

Board of Finance

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

MINUTES

Thursday September 21, 2023

Members in Attendance:	Campbell Hudson, Chairman
	Terry Stewart
	Vincent Pacileo III
	Ethan Goller (via Zoom)
	Brian Weinstein
Others in Attendance:	Norman Needleman, First Selectman
	Tracey Celentano, Finance Director
	Kelly Sterner
	Danielle Schumacher, Board Clerk
	Andrew Kressley, Essex Fire Engine Company #1

1. CALL TO ORDER

The meeting was called to order by Chairman Campbell Hudson at 7:02 PM.

2. APPROVAL OF AGENDA

MOTION made by Terry Stewart to approve the agenda with the addition of item 7D ARPA request - digitization project (additional funds) . SECONDED by Brian Weinstein. Passed unanimously. Motion carried.

3. APPROVAL OF MINUTES FROM AUGUST 17, 2023

MOTION made by Brian Weinstein to approve the minutes from the August 17, 2023 Board of Finance meeting with the following amendments:

- ***Page 1- 3rd paragraph #4 delete 2nd "the"***
- ***Page 2- 5th paragraph replace "account" with "capital designated fund"***
 - ***6th Accounts to capital designated fund***

SECONED by Terry Stewart. Passed unanimously. Motion carried.

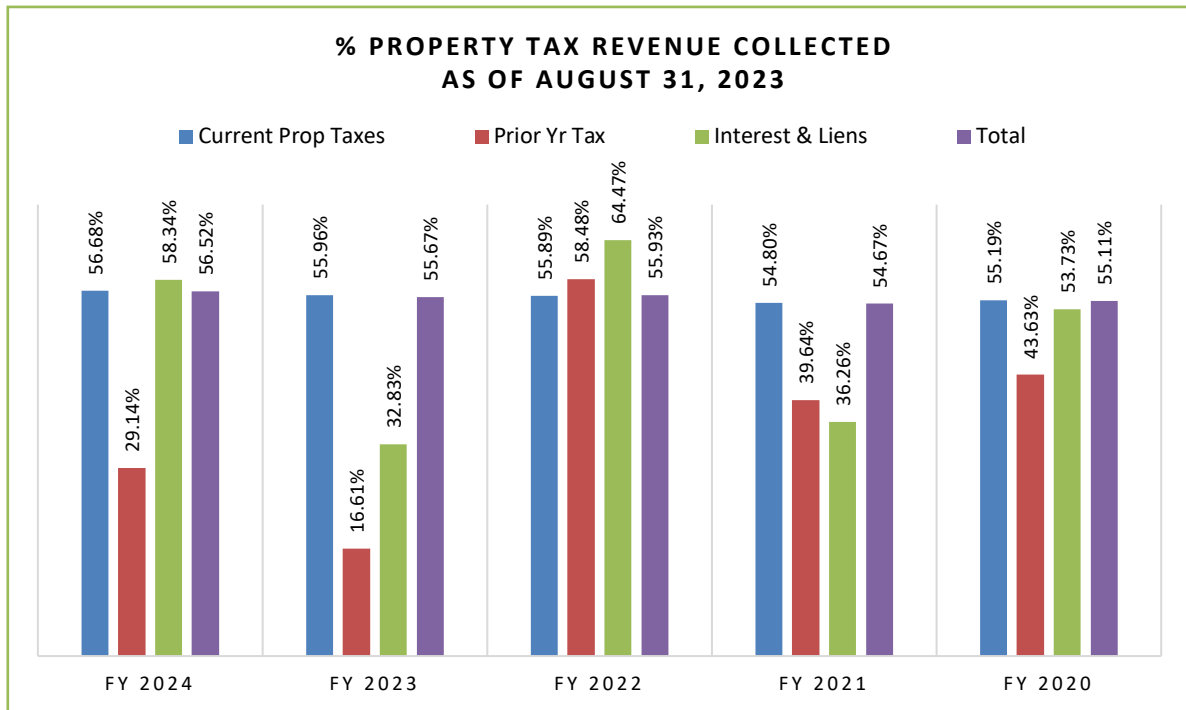
4. FINANCIAL REPORT

a. AUGUST 2023 FINANCIAL REPORT

REVENUES

The current year-to-date property tax deposits for August 2023 totaled \$14,210,366 which is a collection rate of 56.68%. As shown in the chart below, current year tax collections are strong and slightly above prior years. Prior year tax collections are comparative to prior years.

