

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

**Board of Finance
November 19, 2015**

MINUTES

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

Others in attendance: Norman Needleman, First Selectman
Kelly Sterner, Finance Director
James Francis, Treasurer
Yvonne Roziak, Recording Secretary
Paul Fazzino Jr., Fire Chief Essex Volunteer Fire Department

Meeting was called to order at 7:00 p.m. by Campbell Hudson.

APPROVAL OF AGENDA:

Motion made by Jeffrey Woods to approve the agenda, seconded by Don Mesite. Passed unanimously. Motion carried.

APPROVAL OF MINUTES:

Don Mesite requested that his name be added to both the Special & Regular Minutes as being in attendance and to delete the duplication of Jeffrey Woods name.

Motion made by Mary-Louise Polo to approve the minutes of the Special Meeting Minutes as amended, seconded by Don Mesite. Passed unanimously. Motion carried. Abstained: Vincent Pacileo.

Motion made by Mary-Louise Polo to approve the minutes of the Regular Meeting Minutes as amended, seconded by Don Mesite. Passed unanimously. Motion carried. Abstained: Vincent Pacileo.

Campbell Hudson welcomed back Vincent Pacileo as a member to the Board of Finance and thanked Ethan Goller for his contributions to the Board of Finance.

FINANCIAL REPORT:

Revenues:

Current property tax collections for October totaled \$148,524 which brings YTD total to \$11,796,578 or 54.53% of the fiscal year total. Total tax revenue collections were 54.71% of budget. These collection rates are almost identical to the prior year at October month end. Tax collections will also be positively impacted by a significant adjustment to the personal property list for Grand list year 2014. Southern CT Gas has filed an adjusted property tax declaration which will result in a supplemental tax bill of more than \$32K for the fiscal year. Since August month end, revenue from the State sources totaled \$97.4K and consists of the first payment of 25% of our Education Cost Share grant. A recent memo from the State with the November 2015 education revenue update from the state shows no change currently in the ECS grant for Essex. However, it is usually in the February update that we see any adjustments by the State to the excess cost share revenue from the prior fiscal year. Additionally, we were impacted by the recent state budget rescissions. Municipal Aid in the form of PILOT (Payment in Lieu of Taxes) revenue was cut for fiscal year 2014-2015. For Essex, this translates to a loss of \$25,710 of state aid. Local revenues totaled \$94.6K for the month. Conveyance Tax and Town Clerk Fees were the big contributors with Transfer Station fees coming in strong due to the annual sale of permits. Total revenues collected stands at 53.23% of budget versus 53.16% the prior year.

Expenditures:

Expenditures for the month of October totaled \$1,897,794 bringing total YTD spending as of October month end to \$8,644,112 or 37.18% of budget. Selectmen's budget expenditures totaled 40.21% of budget compared to 32.30% at October 2014 month end. A major expenditure for the month was the annual contribution to the pension fund in the amount of \$375K. Other budget lines are within their typical seasonal thresholds.

The Essex Elementary School budget status report through November 11, 2015 projects a deficit due to unanticipated special education needs. This deficit stands at \$51,613. As we have seen in the past, the school will work diligently to achieve savings where possible and cover some/all the costs by the end of the school year.

Other Financial News:

The town will be issuing General Obligation Bond Anticipation Notes (BANS) on November 23, 2015 in the amount of \$5,000,000. The term is 9 months and the net interest cost is .61% (61 basis points). This will provide funding for the authorized capital improvement projects.

Vincent Pacileo inquired about Essex being scheduled to receive any of the sales tax monies that was supposed to be redistributed to the municipalities, Kelly responded that Essex had not included this potential revenue for fiscal year 2015-2016. This may be one of the state revenue sources to be eliminated in future state rescissions.

***Motion made by Don Mesite to accept the Financial Report, seconded by Vincent Pacileo.
Passed unanimously. Motion carried.***

SELECTMEN'S REPORT :

Norman Needleman began his report by discussing the Board of Selectmen's meeting the prior evening and that they approved the Fire Department's request to purchase two fire trucks - one to be financed through bond proceeds and the second by the Capital Sinking Fund. Representatives of the Fire Department are here tonight to discuss what they went out to bid on. The net purchase price includes a discount for the purchase of two trucks at the same time along as well as a discount available if 100% of the cost is paid at the time of the order. The vendor will provide a performance bond to protect the buyer. The Fire Department worked very hard with the company to get the right price. The Board of Selectmen recommended to move the request to Town Meeting contingent on approval by the Board of Finance.

