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**Town of Essex  
29 West Avenue  
Essex, CT – Meeting Room A**

**Board of Finance  
October 20, 2016**

**MINUTES**

In attendance: Keith Crehan, Chairman, Campbell Hudson, Vice Chairman, Mary-Louise Polo, Vincent Pacileo III, Don Mesite, and Jeffrey Woods.

Others in attendance: Norman Needleman, First Selectman  
Kelly Sterner, Finance Director  
James Francis, Treasurer  
Yvonne Roziak, Recording Secretary

Meeting was called to order at 7:03 p.m. by Keith Crehan.

**APPROVAL OF AGENDA:**

***Motion made by Mary-Louise Polo to approve the agenda, seconded by Don Mesite. Passed unanimously. Motion carried.***

**APPROVAL OF MINUTES:**

Vin Pacileo requested the following be added on Page 2 – under “Expenditures” – 3<sup>rd</sup> paragraph to fully read as follows: “Discussion ensued with regards to providing full financial information relating to supplemental requests, the timing of supplemental requests, and the impact of these decisions on projecting budgetary surplus and deficits.”

Campbell suggested under on page 1 under “Others in Attendance” we remove Yvonne Roziak (Absent).

***Don Mesite moved to accept and approve the minutes of the Regular Meeting on September 15, 2016, (as amended), seconded by Mary-Louise Polo. Passed. Motion carried.***

**FINANCIAL REPORT:**

**Revenues:**

Current property tax collections dropped to \$126,976 for September which brings the YTD total to \$12,182,456 or 54.8% of the fiscal year total. We have moved into our traditional slow time for collections until the calendar year end. Total tax revenue collections were 54.65% of budget which is ahead of YTD collection of 54.0% the prior year. Revenue from State sources consisted of 100% of our annual PILOT payment and totaled \$78.00 (historically the PILOT payments used to be around 25K). Concerns regarding this revenue source continue as the State struggles with poor results on their

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revenue side. Local revenues totaled \$79.4K for the month. Conveyance tax did well at \$26.5K but it was the annual sale of transfer station permits that won the month bringing Transfer station fees to \$34K for the month – **as of 10/20/16 – 415 households have renewed their transfer stickers and since October 1, we have taken in an additional \$6,275.00.** Total revenues collected came in at 53.07% of budget versus 51.8% the prior year.

**Expenditures:**

Expenditures for the month of September totaled \$2,234,622.; however, the release of the prior year encumbrances for the Town offset approximately \$379K of that spending bringing total YTD spending as of September month end to \$6,444,092 or 26.6% of budget. Selectmen’s budget expenditures totaled 30.48%. This spike in spending reflects the costs for the chip sealing Dennison Road and part of River Road as well as the street repaving work on Mares Hill Road, Book Hill Road, Hemlock Drive and Bittersweet Lane. Additional sidewalk replacement work will connect the new Main Street sidewalks that were installed from the school to Falls River Drive under the Safe Routes to School grant and bring them to the Ivoryton Park. The recently awarded STEAP grant in the amount of \$491,887 will address sidewalks in Centerbrook.

Kelly spoke with David Tretter and the Police Department will be exceeding one of their budget lines for their initial rifle certifications. It’s a two day certification, which requires each of them to shoot 250 rounds per person per day which will total \$2,500.00; however, they need purchase \$5,000.00 worth of ammo with half being for the qualification and then need to be requalified every six months, but only 1 day and only takes 200 rounds each.

On the Technology side, we could see some unbudgeted costs related to the proposed electronic document management software and the land use permitting software that we are reviewing. This software would be a tremendous step forward in automating and integrating our departments. A presentation was held yesterday by a firm by the name of Muncity. They are currently under contract with Old Saybrook and East Haddam. More information will be shared as things firm up.

Campbell Hudson indicated a change to be made to the YTD Revenue Financials under MRSA and changing the % Collected to read “100.00%” vs. 0.00%.

