removed here and was included in the capital slide.



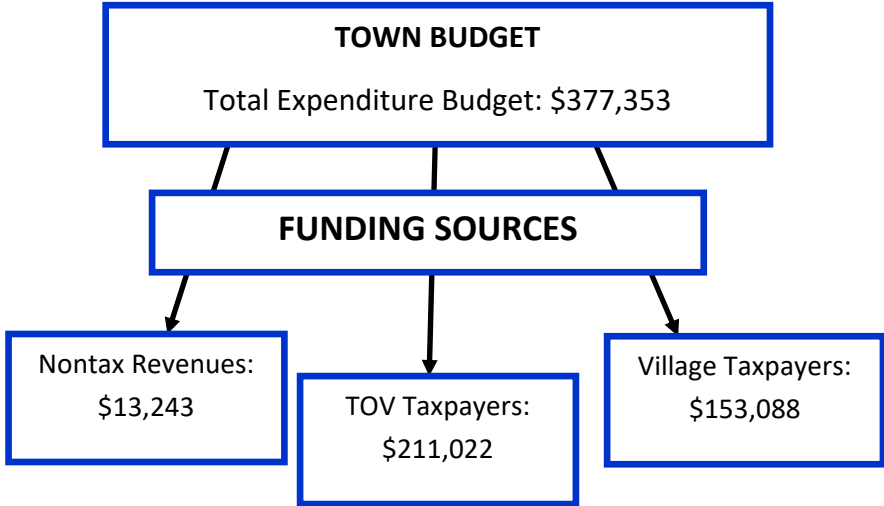
The following tables illustrate the tax impact for TOV Taxpayers and Village taxpayers of the current budget configuration and in a merged environment. Separation involves multiple assumptions and will be examined separately.

Effective Tax Rate:	TOV	Village
Current:	0.0073	0.0073
Merged:	0.0073	0.0073

Tax burden on \$280k home:	TOV	Village
Current:	\$20.44	\$20.44
Merged:	\$20.44	\$20.44

Information Technology

One Information Technology department serves both organizations. It includes three full time employees. The annual transfer to capital has been removed here and was included in the capital slide.

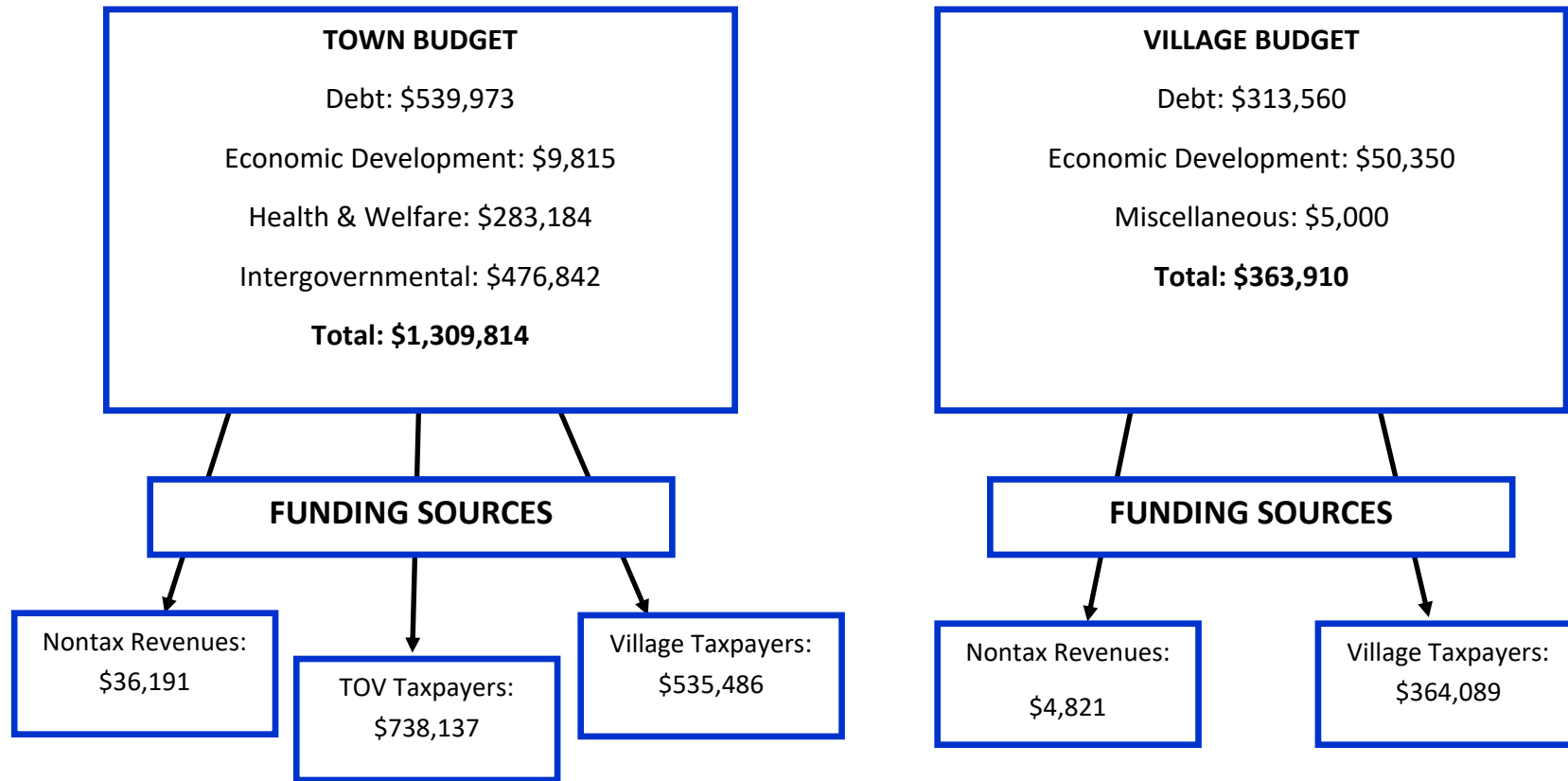


The following tables illustrate the tax impact for TOV Taxpayers and Village taxpayers of the current budget configuration and in a merged environment. Separation involves multiple assumptions and will be examined separately.

