

Board of Finance

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

MINUTES

Thursday January 18, 2024

Members in Attendance:	Campbell Hudson, Chairman
	Terry Stewart
	Mary-Louise Polo
	Ethan Goller
	Vincent Pacileo II
Others in Attendance:	Norman Needleman, First Selectman
	Jim Francis, Treasurer
	Tracey Celentano, Finance Director
	Kelly Sterner
	Danielle Schumacher, Board Clerk
	Peter Decker
	Lon Seidman, Board of Education

1. **CALL TO ORDER**

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

2. **APPROVAL OF AGENDA**

MOTION made by Terry Stewart to approve the agenda as submitted. SECONDED by Ethan Goller. Passed unanimously. Motion carried.

3. **APPROVAL OF MINUTES: REGULAR BOF MEETING ON NOVEMBER 16, 2023**

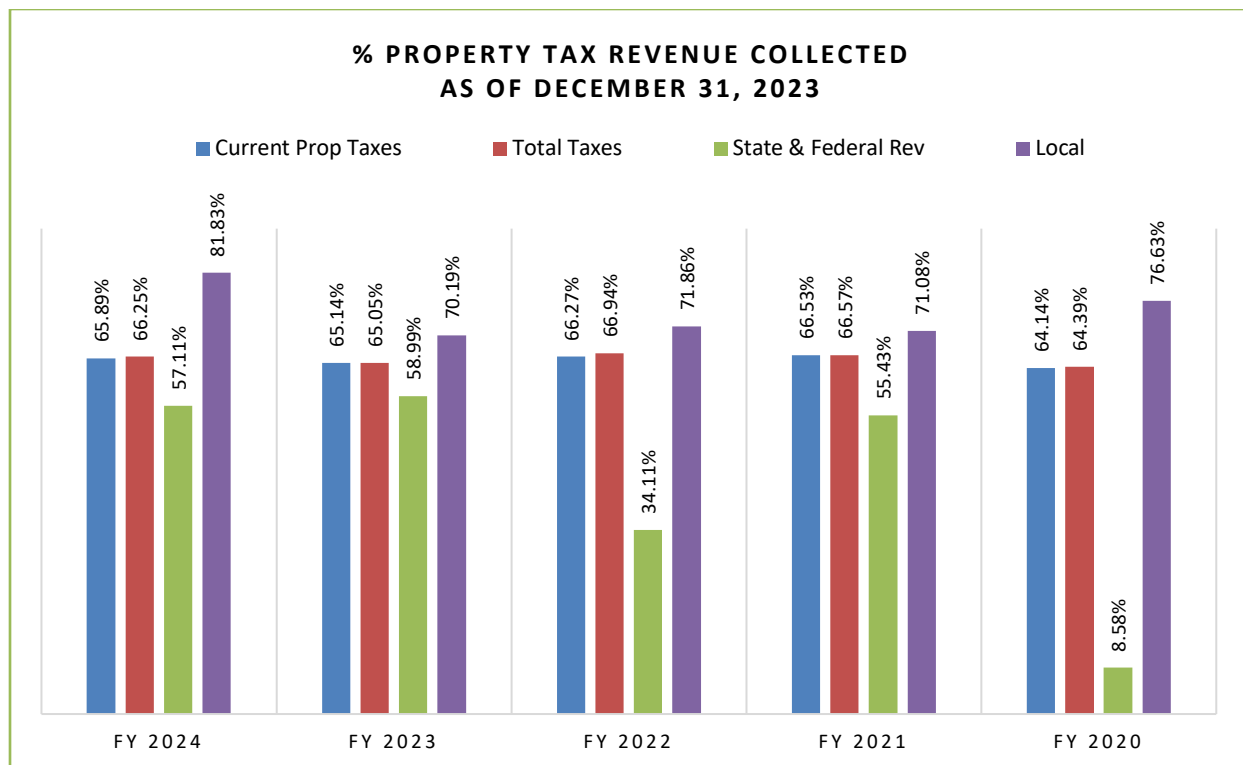
MOTION made by Terry Stewart to approve the minutes from the November 16, 2023 regular Board of Finance meeting. SECONDED by Ethan Goller. Passed unanimously. Motion carried.

4. **FINANCIAL REPORT**

a. **ESTIMATED DECEMBER YTD UPDATE**

REVENUES

Current property tax collections totaled \$1.94 million for December 2023 which is slightly above December 2022. This brings the collection rate to 65.89% compared to 65.14% in December 2022. Prior years' collections and interest and liens accounted for \$22.4k.



As of December month-end, the YTD total tax collections were \$16,741,194 or 66.25% of the fiscal year total compared to 65.05% as of December 2022 and 66.94% as of December 2021. State & Federal Revenue in December consisted of \$2.3k for Veterans Tax Relief funds. State and Federal grant revenue is slightly favorable to prior years. Local revenues totaled \$99.8k in December and \$448.6k (81.83% collected) YTD, which are favorable to prior years. Conveyance Taxes and Building Permits are trending positively, as of the end of December, as they both have exceeded the year-to-date budget. Total revenues collected year-to-date came in at 65.84% of budget versus 64.48% for December 2022 and 65.64% for December 2021 month end. These totals reflect the budgeted deficit amount of \$226,580.

EXPENDITURES

Expenditures for the month of December totaled \$2,137,772 bringing spending YTD to \$14,530,515 or 54.79% of budget. Selectmen's budget expenditures made up \$601,382 of the total spending. As of December month-end, the Selectmen's budget spending YTD is \$5,542,437 or 59.44% of budget compared to 56.18% as of December 2022 and 60.00% at December 2021 month-end. December expenditures include Library allocations (\$113.8k) and quarterly insurance payments (\$40.7k).

