

BOARD OF FINANCE
29 West Avenue – Essex, CT
Thursday, June 19, 2014 – 7:00 p.m.
Conference Room A – Town Hall

MINUTES

In attendance, Keith Crehan, Chairman, Campbell Hudson, Vice Chairman, Jeff Woods, Don Mesite, Mary-Louise Polo and Fred Vollono

Others in attendance: Norman Needleman, First Selectman
Kelly Sterner, Finance Director
Yvonne Roziak, Recording Secretary

CALL TO ORDER:

Meeting called to order at 7:05 p.m.

APPROVAL OF AGENDA:

Keith Crehan requested that Item 7a. Mahoney Sabol & Company LLP (under New Business) be moved up to Item #4 on the agenda.

Motion made by Jeff Woods to approve agenda as amended, seconded by Don Mesite. Passed unanimously. Motion carried.

APPROVAL OF MINUTES:

Campbell Hudson requested the following changes to the minutes of May 15, 2014:

Page 1: Under Approval of Minutes, to include with the motion to approve the minutes of March 27, 2014 as amended “as well as the approval of minutes of April 24, 2014 as amended”.

Page 1: Under Financial Report, first sentence should read as follows: Kelly Sterner, Finance Director provided the following financial report for the fiscal year through the month “ended” (vs. “ending”) April 30, 2014.

Page 2: Under Revenues – 7th line down – should read as follows: and total “local revenues” have reached.....

Motion made by Campbell Hudson to approve the Minutes of May 15, 2014 as amended, seconded by Don Mesite. Passed unanimously. Motion carried.

MAHONEY SABOL & COMPANY, LLP:

John Bauer, CPA - Partner from Mahoney Sabol & Company, LLP introduced himself as well as his associates Jennifer Hawkins and Amanda Backhaus. This will be the second year of their 3 year contract. He reiterated their commitment in working with us and getting the job done. Mahoney Sabol & Company has a total of 45 employees in 3 offices located in Middletown, Glastonbury and Essex. They will be coming in July with final work to be done in October. In addition to serving as auditors for Essex, they have once again been chosen by Region 4 for their audit services. The Board of Finance members thanked them for coming and look forward to working with them again this coming fiscal year.

FINANCIAL REPORT:

Kelly Sterner, Finance Director provided the following financial report for the fiscal year through the month ending May 31, 2014:

REVENUES

Current Property Tax collections for May of \$137,955 were up slightly from April collections and bring the total YTD collections to \$21,039,543 or 99.9% of budget. When including prior year tax collections and interest & liens, we are approximately \$10k short of our full year budget for property tax revenues as of May month end. We expect June collections to put us slightly over the 100% mark. The only open item under State & Federal is the LoCIP revenue. Reimbursement under this grant has been filed in June and we will accrue the revenue by June month end. Local revenues at May month end were 127.9% of budgeted. While June does not look to be a blockbuster month, we should add at least \$30k to this revenue to reach our forecasted total of \$692,112. The full year forecasted revenue was adjusted up slightly to an anticipated total of \$22,824,304. This total revenue covers the budgeted decrease in the unassigned fund and would finish the fiscal year approximately \$140k over budgeted revenue.

EXPENDITURES

Total expenditures as of May month end of \$21,085,101 represent 93% of the total fiscal year budget. This is only slightly ahead of last year's rate of 92.3% at the end of May, and quite respectable in light of the costs associated with the winter storms this year. Spending for the month was on par when compared to the prior fiscal year. The full fiscal year forecast continues to be refined as we wind down the fiscal year. The Resident Trooper budget line will exceed budget by almost \$6,600 as the fringe benefits costs charged back to the Town grew again this year. Offsetting this is projected savings in Insurance and Employee Benefits. Total expenditures are now projected to finish the year with a net deficit of \$19,355 across all expenditure categories.

Under this forecast scenario, the projected surplus would be slightly more than \$120,000.

Essex Elementary BOE budget continues to be on target with an anticipated surplus of approximately \$27,000.

