

# Board of Finance

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

## MINUTES

Thursday August 17, 2023

<b>Members in Attendance:</b>	Campbell Hudson, Chairman
	Terry Stewart
	Vincent Pacileo III
	Ethan Goller
	Mary-Louise Polo
	Brian Weinstein
<b>Others in Attendance:</b>	Norman Needleman, First Selectman
	Tracey Celentano, Finance Director
	Kelly Sterner, Project Coordinator
	Danielle Schumacher, Board Clerk

### 1. CALL TO ORDER

The meeting was called to order at 7:03 PM by Chairman Campbell Hudson

### 2. APPROVAL OF AGENDA

*MOTION made by Vincent Pacileo III to amend the agenda to move the Selectmen's report to Item 4. SECONDED by Brian Weinstein. Passed unanimously. Motion carried.*

### 3. APPROVAL OF MINUTES FROM JULY 20, 2023

*MOTION made by Ethan Goller to approve the minutes from the July 20, 2023 regular meeting as submitted. SECONDED by Brian Weinstein. Passed unanimously. Motion carried.*

### 4. SELECTMEN'S REPORT

#### a. PROPOSED SUPPLEMENTAL APPROPRIATIONS

First Selectman Norman Needleman reported the Selectmen has spent some time producing a list of special appropriations to spend the surplus down. He also mentioned concentrating on public safety and looking at a significantly larger allocation for the ambulance association in the future.

Mr. Needleman reported he met with the First Selectmen of Deep River and Chester regarding the shared Animal Control Officer positions. There was discussion of hiring someone who would be willing to be on call continuously.

Vincent Pacileo III inquired about the fire department sinking fund. Mr. Needleman stated the fund was depleted to purchase the required the air packs and radios and the fund needs to be replenished. The fund is used for both fire equipment and apparatus. Some of the funds for the radios came from state bonding.

Mr. Pacileo inquired about the bridge sinking fund. Mr. Needleman stated the Department of Transportation

Bridge Inspection Report has many of the bridge conditions in our Town listed between fair and poor and some we need to be replaced. Mr. Needleman stated it is important to have money when something comes up, so we do not need to go out to bond. Having a bridge sinking fund with a million or 2 million is wise.

There was discussion there are two neighborhoods in Town without a second way out. If a tree falls, there is no way out. There was mention that Falls River has an alternate way out through Deep River, but it is an unfinished road. The Town has an obligation to fix this problem.

In terms of the ambulance sinking fund, the town appropriated funds almost two years ago for a new ambulance. They are finally building it and the numbers have come in higher.

The capital undesignated fund is specifically for capital projects. It is really an unassigned capital fund and must go through Board of Finance, Board of Selectmen, and approved at a Town Meeting.

Mr. Pacileo III spoke about his concern about the amount of money in the accounts. He stated we need to be careful the amount does not grow over time. He does not want to public to perceive anything akin to a slush fund.

Terry Stewart asked if the town had encountered this type of situation before.

Mr. Needleman reported this happens every year. He believed that the budgeting has been so thoughtful and everyone is careful with their spending that we have underspent and the Town has generated more revenue than expected. All departments have been prudent in every way. Mr. Needleman stated that at least 10 out of the 12 years he has been Selectman there has been a surplus.

***MOTION made by Ethan Goller to approve and recommend to Town Meeting fiscal year end 2022/2023 supplemental appropriations in the total amount \$1,100,000 as recommended by the Board of Selectmen on the provided list (see attached item 5a). SECONDED by Mary-Louise Polo. Passed unanimously. Motion carried.***