As of August month-end, the YTD total tax collections were \$14,283,249 or 56.52% of the fiscal year total as compared to 55.67% prior year. The one grant payment received was from the State of CT for Town Aid Road Fund (\$108K). Local revenue collected year-to-date totaled \$117,571 or 21.45% of budget compared to \$154,991 or 26.13% prior year.



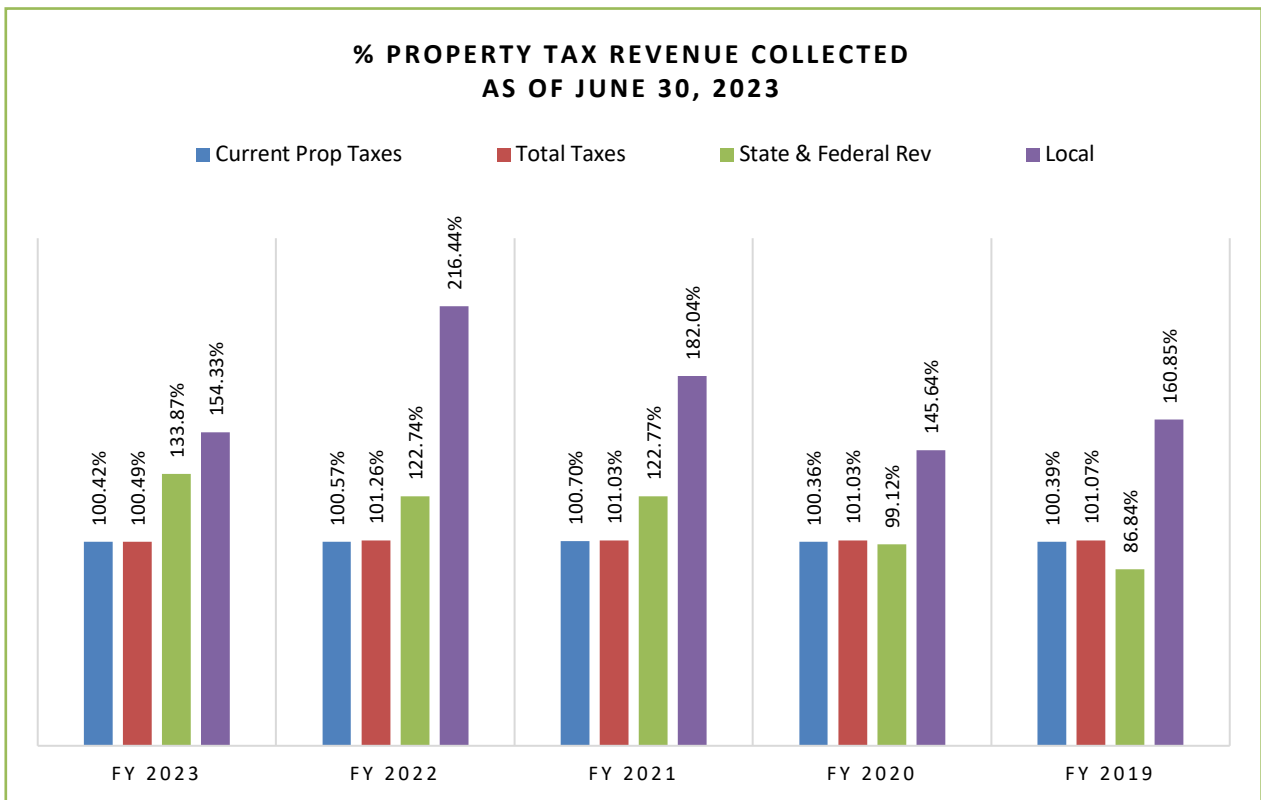
EXPENDITURES

Expenditures for the month of August totaled \$2,042,822 bringing spending YTD to \$5,938,861 or 22.39% of budget. Selectmen's budget expenditures made up \$535,887 of the month's expenditures. Total spending is 22.39% of budget at the end of August 2023 compared to 23.24% as of August 2022. Key expenditures year-to-date include library quarterly allocation payments (\$111K), semi-annual fire department allocation (\$203K), Annual Essex Ambulance allocation (\$50K), social service organizations (\$50K), Estuary Transit District (\$22K), annual pension distributions (\$408K), and a debt service payment (\$641K). Expenses are tracking comparatively to prior years.

