

BOARD OF FINANCE

Regular Meeting
March 22, 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 7:06 pm.

Held jointly with the Board of Selectmen regarding 2012-2013 Budget.

Others present: First Selectman Norman Needleman, Selectmen Stacia Libby and Joel Marzi.
Treasurer Robert Dixon, Finance Director Kelly Sterner,
Elementary School Board Members D.G. Fitton and Loretta McCluskey

Approval of Agenda:

Motion was made by Campbell Hudson to approve the Agenda with the addition of Essex Elementary School Sinking Fund Request after the Approval of the Agenda and Old Business—Item B—Essex Housing Authority Payment in Lieu of Taxes (PILOT). Keith Crehan seconded the motion and it was unanimously approved. Motion carried.

Elementary School Capital Improvements Sinking Fund Request:

Board of Education member D.G. Fitton the prioritized Sinking Fund request as follows:

Description	Amount
Boiler replacement (installed 2/24/12)	\$47,711.81
Floor B-wing (7 classrooms, flooring on -side, carpet 21 years old)	\$56,500.00
Upgrade security system in B-wing (upgrade old system to be compatible with new system, reduce alarm calls and custodial overtime)	\$3,500.00
Sander for tractor (current sander inoperable, will use sand from Town and reduce the use of independent contractor for sanding)	\$2,650.00
Total	\$110,361.81

Mr. Fitton reported that health benefits will increase by 5% rather than 6% resulting in approximately \$11,000 in savings; bringing the Essex Elementary School Board of Education budget request down from a 1.93% increase to a 1.78% increase. Mr. Fitton also noted that Region 4 had renegotiated a bond from 4.83% to 4.01%, resulting in an approximate savings of approximately \$150,000.

James Francis confirmed with Finance Director Kelly Sterner the balance of the Education Sinking Fund. Mrs. Sterner reported that the balance is approximately \$240,000.

Mr. Fitton reported that the cost of the sander for the tractor is being negotiated at a reduced cost of \$1,800.

Motion was made by Keith Crehan to recommend to Town Meeting an appropriation not to exceed \$109,711.81 from the Elementary School Capital Improvements Sinking Fund. Jeffrey Woods seconded the motion.

Discussion:

Campbell Hudson inquired about items that appeared on last week's list:

- The drain for the shower: Mr. Fitton responded that is there for emergency purposes. Norman Needleman stated that you can buy containment pieces for the floor at a nominal cost of a few hundred dollars to capture the water.
- The fence to enclose the generator: Mr. Fitton responded that the generator is stored inside and is wheeled outside when it is running. When is turned on it needs to be supervised and that it was not ranked as an immediate priority.
- The B-wing flooring from \$54,000 for four classrooms to \$57,000 for seven classrooms: Mr. Fitton responded that they have received greater information from the contractor. Mr. Fitton stated that they need to begin the flooring installation immediately at the close of the school year.

Motion unanimously approved. Motion carried.

SELECTMEN'S TOPICS:

Tree Committee Sinking Fund Request:

Norman Needleman reported the Tree Committee would like their Sinking Funds released. Kelly Sterner reported that there is a balance of \$3,050 in the Fund.

Motion was made by Keith Crehan to recommend to Town Meeting an appropriation not to exceed \$3,050 from the Tree Committee Sinking Fund. Campbell Hudson seconded the motion and it was unanimously approved. Motion carried.

2012-2013 Board of Selectmen Proposed Budget:

Norman Needleman called the Board of Selectmen meeting to order at 7:24 pm.

Mr. Needleman reported that the Board of Selectmen had met at Essex Meadows last night where they voted unanimously on their 2012-2013 Proposed Budget. Mr. Needleman stated that Joel Marzi would be presenting the budget to the Board of Finance.

Mr. Marzi thanked the Town staff for their time for the four budget workshops; noting that James Francis has attended all of the workshops. Mr. Marzi stated that it was a bipartisan effort that reflects everyone working hard for a final product which is a very fair budget.

Mr. Marzi stated that the major budget increases are:

Treasurer/Finance	\$26,992
Fringe Benefits	\$33,170
Park and Recreation.....	\$16,375
Highway Department	\$18,364
Sinking Funds	\$126,667

Areas with decreases are:

Central Services	(\$10,527)
Town Clerk	(\$187)
Clean Energy.....	(\$600)
Conservation Commission	(\$900)
Inland Wetlands.....	(\$790)
Sanitary Waste Commission	(\$560)
Zoning Board of Appeals	(\$750)
Zoning Commission	(\$16,457)
Police Services	(\$17,748)
Debt Service Interest.....	(\$21,586)
Debt Service Principal	(\$3,949)

Mr. Marzi stated that the Board of Finance may want to give consideration to utilizing prior year surpluses to offset the Sinking Fund increase.

Mr. Marzi reported that for the Police Services budget the Town is moving from four full time officers to three, complemented with part-time officers and from the current two resident state troopers to one; noting that we expect to realize savings in overtime.

Mr. Needleman stated that we are trying to restore Harbor Patrol to full services and provide a presence with boaters.

Campbell Hudson asked about the reduction in full-time hours for the Town Clerk's office. Mr. Needleman responded that the Assistant Town Clerk now has hours allocated to the Treasurer/Finance office for payroll assistance. The Town Clerk's office shows an increase to part-time hours to "backfill" the hours worked by the Assistant Town Clerk with other staffing assistance. Mr. Needleman noted that we are in the process of evaluating this transition and that we have increased the volume and burden of work to Finance Director Kelly Sterner.