***Motion made by Vin Pacileo to accept the Financial Report (as amended), seconded by Don Mesite. Passed unanimously. Motion carried.***

**SELECTMEN’S REPORT:**

Park & Recreation Sinking Fund Request – Norman opened the discussion with regards to a request from P&R from their sinking fund for two items; 1) for a scoreboard at Comstock field (not to exceed \$15,000), and 2) the remainder would be for repairs of seawall at Main Street Park (not to exceed \$4,650). Don had a few comments and questioned why town money would be used for the scoreboard at Comstock. He is not in favor of it. He indicated that the scoreboard at Hubbard was paid for by donations. He believes the Town’s obligation is basically infrastructure costs for Park & Recreation (fields, safe playing conditions, etc.) and feels this request should be privately funded. Kelly indicated when money was set aside in the sinking fund, it was capital in nature and now also includes some of the funds that the little league pays each year to the town (which they didn’t in the past). Based on how the existing guidelines are written, Norman indicated that the BOF has a statutory obligation to review the request and make sure they fit in line with the policies of the Town. Campbell had some thoughts

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that when this sinking fund was established, what were the expectations and if at all, have they been changed. If this was not part of those expectations then he feels Don has a valid point. Norman said this is considered an upgrade to Comstock Park and doesn't seem unreasonable. Vin feels the current P&R sinking fund is somewhat of an undesignated sinking fund, and appears that the standard we hold for other sinking funds should be the same. Norman asked Kelly to retrieve a report that indicates what their previous sinking fund requests have been and what they went for. It was further discussed that more specific information is needed from P&R on their current infrastructure plan (now and going forward) prior to approving the scoreboard sinking fund request. Campbell recommended that the BOF hold off moving forward on the scoreboard request until we hear more from P&R next month. He does, however, feel we should move forward on the seawall repairs request before winter.

***Campbell Hudson made a motion for an appropriation not to exceed the \$5,000 from the Park & Rec sinking fund for the seawall repairs at Main Street Park, seconded by Mary-Louise Polo. Passed unanimously. Motion carried.***

***Campbell Hudson made a motion to table the second portion of the request (pending additional discussion with Park & Rec.) for the \$15,000 relating to the Scoreboard at Comstock Park, seconded by Vin Pacileo. Passed unanimously. Motion carried.***

Keith asked Kelly to pull together the wording of when their fund was set up to see what it says.

**OLD BUSINESS:** Kelly distributed a request for a Budget transfer for FY 2015-2016 – for \$29,629 for the overage for the resident trooper. When the call to meeting was prepared, it states the amount of \$26,629 on the document, showing a \$3,000 shortage. The auditors are willing to accept a transfer from contingency and not having to go back to Town meeting. They knew the intent was for the correct figure.

***Mary-Louise Polo made a motion to transfer the amount of \$3,000 from the Board of Finance contingency budget line to the Resident Trooper Public Safety Contracts budget line for FY2015-2016, seconded by Jeffrey Woods. Passed unanimously. Motion carried.***

Kelly asked the BOF for consideration and sign off on the 2017 BOF meeting calendar tonight so she can report the budget meeting dates to Region 4. She reviewed and compared it to the school budget calendars and other calendars to make sure there were no conflicts. Kelly also suggested if there is nothing else on the Agenda for November, we could cancel the BOF meeting and just have the Annual Town Meeting on November 21st. Kelly also suggested we move the next year's BOF calendar approval to occur in October in order to get it in the pipeline earlier versus later.

***Don Mesite made a motion to approve the 2017 BOF meeting calendar, seconded by Jeffrey Woods. Passed unanimously. Motion carried.***

**NEW BUSINESS:** None

**COMMUNICATION AND CORRESPONDENCE:** Keith received two pieces of correspondence (one was actually a copy of correspondence for Norm).

**PUBLIC COMMENT:** None

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**ADJOURNMENT:**

***Motion made by Vin Pacileo to adjourn the meeting at 8:25 p.m., seconded by Jeffrey Woods. Passed unanimously. Motion carried.***

Respectfully submitted,

Yvonne M. Roziak  
Recording Secretary