

BOARD OF FINANCE

Regular Meeting
March 15, 2012
Meeting Room A
Essex Town Hall

Present: James Francis, Keith Crehan, Campbell Hudson, Frederick Vollono and Jeffrey Woods

James Francis called the meeting to order at 7:13 pm.

Others present: First Selectman Norman Needleman, Treasurer Robert Dixon, Finance Director Kelly Sterner, Elementary School Board Members—Lon Seidman, Chairman, D.G. Fitton, Judie McCann, Loretta McCluskey, Superintendent of Schools Dr. Ruth Levy, Principal Dr. Joanne Beekley, Assistant Principal Deb O'Donnell, Emergency Management Director William Buckeridge and representative Stuart Shenk.

Approval of Agenda:

Motion was made by Jeffrey Woods to approve the agenda. Keith Crehan seconded the motion and it was unanimously approved. Motion carried.

Approval of Minutes:

Motion was made by Keith Crehan to approve the Regular Meeting Minutes of February 16, 2012. Campbell Hudson seconded the motion it was unanimously approved. Motion carried.

TREASURER'S REPORT:

Estimated February YTD Update: **School Financial Reports:**

Treasurer Robert Dixon reported that tax collection is remaining strong; especially relating to delinquent taxes. There is a remaining \$64,000 in the Contingency Fund. The only issue at this point is the approximately \$41,000 needed at the Elementary School for a new boiler. Mr. Dixon will re-do the year-end forecast for the April meeting.

Motion was made by Campbell Hudson to accept the Treasurer's Report. Keith Crehan seconded the motion and it was unanimously approved. Motion carried.

SELECTMEN'S TOPICS:

Norman Needleman reported that we are in the final stages of the budget process. Next week the Board of Selectmen will be meeting at Essex Meadows where they plan to vote on the final budget. Mr. Needleman stated that the process has gone well and that it has been thorough and detailed. Mr. Needleman noted that as part of the budget there is a goal to restore some of the sinking funds; citing the concern that we are not sufficiently maintaining our sinking funds.

- A. Emergency Management Improvements –Phase 3:** Norman Needleman reviewed the remaining items with regard to the three phases of emergency management improvements. He noted that as part of the evaluation the request for a generator at the dump had been removed at an approximate cost of \$35,000 to \$40,000; the cost of the generator was due to the required horsepower to "power-up" the dump. Mr. Needleman stated that we are in the process of negotiating a contract with All Waste for food disposal for events such as Storm Irene. All Waste provided the Town assistance after Storm Irene.

Mr. Needleman stated that this is a need versus a wants based list of improvements at a cost of \$50,000. The originally estimation for emergency management improvements was estimated at \$235,000; we have been able to pare down to \$120,000 in total.

- B. Essex Housing Authority Payment in Lieu of Taxes (PILOT) Waiver:** Norman Needleman reviewed that there were issues with the Housing Authority years ago that required that they spend down their prudent reserve. The Board of Selectmen had voted unanimously to waive four years of PILOT. Upon advice from Town Counsel there was a recommendation to do two.
- C. Park and Recreation Sinking Fund Request:** Norman Needleman reported that the Park and Recreation Commission would like \$3,825 from their Sinking Fund to do "band-aid" type renovations to the Tennis Courts.

It was determined that the Board would take action on these items later in the meeting. The Board of Finance asked questions with regard to the three requests:

- **PILOT:** Campbell Hudson inquired about the waivers, asking if this would be a permanent request. Mr. Needleman responded that a permanent request is not statutorily possible. Mr. Needleman stated that it is not a material amount; however if it was to be passed along to the residents it would increase the rent to those least able to afford it. Mr. Needleman cited the impact to the residents when they had to dispose of food because of Storm Irene.
- **Park and Recreation Sinking Fund Request:** Mr. Hudson inquired as to their balance. Kelly Sterner confirmed that their balance is approximately \$25,000. Mr. Needleman stated that with 2012-2013 year budget request the Commission submitted an outline of a capital maintenance plan. It was noted that to re-do the tennis courts the cost would be approximately \$90,000.

OLD BUSINESS:

- A. 2012-2013 Essex Elementary School Budget Presentation:** Board of Education Chairman Lon Seidman introduced the two new Board Members Judie McCann and Loretta McCluskey. Mr. Seidman and Superintendent of Schools Dr. Ruth Levy reviewed the budget increases and decreases. The overall budget increase is 1.93% or \$142,875. It was noted that student enrollment is declining. It is projected that there will be 30 less students from this year to next year. The budget calls for all day Kindergarten. It is anticipated that there will be an increase to the 1st grade enrollment as students transfer in from other schools that had all day Kindergarten; the projected enrollment increased from 48 to 57 students.

Description	Amount of Increase/ Decrease	Explanation
MAJOR BUDGET DRIVERS: INCREASES		
Salary contractual increases	\$90,794	Mr. Seidman reviewed the teacher's contract noting that it calls for a one year reopener for health insurance. Last year the contract froze step with a .5% increase for everyone in step and 2% for those at the top. This year the top receives .5% and all in step have step movement. This represents a 4.5 increase from last year. Essex ranks 29 (from the bottom) out of 175 elementary school districts for teacher's wages.
Health Benefits	\$11,465	A 6% increase. Dr. Levy noted that there may be opportunity for a smaller insurance increase. We will know later in March.
Workers' Comp. Insurance	\$4,163	Anticipated rate increase for the Board's portion.
Out of District Transportation and Tuition	\$63,440	There is a reduction in Special Education services. It was noted that Special Education costs were 25.30% of the 2011-2012 budget. There can be fluctuations from year to year; last year it remained flat. Mr. Seidman stated that if we are able to address problems early, often the cost later is less.