There was a question to the reduction in the Central Services budget. Mr. Needleman responded that he plans to make some changes as to how the building is maintained. There was a question regarding the Board of Selectmen budget and \$5,000 for Other/Consultants. Mr. Needleman responded that it is for assistance in updating the employee manual and documenting procedures.

Mr. Needleman reviewed the Park and Recreation Commission budget indicating that he is looking to determine the volume of usage this summer at Viney Hill Brook Park. Mr. Needleman stated that he wants to ensure that the cost of maintenance, lifeguards, etc. is in keeping with the costs associated with Park usage.

Mr. Marzi highlighted that the budget provides for a full time Sanitarian/Director of Health.

Keith Crehan inquired about the increase to Economic Development of \$1,400 for Advertising. Mr. Needleman responded that this is a placeholder. Mr. Needleman went on to say that at the last EDC meeting Leslie Charles from Chester attended and reviewed their operations. Mr. Needleman noted that their merchants do not have a dues requirement and that the town pays for the Chester brochure. The Chester EDC funds some of the events. Mr. Needleman indicated that there is more "human" capital. Mr. Needleman asked that the Board of Finance consider increasing the EDC budget for advertising to \$5,000. He added that he will be encouraging the Essex merchants as well as the Ivoryton Alliance to work toward a more collaborative model. Mr. Needleman added that the EDC is a "frugal" bunch and would spend the funds carefully.

There was discussion that EDC and many of its members—Lee Thompson and John Beveridge—were integral in obtaining STEAP grants for the Town. Mr. Needleman stated that Centerbrook has become the main economic driver of the three villages and that free market works—noting that business moves where the demand is and it is our job to stay out of the way.

Mrs. Sterner noted that with the potential savings in Health Insurance for the Town there was the opportunity to fund the EDC an additional \$3,500. There was a consensus of the Board to increase EDC budget by \$3,500.

Mr. Needleman, in providing an overview of the budget, indicated that the 2% increase to the operating budget provides for pension catch-up, increasing the Sinking Funds, including trying to restore the level of the Fire Department Sinking Funds. Mr. Needleman noted that there will be no increase to the Selectmen's salaries.

There was discussion regarding utilizing the fund balance for capital/one-time expenses rather than operating expenses.

OLD BUSINESS:

- A. 2012-2013 Budget:** Campbell Hudson stated that the budget process has gone well so far and that it seems less hectic than last year. Mr. Needleman responded that the process has been very positive. The Board of Education has worked very hard, the Regional Board has worked cooperatively and the numbers are the numbers—we cannot change the ADM (average daily membership).

Resident John Ackerman stated that he found the whole process to be vastly improved and transparent which makes a huge difference. Mr. Needleman stated that this is an appropriate budget.

Mr. Crehan stated that he had not attended the Board of Selectmen meetings but that he had attended the Region 4 meetings and they have done a good job. There was discussion regarding the Region 4 refinance of bonds.

Mr. Francis asked Mrs. Sterner to clarify the total budget with revisions. Mrs. Sterner responded with Region 4 included approximately 3.04% or \$22,090,783.

Motion was made by Campbell Hudson to submit for discussion at Public Hearing the 2012-2013 Board of Selectmen's budget in an amount not to exceed \$6,854,304 and the Essex Elementary School 2012-2013 budget in an amount not to exceed \$7,534,592. Keith Crehan seconded the motion and it was unanimously approved. Motion carried.

Mr. Needleman informed the Board the Mrs. Sterner is working with Mr. Seidman to present the same budget format at the Public Hearing. The anticipated Public Hearing format is Board of Education presentation, Board of Finance presentation followed by questions and answers.

Public Comment was solicited:

Resident John Ackerman suggested that the budget isolate the costs of mandates, adding that he doesn't believe that most people know how many mandates are placed on the Towns.

Motion was made by Joel Marzi to adjourn the Board of Selectmen meeting at 8:15 pm. Norman Needleman seconded the motion and it was unanimously approved. Motion carried.

B. Essex Housing Authority Payment in Lieu of Taxes (PILOT):

James Francis informed the Board that their motion from the March 15, 2012 meeting regard PILOT needed to be rescinded to correct the years and the amounts. Mr. Francis stated that there was confusion with regard to fiscal versus calendar years in presenting the information.

Motion was made by Campbell Hudson to rescind the action of the Board of Finance on March 15, 2012 with regard to the Essex Housing Authority Request for Waiver of the Payment in Lieu of Taxes. Keith Crehan seconded the motion and it was unanimously approved. Motion carried.

Mr. Francis reported that the Board needs to move the 2011-2012 request to waive the PILOT in the amount of \$9,330 to Town Meeting.

Motion was made by Campbell Hudson to recommend to Town Meeting the waiver of the Essex Housing Authority Payment in Lieu of Taxes (PILOT) for fiscal year 2011-2012 in the amount of \$9,330. Keith Crehan seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Campbell Hudson to recommend to Town Meeting the waiver of the Essex Housing Authority Payment in Lieu of Taxes (PILOT) for fiscal years 2010-2011 in the amount

of \$12,204, 2009-2010 in the amount of \$11,360, 2008-2009 in the amount of \$9,703 and 2007-2008 in the amount of \$7,696. Keith Crehan seconded the motion and it was unanimously approved. Motion carried.

Mr. Needleman stated that the PILOT was scheduled for Town Meeting on April 9th.

Motion was made by Jeffrey Woods to adjourn at 8:22 p.m. Keith Crehan seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Cindy Varricchio
Board Clerk