

These minutes have not yet been approved.

Board of Finance

Town of Essex
29 West Avenue
Essex, CT 06426
Via Remote & In Person- 7:00 PM

MINUTES

Thursday May 18, 2023

| | |
|-------------------------------|------------------------------------|
| Members in Attendance: | Campbell Hudson, Chairman |
| | Terry Stewart |
| | Vincent Pacileo III |
| | Ethan Goller |
| | |
| Others in Attendance: | Norman Needleman, First Selectman |
| | Tracey Celentano, Finance Director |
| | James Francis, Treasurer |
| | Danielle Schumacher, Board Clerk |
| | Kelly Sterner |

1. CALL TO ORDER

The meeting was called to order at 7:04 PM by Chairman Campbell Hudson.

2. APPROVAL OF AGENDA

MOTION made by Vincent Pacileo III to approve the agenda as submitted. SECONDED by Ethan Goller. Passed unanimously. Motion carried.

3. APPROVAL OF MINUTES: REGULAR BOARD OF FINANCE MEETING ON APRIL 20, 2023

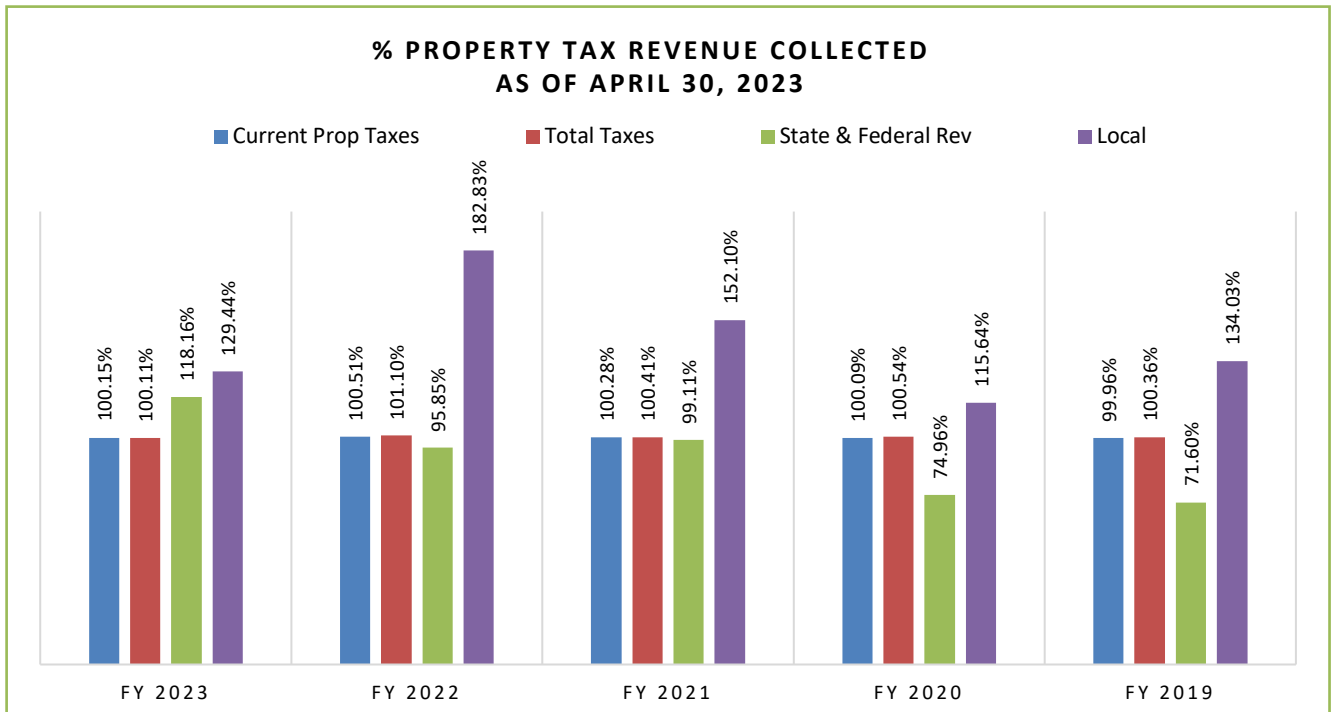
MOTION made by Ethan Goller to approve the minutes from the April 20, 2023 regular Board of Finance meeting with the correction of the removal of the letter "F" from the second line on page 5. SECONDED by Terry Stewart. Passed unanimously. Motion carried.