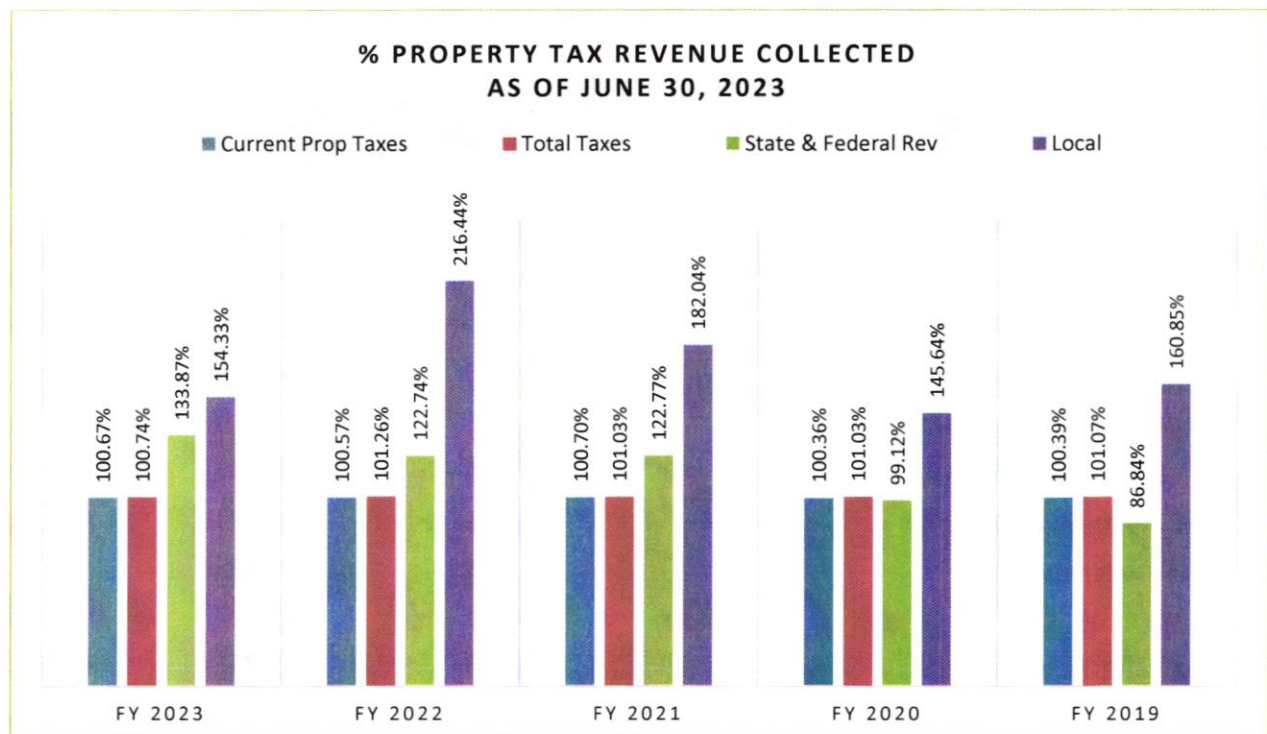
## **5. FINANCIAL REPORT**

### **a. JUNE 2023 FINANCIAL REPORT**

#### **REVENUES**

The fiscal year 2022-2023 revenue report shows overall positive results. Current property tax collections are forecasted to finish the fiscal year at \$24,707,034 which brings the collection rate to 100.67% which is slightly above prior year (100.57%). Current property tax collections, prior years' collections and interest & liens are slightly below prior fiscal years.

Interest and lien fees finished the fiscal year strong with collection rates of 211.34%. Overall, Property Tax revenue accounts for \$184K of the revenue surplus. The YTD total tax collections are \$24,926,539 or 100.74% of the fiscal year total.



We received the Municipal Grants in Aid (\$74,547) in June bringing total State and Federal Grant Revenue above budget \$161,458 or 133.87%. State and Federal funding was favorable due to Tropical Storm Ida FEMA reimbursement (\$46K) and the unexpected Municipal Revenue Sharing Grant (\$83K). As expected, Local Revenues ended strong primarily due to the prior year EES Café Receivable (\$95K), Building Permit Fees (\$95K), Transfer Station Fees (\$24K) and Conveyance Taxes (\$139K) all above budget. Total revenues collected for the current year reached 101.68% of the budget. At this point, our forecasted fiscal year end revenue surplus is \$437,585.

### **EXPENDITURES**

Year-to-Date spending is forecasted to be \$25,608,415 or 97.21% of budget. The Selectmen's budget is now closed except for the deferred tax revenue journal entry and auditor adjustments. Field work is being conducted from 9/11/23 through 9/22/23. Savings on the expense side contributed \$647,269 towards the surplus.

The Town budget surplus continues to be primarily a result of strong tax collections and real estate activity. Significant savings on the expense side include Selectmen's Office (Elected Payroll), Resident Trooper (fringe benefit savings), Police Services (Full-Time Payroll) and (R4 & Supervision District FY21-22 Surplus) Employee Benefits (Retired Police Officer), Technology (Land Use Software not fully implemented), and BOF contingency. Encumbrances totaling \$50,770 are included in the forecasted expenses.

The overall surplus is expected to be around **\$871,754**.