A motion was made by Campbell Hudson to accept the Financial Report, seconded by Fred Vollono. Passed unanimously. Motion carried.

SELECTMEN'S REPORT:

Norm Needleman discussed the Open Space Sinking Fund Request which was presented at the Board of Selectmen's meeting on Wednesday, June 16, 2014. A motion was made by Bruce Glowac to recommend to the Board of Finance an appropriation of a sum not to exceed \$200,000 for the Preserve Purchase Project. The motion was approved unanimously contingent upon the approval of funding at the Old Saybrook Referendum and award of funds from the State of Connecticut Open Space Grant Program. Funding source for said appropriation may be considered from the Open Space Sinking Fund.

There are approximately 70.6 acres within the Preserve area that are located in the Town of Essex. There are two appraisals on the Essex parcel. One appraisal is for \$690,000 and other \$725,000. The Town of Old Saybrook must approve \$3,000,000 for their parcel of land. A total of approximately \$8.1 million must be raised for the entire Preserve purchase. The property will be used for passive recreation, hiking trails, and parking areas. The Preserve area will be designated as State Forest.

Norman Needleman indicated to the Board of Finance that there would be no impact on the new budget as the Open Space Sinking Fund currently has \$225,000 in it. Keith Crehan inquired about any opposition in Old Saybrook regarding this request and Jim Denham of The Essex Land Trust reported that there appears to be no opposition as they have been working on this for approximately 1 year.

Campbell Hudson must recuse himself on the vote of this motion as he is part of the Preservation Trust.

Motion made by Fred Vollono to approve and recommend to Town Meeting the appropriation of an amount not to exceed \$200,000 to be used for the partial funding of the purchase of the Preserve. Said sum to come from the Open Space Sinking Fund. Appropriation is contingent upon the Old Saybrook approval of their funding at referendum and the approval of the State Open Space Grant, seconded by Mary-Louise Polo. In favor: 5 (Don Mesite, Keith Crehan, Jeff Woods, Fred Vollono, Mary-Louise Polo), Opposed: 0, Abstained: 1 (Campbell Hudson). Motion Carried.

Norman Needleman discussed a couple of outstanding items:

- 1) The contractor will be starting on the wall out front tomorrow. The Town set aside the right amount of funds to get this and the other pending campus projects done.
- 2) Ivoryton Grant bids have come in and two of bids came in about \$15,000, however, did not contain any landscape design. Mr. Needleman is anxious to hear which of the bidders the Committee recommends.
- 3) Transfer Station annual sticker and punch card system will go into effect on October 1, 2014.
- 4) The Town logo is currently being reviewed as we need to come up with a standard brand and have one official logo. Campbell Hudson suggested after coming up with one logo to trademark it when complete.
- 5) Kelly Sterner reported that the Retirement Board Committee received 17 responses to the RFP. Seven proposals were for the actuarial, seven for the investment piece and three for the custodial banking piece. The Committee is still reviewing them and will develop a list of firms to be invited for interviews. There is approximately \$4M in all 3 plans. One firm responded to all 3 pieces of the RFP – Hooker and Holcombe, Inc.

OLD BUSINESS: None

NEW BUSINESS:

BANKING RESOLUTION

Motion made by Mary-Louise Polo to authorize the Treasurer to invest any portion of the General Fund, as specified amounts that may be available, in direct obligations of the U.S. or certificate of deposits or specified regular savings accounts for the fiscal year 2014-2015; and to approve Bank of America, Essex Savings Bank, TD Bank, Liberty Bank, First Niagara Bank, Webster Bank, Citizen's Bank and the State of Connecticut Short Term Investment Fund (STIF) for investments and for regular checking accounts for the fiscal year 2014-2015, seconded by Fred Vollono, Passed. Motion carried.

COMMUNICATIONS AND CORRESPONDENCE: None

PUBLIC COMMENT: None

ADJOURNMENT:

Motion made by Jeff Woods to adjourn meeting at 8:00 p.m., seconded by Fred Vollono. Passed unanimously. Motion carried.

Respectfully submitted,

Yvonne Roziak
Recording Secretary