4. FINANCIAL REPORT:

a. ESTIMATED APRIL 2023 YTD UPDATE

REVENUES

As of the end of April, our revenue collection rates for all categories are comparable to the prior fiscal years. Current property tax collections for April came in at \$107,051 which is a strong number at this stage of the fiscal year. The collection rate is 100.15%. Interest and liens fees and prior year tax collections total \$16K for the month.



As of April month-end, the YTD total tax collections were \$24,769,986 million or 100.11% which is slightly below prior years. State and Federal revenue year-to-date totals compare favorably to prior years at 118.16% of budget. We received \$59,306 for Education Cost Sharing which brings State Education Grants \$30.7K above budget for the year. Total local revenue is at 129.44% of budget as it includes the following receipts in April: Essex Elementary Café Receivable (\$94.6K), Building Permit Fees (\$29.2K) and Conveyance Taxes (\$16.2K).

Total revenues collected came in at 100.22% of budget versus 101.77% for April 2022 and 100.30% for April 2021 month end. These totals reflect the budgeted deficit amount of \$230,123.

Our revenue forecast has been increased to \$282,176 at fiscal year-end based on the stronger revenue numbers.

EXPENDITURES

Expenditures for the month of April totaled \$1,517,389 bringing spending YTD to \$22,185,993 or 84.56% of budget. Selectmen's budget expenditures made up \$319,190 of the total spending. For the month, payroll and fringe benefits accounted for \$245,832 or 77% of the Selectmen's budget spending. Other expenses included the payments for the Essex Ambulance appropriations; Worker Compensation (\$15K), Stryker Stretcher (\$32.3K). As of April month end, the Selectmen's budget spending YTD is \$7,676,245 or 82.79% of budget compared to 84.32% as of April 2022 and 78.80% at April 2021 month-end.

Combining the currently forecasted revenue and expenditures, the overall surplus is revised to \$564.7K.

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FY 2022-2023 – IDENTIFIED OPPORTUNITIES/SAVINGS & RISKS/OVERRUNS

As of 4/30/2023

Opportunities/Savings

| | | |
|-----------------------------------|------------|--|
| • Selectmen Office | \$60K +/- | Elected Payroll |
| • Municipal Revenue Sharing Grant | \$83K +/- | Not budgeted – did not expect. |
| • Conveyance Taxes | \$104K +/- | Real Estate Activity |
| • Building Permits | \$71K +/- | |
| • Misc. State & Federal | \$50K +/- | Tropical Storm Ida |
| • Medical/Dental Insurance | \$25K +/- | Retired Police Officer |
| • Interest | \$12K +/- | |
| • Local PILOT | \$5K +/- | |
| • Education Expenses | \$397.1K | R4 & Supervision District FY21-22 Surplus Distribution |
| • EES School Lunch | \$94.6K | Café FY21-22 Receivable |

Risks/Overruns

| | | |
|-------------------------|-----------|--------------------------------------|
| • 11/9/22 Appropriation | \$50K | Essex Ambulance Stretcher |
| • 11/9/22 Appropriation | \$130K | STEAP Grant Matching Funds |
| • 4/20/23 Appropriation | \$15K | Essex Ambulance Workers Compensation |
| • Budgeted Deficit | \$230K | |
| • Legal Services | \$25K | Litigation – IWWC |
| • Building | \$9K +/- | Interim Official |
| • Harbor Patrol | \$8K +/- | Additional Patrols |
| • Town Clerk Fees | \$10K +/- | Fees Offset by Revenue |
| • Water (Public Safety) | \$6K +/- | Actual Expenses |
| • Police Services | \$10K +/- | Accreditation (PT Officer) |
| • Electric | TBD | |

There was concern about the Essex Elementary School Café receivable. The Board agreed that they would request a written explanation to have on record.

