

Board of Finance
Regular Meeting
January 17, 2013
Meeting Room A
Town Hall

Present: James Francis, Keith Crehan, Lee Rowley, Campbell Hudson, Frederick Vollono

Absent: Jeffrey Woods

Others Present: Robert Dixon, Treasurer
Kelly Sterner, Finance Director
Yvonne Roziak, Recording Secretary

James Francis called the meeting to order at 7:00 p.m.

APPROVAL OF THE AGENDA:

James Francis asked to add two items under “New Business” to the agenda:

- A. BOF to set interest rate for the new elderly/disabled deferral program
- B. Request from Parks & Recreation for an appropriation from their sinking fund

Motion was made by Lee Rowley to accept and approve the amended agenda with these two additional items. Keith Crehan seconded the motion and it was unanimously approved. Motion carried.

APPROVAL OF MINUTES:

A motion was made by Keith Crehan to approve the Regular Meeting Minutes of 12/20/12 with the following changes:

Treasurer’s Report – Page 1 – First paragraph, second sentence “the (delete) have suggested” should be replaced with “they have suggested.”

Treasurer’s Report – Page 2 – Third paragraph, third sentence – “The remainder of the revenue lines “appears” (delete), replaced with “appear.”

The motion was seconded by James Francis and it was unanimously approved. Motion carried.

TREASURER'S REPORT:

Treasurer Robert Dixon distributed the YTD results through December 2012 along with a full year forecast. Robert indicated that revenue to date was significantly higher due to the negotiated CRRRA settlement; miscellaneous receipts show an increase of \$230,000. On a full year forecast this number is reflected as well as some \$30,000 for Essex's share of the Region #4 surplus. It was assumed interest & liens would be higher by \$10,000 as well as conveyance tax of \$10,000. Net revenue is forecast to be higher than budget by \$263,534. On the expense side, we anticipate legal expense, on a run rate basis, to exceed budget by some \$7,500; Transfer Station is forecasted to exceed budget by \$10,000 due to Hurricane Sandy (which hopefully will be recovered from FEMA). The Elementary school expenses are some \$60,000 over budget due to unbudgeted special education expenses. Based upon revenue and expenses, currently we would assume a positive year end result of some \$48,000 which is an approximate \$184,000 variance to budget as the budgeted deficit of \$136,245 is covered.

Finance Director Kelly Sterner distributed copies of the recent completed audit. Robert indicated that it is a clean audit with no exceptions. Several recommendations are in the audit, one particularly requesting a policy be set up regarding undesignated funds. James Francis responded that we will put on the BOF plate and figure out how to do it within the next few months.

SELECTMEN'S REPORT:

First Selectmen Norman Needleman discussed the request from Parks & Recreation for \$5,000 from the Board of Finance for their sinking fund for treatment needed at Clarks Pond. In the letter from the Director of Parks and Recreation – Rick Audet, Clarks Pond is currently in danger of being lost to the Town as an important recreational and ecological asset. Exotic aquatic plants pose a threat to the ecological, aesthetic, recreational, and economic values of lakes and ponds. The goal of the program being proposed would be to eradicate or cut back this invasive plant species, and save Clark's Pond for use by the public for fishing and skating among other recreational activities.

First Selectman Norman Needleman indicated that the Board of Selectmen voted to approve the appropriation at the meeting held on Wednesday, January 17, 2013. James Francis was under the impression that these requests needed to go to Town Meeting as it is coming from the sinking fund. Finance Director Kelly Sterner clarified that there is an amended ordinance with regards to this policy indicating that it is only necessary if the amount requested is over \$20,000. Anything under that amount only requires approval from the Board of Selectmen and Board of Finance.

Campbell Hudson suggested we check into the State Statutes as well as with Dave (?) surrounding these types of requests for appropriations and over the next course of the year. Then come up with a standard ordinance of what the parameters should be that

governs these requests from sinking funds and any government appropriations. The BOF would then review and put an ordinance in place.

James Francis made a motion to approve the procedure currently in place with regards to appropriations to sinking funds. Keith Crehan seconded the motion and it passed unanimously.

OLD BUSINESS: None

NEW BUSINESS:

A. BOF to set interest rate for the new elderly/disabled deferral program

This request will be tabled for another month so that the BOF can consult with the IRS to find out when setting a rate if the rate is an Applicable Federal Rate (AFR) or an annual short term rate. The BOF has the responsibility to lock in a rate for the year and set it annually.

B. Request from Parks & Recreation for an appropriation from their sinking fund

Campbell Hudson made a motion to authorize a withdrawal (not to exceed \$5,000) from the Parks & Recreation sinking fund to be transferred to Parks & Recreation to be used for their request. Keith Crehan seconded the motion and it passed unanimously.

COMMUNICATIONS AND CORRESPONDENCE: None

PUBLIC COMMENT – None

ADJOURNMENT

James Francis made a motion to adjourn the meeting at 7:54 p.m. Seconded by Keith Crehan and it passed unanimously. Motion carried.

Respectfully submitted,

Yvonne Roziak
Recording Secretary