Effective Tax Rate:	TOV	Village
Current:	0.0137	0.0137
Merged:	0.0137	0.0137

Tax burden on \$280k home:	TOV	Village
Current:	\$38.36	\$38.36
Merged:	\$38.36	\$38.36

Other Items



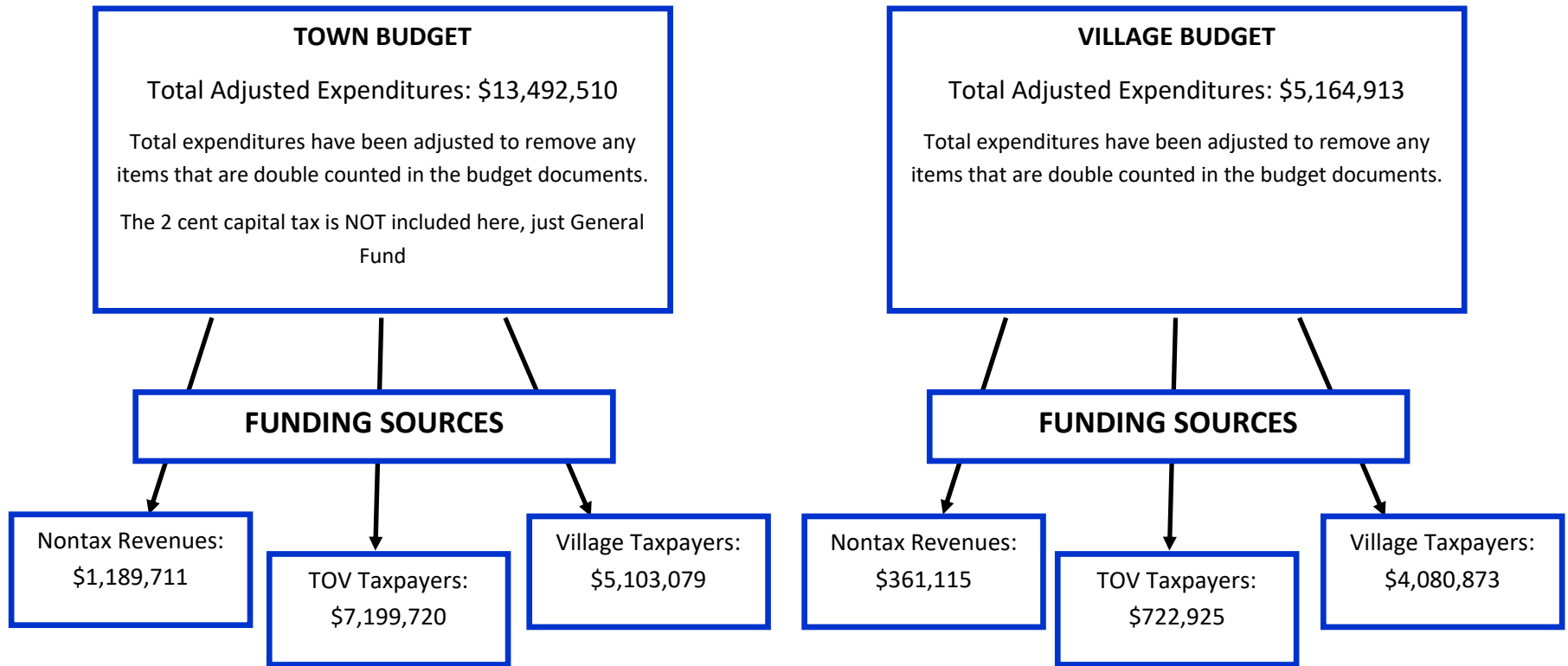
The following tables illustrate the tax impact for TOV Taxpayers and Village taxpayers of the current budget configuration and in a merged environment. Separation involves multiple assumptions and will be examined separately.

Effective Tax	TOV	Village
Current:	0.0482	0.0809
Merged:	0.0500	0.0782*

Tax burden on \$280k home:	TOV	Village
Current:	\$134.96	\$226.52
Merged:	\$140.00	\$218.96

*Village Debt would stay with Village only taxpayers causing the merged amounts to continue to be different until debt is retired.

Summary



The following tables illustrate the tax impact for TOV Taxpayers and Village taxpayers of the current budget configuration and in a merged environment. Separation involves multiple assumptions and will be examined separately.

Effective Tax Rate:	TOV	Village
* Current:	0.5163	0.8248
** Merged:	0.6341	0.6623

Tax burden on \$280k home:	TOV	Village
Current:	\$1,445.64	\$2,309.44
Merged:	\$1,775.48	\$1,854.44

* These rates are recalculated using total FY20 grand list figures (excluding stabilization agreements) and the budgeted dollar amount raised by the highway tax causing them to be slightly different than the actual rates of 0.5177 TOV and 0.8273 Village.

** Village would continue to pay its general obligation debt until retired causing the difference between the two rates.