MOTION made by Vincent Pacileo III to accept the financial report as submitted. SECONDED by Terry Stewart. Passed unanimously. Motion carried.

b. ARPA SUMMARY REPORT

The ARPA Summary Report is included in the packet.

5. SELECTMEN'S REPORT

Selectman Norman Needleman reported that construction will start on River Road soon. They are still up in the air on whether or not they will receive the grant for the Hubbard Field project.

6. OLD BUSINESS

None

7. NEW BUSINESS

These minutes have not yet been approved.

a. **SET MILL RATE**

Finance Director Tracey Celentano gave the Board a brief overview. They are proposing a single mill rate, not a bifurcated rate like last year.

The undesignated fund is healthy and robust, above the fund policy range of 14-16%. However, it is to be expected Norman and the BOS will have proposed appropriations at the end of the fiscal year.

Vincent Pacileo III said that he agrees with Norman's proposal for a single mill rate as we are in a rebound year. Car prices have stabilized and used car prices are up 5.5% from last year.

Norman Needleman said that there is a bill at the capital that is proposing to adopt a fixed depreciation schedule for cars. This will equalize motor vehicle property taxes across the state. Car taxes are unfair because you pay a higher tax for the same car in Hartford versus somewhere else. A fixed depreciation schedule does not consider how many miles are on the car. The primary software provider for Assessors and Tax Collectors is currently not able to support this proposed change.

Norman went on to provide an update on the revaluation and that there will be communication from the town including the Assessor, Tax Collector and Finance Director around the end of summer because of an increasing grand list.

MOTION made by Terry Stewart to set the mill rate for the Town of Essex fiscal year 2023-2024 at 22.59 mills. SECONDED by Ethan Goller. Passed unanimously. Motion carried.

b. **APPOINTMENT OF AUDITOR**

MOTION made by Terry Stewart to appoint Mahoney Sabol & Company, LLP as audit firm for the Town of Essex for the audit of the fiscal year from July 1st 2022 to June 30th 2023. SECONDED by Ethan Goller. Passed unanimously. Motion carried.

Tracey Celentano will reach out to Mahoney Sabol to ask for a guaranteed rate for three years.

c. **SUSPENSE LIST**

MOTION made by Ethan Goller to approve the tax suspense list as presented by the Tax Collector in the amount of \$28,33.23 (\$14,428.64 Motor Vehicle, \$1,729.01 Motor Vehicle Supplement, and \$12,175.58 Personal Property). SECONDED by Terry Stewart. Passed unanimously. Motion carried.

Tracey Celentano said that she had received the list from Megan Haskins, Tax Collector directed to Campbell Chair. The numbers are comparable to previous years.

8. **COMMUNICATIONS AND CORRESPONDENCE**

None

9. **PUBLIC COMMENT**

These minutes have not yet been approved.

Jennifer Clark spoke to the Board of Finance. She said that she is a Region 4 BOE member but is here as a private resident, not a member of the board.

She said that the Boards of Education hired a firm to evaluate keeping the buildings up to code from now until 2040 (which is included in the joint board minutes from October 6, 2022. The estimate to upkeep the 3 elementary schools, middle school and high school is \$150 million which is somewhat frightening. The escalated cost is \$338 million between now and 2040 which is a lot of money across the 3 towns. We currently provide a good education for all our kids. For what we budget for we get good results. As we make larger and larger requests the public is not going to support this level of funding. Looking further down the road many on the board are concerned about maintain the quality of education moving forward. As educational services decline so will our property values. She strongly recommended the Board members review these minutes and proposed improvements.

10. ADJOURNMENT

MOTION to adjourn the meeting at 8:34 PM. SECONDED by Terry Stewart. Passed unanimously. Motion carried.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Danielle Schumacher". The signature is written in black ink and is positioned below the "Respectfully Submitted," text.

Recording Clerk