**Departments with Positive Variances (\$1K and over)**

	<b>Approved 22-23 Budget</b>	<b>Forecasted Expenditures</b>	<b>Available Balance</b>
Selectmen Office	264,693	203,744	60,949
Elections	48,560	45,885	2,675
Assessor	134,006	129,297	4,709
Board of Assessment Appeals	1,330	110	1,220
Board of Finance	112,660	37,120	75,540
Planning & Zoning Commission	1,350	0	1,350
Zoning Board of Appeals	3,200	1,041	2,159
Park & Recreation Dept.	206,336	205,173	1,163
Fire Department	394,885	389,885	5,000
Insurance	200,900	183,932	16,968
Resident Trooper	186,129	159,736	26,393
Police Services	497,277	471,917	25,360
Emergency Management	19,700	12,465	7,235
Health Department	188,040	169,218	18,822
Social Services	95,498	87,958	7,540
Transfer Station & Recycling	265,972	263,761	2,211
Land Use - Administrative	303,663	298,428	5,235
Economic Development Comm.	1,850	601	1,249
Technology	265,876	242,659	23,217
Employee Benefits	1,184,720	1,152,230	32,490
Elementary School	8,144,643	7,978,643	166,000
Reg. School Operating	8,821,319	8,548,841	272,478

***MOTION made by Vincent Pacileo III to approve the financial report as presented. SECONDED by Mary-Louise Polo. Passed unanimously. Motion carried.***

**b. AMERICAN RESCUE PLAN ACT SUMMARY**

*Provided as informational.*

**c. SINKING FUND BALANCES**

*Provided as informational.*

**6. OLD BUSINESS**

*None*

## 7. NEW BUSINESS

### a. ENCUMBRANCES FYE 2022-2023

Both projects have been partially funded. There is a \$50,000 appropriation to retrofit the current ambulance with a Stryker stretcher. A stretcher that is fully compliant is \$65,000. It is easier from a financial standpoint to do a transfer or supplemental appropriation.

***MOTION made by Vincent Pacileo III to approve fiscal year end 2022/2023 transfer in the total amount of \$15,000.00 from the Board of Finance Contingency Fund to Grants & Special Appropriations (10499) to be used for the acquisition of a Stryker Stretcher for Essex Ambulance Association as recommended by the Board of Selectmen. SECONDED BY Brian Weinstein. Passed unanimously. Motion carried.***

#### Transfer Station Waste Processing Removal Encumbrance Request

Leaf screening is done every other year and is easier to budget \$7,000 each year. The screening will be done this upcoming fiscal year.

***MOTION made by Vicent Pacileo III to approve the encumbrance of a sum not to exceed \$7,000 for Leaf Screening at the Transfer Station. SECONDED by Brian Weinstein. Passed unanimously. Motion carried.***

#### Capital Sidewalk & Road Reconstruction Encumbrance Request

The work will be done in fiscal year 23-24. Encumbrances are included in these numbers.

***MOTION made by Vincent Pacileo III approve the encumbrance of a sum not to exceed \$35,770 for the completion of paving projects. Said sum to be encumbered from Capital Sidewalk Installation / Reconstruction \$25,000 and Capital Road Reconstruction \$10,770. SECONDED by Brian Weinstein. Passed unanimously. Motion carried.***

#### Park & Recreation Mowing, Park Operations, Maintenance & Repair Encumbrance Request

This is for planned grounds maintenance and mowing for the parks that was supposed to be done in Spring 2023. The funds have already been budgeted so it does not need to go to Town meeting.

***MOTION made by Vincent Pacileo III to approve the encumbrance of a sum not to exceed \$8,000 for the maintenance to be completed at the following parks: Grove Street, Main Street, Hubbard, and Comstock. Said sum to be encumbered from Mowing \$7,900 and Park Operations, Maintenance & Repair \$100. SECONDED by Brian Weinstein. Passed unanimously. Motion carried.***

### b. TRANSFERS FYE 2022-2023

There are items that were over budget by less than \$20,000.

***MOTION made by Mary-Louise Polo to approve fiscal year end 2022/2023 transfers in the total amount of 45,870.34 from the Board of Finance Contingency Fund (see attached item 7b). SECONDED by Ethan Goller. Passed unanimously. Motion carried.***

Tracey Celentano mentioned the bathrooms on Main Street are over budget because of the electric vehicle charging stations. She reported she is working with the Selectmen analyzing the kilowatt hours because the Town is looking at setting up a fee schedule.