Motion made by Campbell Hudson to amend the Agenda under New Business item 7c to be moved up and presented under Selectman's Report as item 5a, seconded by Mary-Louise Polo. Passed unanimously. Motion carried.

a. Sinking Fund Request – Fire Department Multi-Purpose Response Vehicle:

Paul Fazzino Jr., Fire Chief, described the process and procedures of acquiring a new fire apparatus. The process started in the 10 year plan and that indicated what trucks would be up for replacement. Originally, a truck was lined up in New Jersey and the price was right. A gentleman's agreement was made and the sellers changed their mind in having us acquire that particular truck. The Fire Department developed an RFP and sent it out to quite a few manufacturers. Pierce came back with a footprint and presentation based on our needs. Pierce offered a \$58,000 reduction in the price if we purchase both at the same time and take advantage of the 100% prepayment discount. The two trucks in question are identical. One will be housed in Ivoryton and one in Essex. The warranties vary between 5 and 15 years per truck.

Norman Needleman indicated that Town Attorney Dave Royston will review the performance bond. Mary-Louise Polo asked if there was going to be something else down the road that the Fire Department may need and Paul Fazzino indicated that there will be other items needed at some point and that they trying to keep ahead of the curve.

Motion made by Vincent Pacileo to approve the release of up to \$565,000 of funding under the Capital Initiative Program general obligation bond appropriation for the purchase of 2016 Pierce Enforcer PUC Pumping Engine apparatus by the Essex Fire Department as detailed in the Pierce/Firematic-CT bid submitted November 13, 2015, seconded by Jeffrey Woods. Passed unanimously. Motion carried.

Motion made by Vincent Pacileo to approve and recommend to Town Meeting the appropriation of an amount not to exceed \$565,000 from the Fire Department Sinking Fund for the purchase of 2016 Pierce Enforcer PUC Pumping Engine apparatus by the Essex Fire Department as detailed in the Pierce/Firematic-CT bid submitted November 13, 2015, seconded by Jeffrey Woods. Passed unanimously. Motion carried.

Campbell Hudson and the Board of Finance thanked Fire Chief Paul Fazzino Jr., and the volunteers for their hard work and dedication to the Town.

OLD BUSINESS: None

NEW BUSINESS:

a. Election of Officers:

Motion made by Jeffrey Woods to approve appointment of Keith Crehan as Board of Finance Chairman, seconded by Mary-Louise Polo. Passed unanimously. Motion carried.

Motion made by Don Mesite to approve appointment of Campbell Hudson as Board of Finance Vice Chairman, seconded by Mary-Louise Polo. Passed unanimously. Motion carried.

b. 2016 BOF Meeting Calendar

Motion made by Mary-Louise Polo to approve the 2016 BOF calendar, seconded by Don Mesite . Passed unanimously. Motion carried.

COMMUNICATION AND CORRESPONDENCE:

There was discussion regarding ADM numbers received from Reg. 4. The Essex share for 2016-2017 is up by .07% to 44.4% which means if the R4 budget stayed flat for next year, Essex would absorb an additional \$12K annually. We are down on the Supervision districts on both 3 and 4 way allocations, so we will probably net out pretty flat.

Kelly submitted the expenditures for the coordination and printing of the Annual Report and dedication. The costs broken down were Essex Printing: \$1,083.51, Annual Report Coordinators: \$3,000 - Malan/Sterner, Pastries \$73.93, Miscellaneous \$36.21 for a total of \$4,193.65.

Mary-Louise Polo made a motion to expend \$4,193.65 for all costs associated with the Annual Report and dedication, seconded by Don Mesite. Passed unanimously. Motion Carried.

PUBLIC COMMENT: None

ADJOURNMENT:

Motion made by Jeffrey Woods to adjourn the meeting at 7:55 p.m., seconded by Mary-Louise Polo. Passed unanimously. Motion carried.

Respectfully submitted,

Yvonne M. Roziak