

Board of Finance

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

MINUTES

Thursday April 18, 2024

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

1. **Call To Order**

Chairman Campbell Hudson called the meeting to order at 8:40 PM.

2. **Approval of Agenda**

MOTION made by Terry Stewart to approve the agenda with an amendment to include item 7B-Capital Asset Management Policy. SECONDED by Vincent Pacileo III. Passed unanimously. Motion carried.

3. **Approval of Minutes:**

a. **Regular BOF meeting March 21, 2024**

MOTION made by Terry Stewart to approve the minutes from the March 21, 2024 regular Board of Finance meeting with the following amendments:

○ **Page 5 Item 8f-**

○ **Replace the first paragraph:**

Vincent Pacileo III said that he certainly understands the position taken by the Board of Selectmen as its role is to weigh in on these types of issues. He believes that the Board of Finance should not endorse a position on this or similar issues and maintain a more neutral, non-partisan role. If the Board of Finance decides to take a position on this specific issue, what will the next potentially be? He offered alternatives for Board of Finance members to express their opinions and asked that his name be removed from the proposed letter.

○ **Change the vote 5-1 to include the names:**

- **Yes:** Campbell Hudson, Terry Stewart, Mary-Louise Polo, Ethan Goller, and Brian Weinstein
- **No:** Vincent Pacileo III

SECONDED by Vincent Pacileo III. Passed unanimously. Motion carried.

b. **BOE/Budget Presentation meeting on April 3, 2024**

MOTION made by Vincent Pacileo III to approve the minutes from the April 3, 2024 Board of Finance meeting with the following amendments:

○ **Page 2 Item 4- List the names voting Yes or No**

▪ Yes- Campbell Hudson, Ethan Goller, Mary-Louise Polo, Terry Stewart, and Brian Weinstein

▪ No- Vincent Pacileo III

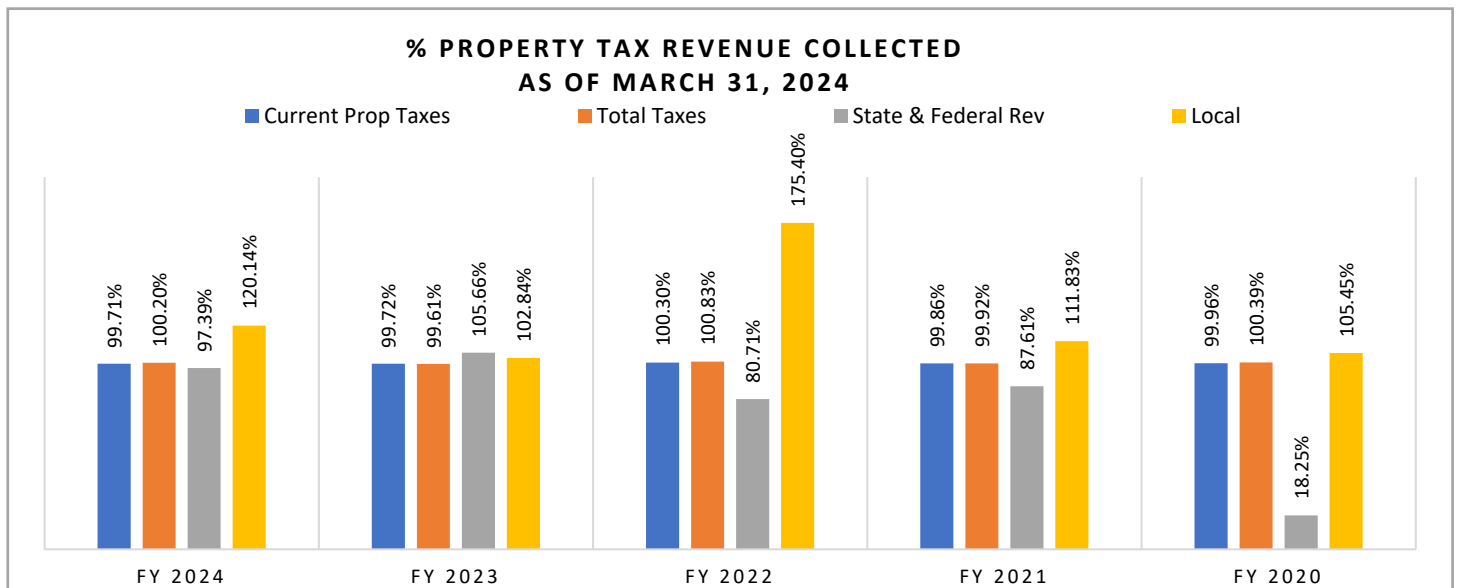
SECONDED by Ethan Goller. Passed unanimously. Motion carried.

4. **Financial Report:**

a. **Estimated March YTD Update**

REVENUES

As is shown in the chart below, it has been our historical pattern to have a current tax collection rate of more than 99% by the end of March, three quarters of the way through the fiscal year. For March, current property tax collections totaled \$130.8K which brings us to a collection rate of 99.71% which is slightly below prior fiscal years. Prior years' collections and interest/liens accounted for \$34K for the month.