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

b. FYE 2022-2023 FINANCIAL REPORT (UNAUDITED)

REVENUES



The fiscal year 2022-2023 revenue report shows overall positive results. Current property tax collections are forecasted to finish the fiscal year at \$24,644,829 which brings the collection rate to 100.42% which is slightly below prior year (100.57%).

Interest and liens fees finished the fiscal year strong with collection rates of 211.34%. Overall, Property Tax revenue accounts for \$122K of the revenue surplus. The YTD total tax collections are \$24,864,335 or 100.49% 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. Our forecasted fiscal year end revenue surplus is \$375,381.

EXPENDITURES

Year-to-Date spending is forecasted to be \$26,627,129 or 97.36% of budget (including appropriations). The Selectman's budget is now closed except for the deferred tax revenue journal entry and auditor adjustments. The audit is substantially complete.

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 Selectman'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.

Budgetarily, we show a deficit of \$209,164. However, we achieved an operating surplus of \$770,836. The Town elected to transfer \$980,000 to our Sinking Funds. This resulted in the budgetary deficit and a slight reduction in Fund Balance. This decision was made consciously as the goal was to achieve a fund balance close to 16% at the end of the fiscal year (per policy).

Although, the Schedule of Statement of Revenues, Expenditures & Changes in Fund Balance shows a fund balance of 16.7%, the Board committed \$226,580 as a budgeted deficit, use of fund balance for Fiscal Year 2024. Incorporating that deficit, the fund balance percentage is brought down to 15.88%.

Revenue	\$26,417,965
Expenditures	<u>\$25,647,129</u>
Operating Surplus	\$770,836
Other Financing Uses/Transfers	\$980,000
Net Change in Fund Balance	\$(209,164)
Fund balance @ 6/30/2023	\$4,438,485
Budgeted deficit FY 2024	<u>\$226,580</u>
Uncommitted fund bal.	\$4,211,905
As a %	15.88%

c. AMERICAN RESCUE PLAN ACT SUMMARY

Finance Director Tracey Celentano stated that the summary report included in the packet is up to date. The only change in the ARPA funds is item number 17 for the document digitization project. The Board of Selectman modified it to not exceed \$15,000. If the two items are approved tonight the balance will be \$236,084. Most of the projects are substantially completed.

5. SELECTMEN'S REPORT

a. ELECTRIC VEHICLE CHARGING STATION UPDATE

First Selectman Norman Needleman spoke to the commission. He said that the grant project is well underway. He is excited to see the sidewalk going in on River Road. They are getting closer to the plan for Hubbard Park which they hope to carry out next Summer.

The Board of Selectman discussed usage and charging options going forward for the electric vehicle charging stations. Effective October 1st the Town of Essex will allow 1 hour of free charging with any additional time after that costing \$1 per kilowatt hour. There will be a charger installed at the park in Ivoryton and another on the near the tennis courts at the town hall.

He went on to say that the First Selectmen of Deep River and Chester are both leaving which means

collaboration will need to be rebuilt. The crisis right now is the Animal Control Officer. We cannot keep patching it together as there are statutory requirements. They need to make the person an employee and share the cost between towns. They estimate that the cost is 2.5 times what they do now. They can make it a regional position, but they will still need a dog pound. There is also a whole part of the job that no one has ever done which is outreach and education. There is paperwork on top of going on calls. There are the costs of a salary, benefits, and a vehicle to be considered.

6. **OLD BUSINESS**

a. **ANNUAL REPORT DEDICATION DETERMINATION**

Chairman Campbell Hudson said that the board had started a preliminary discussion at the last meeting. A list was included in the packet of past recipients.

Terry Stewart said that the Essex Historical Society has completed their 7-year history called Follow the Falls Ivoryton. He said it would be nice to recognize the work that has been done that was a joint effort between the Historical Society and the Land Trust.

Norman Needleman said that the Land Trust and Garden Club are both doing work with no staff. They really do an outstanding job of managing municipal property.

Kelly Sterner said that they try to give the financial reports to realtors to give to people moving into town, the post office, and the library.

Campbell Hudson said that he had a request for dedicating the report to the Garden Club. All the suggestions are deserving, it is just a matter of who will make the most sense at this time.