c. **AMBULANCE ASSOCIATION APPROPRIATION & ARPA REQUEST**

i. **ARPA APPROPRIATION**

*Motion made by Vincent Pacileo iii a motion to approve and recommend to Town meeting an additional appropriation in an amount not to exceed \$40,000 to be allocated from the American Rescue Plan Act funds to be used for Essex ambulance association to acquire the new ambulance and necessary equipment as recommended by the Board of Selectmen. Seconded by Brian Weinstein. Passed unanimously. Motion carried.*

ii. **APPROPRIATION FY2022/2023**

*MOTION made by Vincent Pacileo III to approve and recommend to Town meeting an additional fiscal year 2022-2023 special appropriation in the amount not to exceed \$15,000 to be transferred from the Board of Finance Contingency Fund to be used for the acquisition of a Stryker Stretcher for Essex Ambulance Association as recommended by the Board of Selectmen. SECONDED by Brian Weinstein. Passed unanimously. Motion carried.*

d. **FYE 2022-2023 REQUIRED SUPPLEMENTAL APPROPRIATION**

Tracey Celentano reported that legal services have gone over budget due to the Inland Wetlands court case. The amount budgeted for IWWC is \$2,000 and they are currently at \$63,000. The increase in Maintenance and Repair is primarily due to asphalt prices which are up 40 percent.

*MOTION made by Brian Weinstein to approve and recommend to Town Meeting fiscal year end 2022/2023 supplemental appropriations in the total amount \$69,489 as recommended by the Board of Selectmen on the provided list (see attached item 7d). SECONDED by Terry Stewart. Passed unanimously. Motion carried.*

e. **ANNUAL REPORT DEDICATION DISCUSSION**

Chairman Campbell Hudson said that the annual report dedication is usually voted on at the September meeting. There is a list of who it has been dedicated to in the past years as well as a list of potential candidates. All the people and groups on the list contribute to the community in some way. Those being considered will be discussed at the next meeting.

8. **COMMUNICATIONS AND CORRESPONDENCE**

None

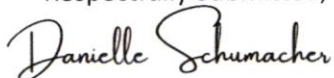
9. **PUBLIC COMMENT**

None

10. **ADJOURNMENT**

*MOTION made by Vincent Pacileo III to adjourn the meeting at 8:22 PM. SECONDED by Ethan Goller. Passed unanimously. Motion carried.*

Respectfully Submitted,



Recording Clerk



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# **FYE Supplemental Appropriations - Proposed**

Fiscal Year Ending 6/30/2023

	<u>Amount</u>
Fire Department Sinking Fund	\$ 200,000.00
Bridges/Infrastructure Sinking Fund	300,000.00
Ambulance Association Sinking Fund	50,000.00
Technology Sinking Fund	50,000.00
Capital Designated Fund	75,000.00
Sidewalks & Roads (Capital & DPW)*	350,000.00
Other Post Employment Benefits	25,000.00
Police Equipment Sinking Fund (ACO)	50,000.00
Total Appropriations	<u>\$ 1,100,000.00</u>

\* See additional information Capital Roadwork & Sidewalks

8/16/2023



**2022-2023 Budget Year  
FYE Transfers**

10409-508400 Board of Finance - Contingency balance at 6/30/23

\$ 75,000

Org #	Department	Primary Cause(s)	Recommended year end transfer
10404	Tax Collector	Payroll / Office Supplies	\$ 1,335.88
10407	Town Clerk	State of CT Fees to State	\$ 9,249.05
10410	Conservation Commission	Grounds Maintenance & Repair	\$ 2,399.46
10414	Building	Fees to State (offset by higher than budgeted fees) PT Payroll (Retirement - Cross Training)	\$ 9,953.76
10415	Central Services	Building Maintenance - AC Handler Replacement (Finance, EOC & Police)	\$ 6,775.81
10417	Inland Wetlands Commission	Part-Time Payroll (Board Clerk)	\$ 402.31
10425	Water	Public Safety Contracts - CWC Rate Increase	\$ 3,382.21
10426	Harbor Patrol	Additional Shifts (PT Payroll) - Extra Boat Traffic & Fuel & Oil	\$ 9,108.70
10458	Tree Committee	Allocation - Immaterial Amount	\$ 5.00
10461	Public Restrooms	Electricity - Eversource Rate Increase/Electric Vehicle Charging Station	\$ 3,256.41
10465	Ambulance/EMT Services	Emergency Medical Services (Rounding)	\$ 1.75
			<u>\$ 45,870.34</u>

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2022-2023 Budget Year  
FYE Supplemental Appropriations for BOF Approval

Org #	Department	Primary Cause(s) / Offset (if applicable)	Original Budget Appropriation	Actual	Variance with Budget prior to year end appropriation
10406	Legal Services	Inlands Wetlands Commission - Legal Case	\$ 66,000	\$ 107,727	\$ 41,727
10450	Highway/Public Works	Road Maintenance & Repairs	\$ 963,478	\$ 991,240	\$ 27,762

\$ 69,489