General Fund FY 2023-2024 – Identified Opportunities/Savings & Risks/Overruns
(As of 12/31/2023)

Opportunities/Savings

Selectmen Office	\$75k +/-	Elected Payroll/Full Time Payroll Net
Municipal Revenue Sharing Grant	\$102.6k	Not budgeted –did not expect to receive.
Conveyance Taxes	\$75k +/-	Real Estate Activity
Building Permits	\$35k +/-	

Risks/Overruns

Animal Control	\$18k +/-	Regional ACO – Full Time Position
Local PILOT	\$16.4k	Essex Place
Budget Deficit	\$226.6k	

MOTION to accept the financial report as submitted. SECONDED by Mary-Louise Polo. Passed unanimously. Motion carried.

b. AMERICAN RESCUE PLAN ACT (ARPA) SUMMARY

Finance Director Tracey Celentano said that the two pick tickets items that were paid for since the last meeting were the rescue truck and the ambulance.

Selectman Norman Needleman said that the capital committee is going through what our needs are.

Norm commented that we acted quickly when we received the ARPA money. If we had ordered the rescue truck a couple of months later, it would have been 50% more.

5. SELECTMEN'S REPORT

First Selectman Norman Needleman said that the capital committee is going through what our needs are. He wants to allocate money to have a study done to determine what type of public safety facility that we need. It is not a good idea to have the police cars sitting outside all night. He said that we may not do anything but there are things on the horizon that are going to make it a lot more necessary.

Mr. Needleman went on to say that Essex Glen Drive was transferred to the town, which has been a long process. An agreement was written up outlining what the town is responsible for and what the association is responsible for.

The transfer of the Centerbrook Meetinghouse has been completed.

Mr. Needleman said that they have been communicating with residents that just because their assessed value has gone up a lot does not mean their taxes will go up a lot. You should not use the current mill rate. There is not going to be a lot of reduction based on lawsuits and appeals. The grand list is over \$1.5 billion. Commercial and industrial properties went up

18% and residential went up 35% or more. This means that there will be an overall shift in the tax burden.

6. OLD BUSINESS

None

7. NEW BUSINESS

a. ARPA REQUEST – PUBLIC SAFETY COMPLEX STUDY

MOTION made by Terry Stewart to approve and recommend to Town meeting an appropriation in an amount not to exceed \$50,000 to be allocated from the American Rescue Plan Act Funds to be used for the Public Safety Complex Study as recommended by the Board of Selectmen. SECONDED by Ethan Goller. Passed unanimously. Motion carried.

b. PROPOSED MERIT SERVICE PLAN AMENDMENT

Peter Decker was in attendance, representing the retirement board. He said that they need to make an adjustment to the fire department merit service plan because the accrual value cannot deliver more than a \$7,500 benefit annually. This has been designed predominantly as a recruitment tool, judging against some other towns in the area. He feels that the second scenario would result in an increase in funding of \$21,769 a year. There are participants who are currently collecting.

Norman Needleman said that this had been voted to a town meeting.

c. JOHN WINTHROP UPDATE

Lon Seidman was in attendance representing the Board of Education. He said that they are looking to reschedule the meeting that was canceled due to the snow to Tuesday the 23rd at 6:00. They are going to structure it a little differently than before as a joint Board of Education and municipal leaders meeting.

Mr. Needleman said that any Board of Finance member is welcome to attend. He said they are going to call a special Board of Selectmen's meeting for that night. They are not part of the decision-making process, but he wants to cover all bases.

Mr. Seidman said that he had been pushing for the Board of Education to get to a decision point. A root cause analysis was done, and the Valley Courier article was written on the report from this.

He went on to say that the moisture outside came into the building and condensed on the outside of the insulation before raining down on the ceiling tiles. Another complication was caused by the motion sensors on the window units that turned the AC off in the rooms when they are unoccupied. In October the humidity went from 79 to 40% in one month. The moisture level in the building after the recent rainstorms was only 35%. They still need to remediate the mold. They are not going to do it the way the architects want to, which is to replace the windows and the HVAC system.

Mr. Seidman said that the insulation met code at the time it was installed but there have been failures in it all over the place. What was done in that point in time was in the interest of saving energy. The energy management system installed at that point in time did not take outdoor moisture into account.

The next steps are to clean, change the insulation, and install a new energy management system.

Expenses so far have been:

- Project manager \$40k
- Architects \$40k
- Expended to date \$289,000 at the R4 level
- Encumbrances \$135k
- \$424k consulting and ServePro and some insulation replacement

The architects suggested things that the district cannot afford to do and cannot do quickly. He said that if this is not fixed before the Spring that it will happen again. This is going to be an active management that is going to take a lot of staff time and energy.

The remediation is estimated to cost about \$1 million according to the RFP. We are unsure of the cost of insulation (the Eversource contractor gave 3 grades of insulation, the most expensive being \$600k)

Mr. Seidman said that he is not sure how they are going to fund it yet. There is some wiggle room in the current budget, and they did budget for the security project bonding.

8. COMMUNICATIONS AND CORRESPONDENCE

None

9. PUBLIC COMMENT

None

10. ADJOURNMENT

MOTION made by Vincent Pacileo II to adjourn the meeting at 9:31 PM. SECONDED by Terry Stewart. Passed unanimously. Motion carried.