MOTION made by Brian Weinstein to dedicate the 2022-2023 fiscal year annual report to the Essex Historical Society and Essex Land Trust for the completion of their work on the history of the Falls River and its impact on the history of the Town. SECONDED by Terry Stewart. Passed unanimously. Motion carried.

7. **NEW BUSINESS**

a. **FIRE DEPARTMENT SINKING FUND REQUEST – SCBA AIR-PAKS**

Essex Fire Engine Company #1 Chief Andrew Kressley spoke to the Board. He said that an updated quote for the air packs was included in the packet. These air packs were supposed to be delivered at the end of March or Early April. The company came forward and said that they are having a hard time getting the 30-minute cylinders. The current packs are reaching the end of their life and they already have 12 out of service. They have opted to go with the 45-minute cylinders and after speaking with the supplier they are getting them at no profit. They are a bit heavier, but they give our firefighters some extra time in the building. The difference is \$10,106 which is helping us get the new packs in service 4 months ahead of time.

Vincent Pacileo III inquired if there are any equipment changes to accommodate the different cylinders.

Chief Kressley said that the compression purchased will accommodate the cylinders as well as the brackets already installed in the trucks. The packs expand to be able to accommodate from 30 to 60-minute bottles.

MOTION made by Terry Stewart to approve and recommend to Town Meeting an additional

appropriation in an amount not to exceed \$11,000.00 from the Fire Department Sinking Fund for the upgrade from 30 to the 45-minute self-contained breathing apparatus (SCBA) Air-Paks as recommended and approved by the Board of Selectman. SECONDED by Brian Weinstein. Passed unanimously. Motion carried.

Norman Needleman said that this will be going to the town meeting scheduled for October 4th.

b. ARPA REQUEST – TRANSFER STATION WALL REFACING

MOTION made by Terry Stewart to approve an appropriation in the amount not to exceed \$12,000 to be allocated from the American Rescue Plan Act Funds to be used for refacing the walls at the Transfer Station. SECONDED by Brian Weinstein. Passed unanimously. Motion carried.

c. NATIONAL OPIOID SETTLEMENT

Mr. Needleman said that this is money the town is receiving from the federal opioid settlement. It is supposed to go to organizations that deal with addiction. The town was going to give the entire sum to Tri-Town Youth Services. The Board of Selectman discussed it last night and they decided that an appropriate allocation would be 75% to Tri-Town and 25% to The Connection. The Connection is located at the old CVH campus in Middletown and acts as the regional addiction and homeless shelter.

Mr. Pacileo asked if other towns are considering this as well.

Mr. Needleman said that some towns support nonprofits and some don't. This money is given to the town for this specific purpose, and we are passing it through to these two organizations.

MOTION made by Brian Weinstein to allocate the \$13,907.17 balance and all future receipts from the National Opioid Settlement to Tri-Town Youth Services (75%) and The Connection (25%). SECONDED by Vincent Pacileo III. Passed unanimously. Motion carried.

d. ARPA REQUEST - DIGITIZATION PROJECT (ADDITIONAL FUNDS)

Kelly Sterner reported the project is progressing. It is much more complicated than they originally thought and is costing more than they thought. The Town wants the files returned in their appropriate subfolders which has added additional cost.

She went on to say that this has been a good project to get the files cleaned out. Land Use personnel are pulling out floor plans to make them private as well as any personal identifying information (driver's licenses, social security numbers, ect).

Terry Stewart asked who would have access to the files.

Kelly Sterner replied that the public has access to what we choose to make public. The floor plans will be private.

MOTION made by Vincent Pacileo III to approve and recommend to Town meeting an additional appropriation in the amount not to exceed \$15,000 to be allocated from the American Rescue Plan Act Funds to be used for digitization of the Land Use Department as recommended and approved by the Board of Selectmen. SECONDED by Brian Weinstein. Passed unanimously. Motion carried.

8. COMMUNICATIONS AND CORRESPONDENCE

Campbell Hudson distributed a memo from Superintendent Brian White. Norman Needleman said that he assumes that there won't be a surplus at this point.

9. **PUBLIC COMMENT**

None

10. **ADJOURNMENT**

MOTION made by Vincent Pacileo III to adjourn the meeting at 8:36 PM. SECONDED by Brian Weinstein. Passed unanimously. Motion carried.

Respectfully Submitted,

A handwritten signature in black ink that reads "Danielle Schumacher". The script is cursive and fluid, with the first name "Danielle" and last name "Schumacher" clearly legible.

Recording Clerk