As of March month-end, the YTD total tax collections were \$25,321,859 or 100.20% of the fiscal year total compared to 99.61% as of March 2023 and 100.83% as of March 2022. State and Federal Revenue in March included Access Line Tax Share (\$30,376). Local revenues totaled \$57.6K in March and \$658.6K (120.14%) collected YTD, which is above prior years. Conveyance Taxes and Building Permits continue to trend positively. As of the end of March, Conveyance Tax Fees exceeded the full budget amount by \$103.4K (214.88%). The Essex Meadows transaction is included in the forecasted numbers. Building Permits collected are \$198.2K or \$73.2K above budget with three months remaining. Total revenues collected came in at 99.71% of budget versus 98.92% for March 2023 and 101.05% for March 2022 month end. These totals reflect the budgeted deficit amount of \$226,580.

At this point, our forecasted fiscal year end revenue surplus is \$279481.

EXPENDITURES

Expenditures for the month of March totaled \$2,012,495 bringing spending YTD to \$20,638,326 or 77.73% of budget. Selectmen's budget expenditures made up \$671,319 of the total spending. As of March month-end, the

Disclaimer. Please note these minutes have yet to be approved. Check with the department or Town Clerk for updated versions.

Selectmen's budget spending YTD is \$7,321,021 or 78.27% of budget compared to 78.82% as of March 2023 and 79.32% at March 2022 month-end.

Our early forecast reflects the items noted on the running list (not comprehensive). Combining the currently forecasted revenue and expenditures, the overall surplus is expected to be around \$307,980K. This forecast includes the budgeted deficit and additional appropriations.

General Fund FY 2023-2024 – Identified Opportunities/Savings & Risks/Overruns
As Of 3/31/2024

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	\$202K +/-	Real Estate Activity (e.g., Essex Meadows)
• Access Line Tax Share	\$10.4K	
• Building Permits	\$85.2K +/-	
• Interest	\$7.8K	

Risks/Overruns

• Animal Control	\$18K	Regional ACO – Full Time Position
• Local PILOT	\$16.3K	Essex Place
• Budgeted Deficit	\$226.6K	
• Elections	\$10K	Early Voting – Appropriation Approved
• Town Clerk	\$18.5K	Training – Overlapping Staff
• R4 Board of Education	TBD	

MOTION made by Terry Stewart to approve the financial report as submitted. SECONDED by Brian Weinstein. Passed unanimously. Motion carried.

b. ARPA Report

Document titled Town of Essex American Rescue Plan Act (ARPA) Summary List of Projects included in meeting packets.

Tracey Celentano reported that there have been no changes since the last meeting. She has spoken with departments/organizations that have outstanding requests. The multifunction printer has arrived, and the new postage meter is in place.

5. Selectmen's Report

First Selectman Norman Needleman reported that the Capital Committee has been highly active. The Town has also passed a Short-Term Rental Ordinance that includes a minimum stay of 2 nights and the requirement that the host must register with the town. The owner also cannot rent for more than 180 days. They worked to try to make it accommodating for people who are doing it with minimal requirements for enforcement. He believes that statewide as well as nationally short-term rentals have taken a lot of housing off the market and that it has impacted the affordability of housing. He went on to say that there is a bill in the legislature to authorize municipalities to regulate short term rentals that would include a 2% occupancy tax.

The next Public Hearing is related to improvements at Hubbard Park. The town received a STEAP grant to complete improvements that include taking down the two buildings and replacing them with a barn, accessibility, turning some of the paved area to grass, and a gravel parking lot. The new building would be a place for storage and the snack shack as well as include accessible bathrooms. The main goal is safety, to keep cars away from where the kids are. The batting cages and volleyball court will be moved.

6. **Old Business**

None

7. **New Business:**

a. **Consideration Of 2024-2025 Selectmen's Budget, Essex Board Of Education Budget And Possible Approval Of Both Budgets Presented At Public Hearing**

MOTION made by Ethan Goller to approve the proposed 2024-2025 expenditures in the amount of \$27,638,662 for the support of schools, highways and the general government and other necessary objects; and submit to the Town meeting for approval. SECONDED by Terry Stewart. Vote: Yes- 4 (Campbell Hudson, Terry Stewart, Ethan Goller, Brian Weinstein) No- 1 (Vincent Pacileo III). Motion carried.

Terry Stewart asked how this budget works relative to the break-even mill rate and what is the actual tax impact.

First Selectman Norman Needleman responded that it is hard to tell. He said that there will be a cost share no matter what we do. Residential properties will be impacted due to the grand list as assessed values in some neighborhoods increased more than others. Commercial assessed values decreased. Norman Needleman said that even a flat budget does not mean that some tax bills will not go up.

b. **Capital Asset Management Policy**

Finance Director Tracey Celentano stated the auditors made a verbal recommendation in the Fiscal 2023 audit to formalize a Capital Asset Policy. The policy presented formalizes Capital Assets with the recommended, higher Capital Thresholds. Previously, all capital assets with a value of \$5,000 were capitalized. This policy streamlines the data entry into the fixed asset and with no additional costs.

MOTION made by Brian Weinstein to approve the proposed Capital Asset Policy as recommended by Mahoney Sabol and approved by the Board of Selectman. SECONDED by Vincent Pacileo III. Passed unanimously. Motion carried.

8. **Communications and Correspondence**

Vincent Pacileo III thanked Kelly Sterner for her years of service to the Town and hopes that the board will formalize something.

9. **Public Comment**

None

10. **Adjournment**

MOTION made by Vincent Pacileo III to adjourn the meeting at 9:34 PM. SECONDED by Brian Weinstein. Passed unanimously. Motion carried.

Respectfully Submitted,