Description	Amount of Increase/ Decrease	Explanation
Heating Oil	\$23,450	Anticipated increase in heating oil costs.
Supervision District Increase	\$13,534	There is an increase in the Supervision District budget for a unified district-wide phone system. There will be a savings with regard to the cost of phone lines.
Total Increases	\$206,846	
MAJOR BUDGET DRIVERS: DECREASES		
Unemployment Compensation	(\$13,134)	Reduced because the individual has found a job.
In District Special Education	(\$28,040)	Reduction in anticipated in-district special education services needed.
Electricity	(\$9,261)	Reduction in electricity rates and usage.
Instructional Supplies and Material, Library Books	(\$15,039)	Savings in supplies and materials.
Equipment	(\$4,543)	
Various	(\$2,947)	
Total Decreases	(72,964)	
Total Operational and Contractual Cost Increase	\$133,882	

The benefits of all-day Kindergarten were reviewed.

- If a student falls behind, there is less time to work with.
- Slower pace of instruction and greater instruction time.
- Work with children as opposed to being pulled from class.

Mr. Seidman stated that they have not added a program in his time on the Board.

Frederick Vollono arrived at 7:55 pm.

There was discussion with regard to the proposed legislation and education reform.

Campbell Hudson inquired about the funding to the Sinking Fund. Principal Joanne Beekley responded that it remains at \$20,000.

There was inquiries regarding projected enrollment and whether or not they were prepared to make adjustments if the need be; noting a few years ago where it was projected for five sections of Kindergarten and there was only a need for four and the reduction was made; and if their projections were low, would they be able to accommodate an additional classroom? Both inquiries were met with affirmative answers.

Board of Education Sinking Fund Request:

Lon Seidman indicated that their request was as a result of the need to replace one of the boilers (#1). James Francis stated that we do not yet have the final cost because we are in negotiation. Dr. Joanne Beekley reported that they needed to replace the entire boiler. They are negotiating with regard to repair costs assessed for the old boiler. Dr. Beekley reported that they are working very hard to have the cost as low as \$43,000 but not above \$50,000. Dr. Beekley indicated that we have a second boiler (#2) that is the same age that we only use if it is really cold or if #1 is not working. There are some issues with #2, and they anticipate running as needed. It was noted that the boiler replacement fortunately occurred over school vacation.

Mr. Seidman reviewed a detailed future capital request list as follows:

Description	Amount
Replace carpet—Media Center	\$22,500
Drain for emergency eyewash/shower	\$3,000
Upgrade security system—B wing	\$3,000
Replace Café stage black curtain	\$3,000
Sander for tractor	\$2,500
Relocate generator hookup	\$9,600
Fence to enclose generator	\$2,000
Paving front parking lot	\$10,000
Replace flooring in B wing (4 classrooms)	\$54,000
Roof repair	\$15,000
Move 100' of fencing onto school property	\$6,000
Air conditioning	\$600,000
Total	\$731,000

Campbell Hudson inquired about the shower without the drain. It was noted that this was discovered during Storm Irene. There was discussion with regard to the generator indicating that when there is a need to run in emergency situations it requires maintenance staff work to supervise to ensure safety because it not enclosed in any way. Mr. Seidman stated that they will put together a priority list of the identified items and come back to the Board of Finance for their guidance. Keith Crehan stated that the list should address needs versus wants. Mr. Crehan inquired about the carpet replacement. Mr. Seidman responded that it costs more because of the moisture issues; he thanked Joel Marzi for his assistance. They are hoping to install the new flooring this summer if they can put the funding into place. Mr. Hudson inquired about the air conditioning. Dr. Levy responded that there is a need for a student. A portable air conditioner was suggested. The replacement of fencing is due to the installation of school fencing many years ago on a neighbor's property that was discovered when the house was sold. Mr. Francis asked the Board of Education to organize and come back to the Board of Finance with a priority list. Mr. Hudson asked that they identify those items that are emergency or safety in nature for the Board to act on. It was noted that the Board of Finance had a meeting scheduled in one week for the priority list information.

Emergency Management Improvements Phase 3:

Motion was made by Keith Crehan to recommend to Town Meeting a supplemental appropriation in an amount not to exceed \$50,000 for Phase 3 of the Emergency Management Operations improvements. Jeffrey Woods seconded the motion and it was unanimously approved. Motion carried.

Essex Housing Authority Payment in Lieu of Taxes (PILOT) Waiver

James Francis reported that the Board's prior action in 2010 to waive the PILOT action was not forwarded to Town Meeting.

Motion was made by Campbell Hudson to recommend to Town Meeting the Payment in Lieu of Taxes (PILOT) request by the Essex Housing Authority for 2011-2012 in the amount of \$12,204 and for 2012-2013 in the amount of \$9,330; and to also recommend to Town Meeting (in a separate Town Meeting resolution) the Payment in Lieu of Taxes (PILOT) request by the Essex Housing Authority for 2010-2011, 2009-2010, 2008-2009, 2008-2007 (with the amounts to be filled in). Keith Crehan seconded the motion and it was unanimously approved. Motion carried.

Park and Recreation Sinking Fund Request:

Motion was made by Keith Crehan to recommend to Town Meeting an appropriation not to exceed \$4,000 from the Park and Recreation Sinking fund for the purpose of repairs to the Grove Street Park tennis courts. Campbell Hudson seconded the motion and it was unanimously approved. Motion carried.

NEW BUSINESS: None.

COMMUNICATIONS AND CORRESPONDENCE: None.

PUBLIC COMMENT: None.

Motion was made by Jeffrey Woods to adjourn at 8:45 pm. Keith Crehan seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Cindy Varricchio
Board Clerk