

BOARD OF FINANCE

Regular Meeting
October 20, 2011
Meeting Room A
Essex Town Hall

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

James Francis called the meeting to order at 7:05 pm.

Others present: Treasurer Robert Dixon, Selectman Joel Marzi and Essex Elementary Board of Education Chairman Lon Seidman.

Approval of Agenda:

Motion was made by Frederick Vollono 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 August 18, 2011. Frederick Vollono seconded the motion and it was unanimously approved. Motion carried.

TREASURER'S REPORT:

Estimated September YTD Update:

School Financial Reports:

Treasurer Robert Dixon reported that property tax collection remains strong and just ahead of last year. Interest Income, conveyance tax and building permit fees are down. Mr. Dixon reported that on the expenditure side there are a number of line items that are over because of Storm Irene. Mr. Dixon stated that we will be submitting approximately \$75,000 in expenses to FEMA at a 75% reimbursement or about \$51,000.

Jeffrey Woods inquired about the Police Services expenses being at more than 50% of budget. James Francis responded because of a retirement which provided for a settlement that cost as much if the officer stayed employed.

Mr. Dixon stated that once the FEMA information is completed, he will prepare a full-year forecast. Mr. Dixon reported that the school funding is in good shape.

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

Year End Transfers/Supplemental Appropriation:

Robert Dixon reported that overall we ended the year with a \$314,000 positive variance. Net revenue was \$151,000 higher than budgeted, primarily due to property tax. Expenses were \$163,000 better than budgeted, of which \$86,000 was the Elementary School. Mr. Dixon attributed the Elementary School favorable variance to lower salaries and special education costs. The undesignated fund balance at June 30, 2011 was \$2.5 million or 12% of budget.

The Contingency Fund can be used to reduce overages except for the Police Services overage of \$22,796 which is largely attributed to the DUI grant. The DUI expenses were \$48,330 and the revenue was \$38,092.

There was discussion regarding legal costs and invoice detail from the various legal firms.

Board of Finance (10409-508400) Contingency Fund Balance at June 30, 2011:				\$57,003
Org #	Department	Primary Cause(s)	Variance with budget prior to year end transfer	Recommend year end transfer
10400	Selectmen	Full Time Payroll	\$5,328	0
10401	Elections	Referendum/Primaries election worker payroll	\$2,805	0
10415	Central Services	Payroll/Heating Fuel	\$14,937	\$14,937
10406	Legal Services	Labor/Miscellaneous	\$18,060	\$18,060
10407	Town Clerk	Document Fees to State	\$13,032	\$8,654
10416	Park & Recreation	Automobile Expense/Park Maintenance	\$2,032	0
10461	Public Restrooms	Electricity/Waste Removal	\$607	0
10421	Fire Marshal	Full Time Payroll	\$1,971	0
40422	Insurance	Workers' Compensation	\$8,298	0
40425	Water	Service Contract Usage	\$1,142	0
40431	Sanitarian	Payroll/Registered Sanitarian Contracted Services	\$16,613	\$5,584
40427	Emergency Management	Telephone/Safety Equipment	\$4,716	0
40450	Highways	Plowing and Sanding/Road Maintenance/Fuel and Oil/Sand and Salt	\$18,499	0
10457	Town Garage	Heating Fuel	\$9,768	\$9,768
			\$117,806	\$57,003

Motion was made by Lee Rowley to approve the 2010-2011 year end transfers in the amount of \$57,003 as recommended and presented by the Treasurer. Frederick Vollono seconded the motion and it was unanimously approved. Motion carried.

Org #	Department	Primary Cause(s)	Original Budget Appropriation	Actual	Variance with Budget prior to year end appropriation
10424	Police Services	DUI Patrols/Other Overtime Partially offset by DUI Grant Revenue (DUI OT Expense \$48,330, DUI Grant Revenue \$38,092)	\$320,248	\$343,044	\$22,796

Motion was made by Frederick Vollono to recommend to Town Meeting the supplemental appropriation as recommended by the Treasurer for Police Services in the amount of \$22,796. Lee Rowley seconded the motion and it was unanimously approved. Motion carried.

Robert Dixon provided the Board with a handout with regard to the GASB Statement 54 and the new fund balance.

SELECTMEN'S TOPICS:

Joel Marzi stated that it has been a real pleasure serving with the members of the Board of Finance.

Park and Recreation Sinking Fund Request:

James Francis reported that Park and Recreation was requesting Sinking Funds in the amount of \$2,110 to install irrigation in the outfield at Hubbard Park. It was noted that the participation fees the Commission is now collecting are deposited into their Sinking Fund and the usual Board of Selectmen/Board of Finance/Town Meeting approval process is required for funds to be utilized.

Motion was made by Jeffrey Woods to recommend an amount not to exceed \$2,110 from the Park and Recreation Sinking Fund for the purpose of installing irrigation in the outfield at Hubbard Park. Frederick Vollono seconded the motion and it was unanimously approved. Motion carried.

Funding Request –New Position Description:

Joel Marzi reported that we have been adding additional responsibilities to the Deputy Treasurer position including human resources, budget preparation, retirement coordination, grant preparation and more. The Board of Selectmen has approved a job description for Finance Director which is a transition from the Deputy Treasurer position. Robert Dixon stated that the request is for approximately an additional \$4,000 per year, effective January 1, 2012. It was clarified that the Board of Finance was not approving the position description, but the actual funding of the position. James Francis stated that a goal in this transition is to remove the technical requirements of the Town's "books" from an elected position to a professional staff position. It was clarified that this is an existing position with expanded responsibilities with a corresponding increase in compensation. Mr. Francis stated that in time the position of Treasurer would require less responsibilities, time and compensation; providing a future cost offset.

Motion was made by Keith Crehan to transfer \$2,400 from the Board of Finance Contingency Fund (10409-508400) to the Treasurer's Office budget (10405-501100) for additional compensation for the position of Director of Finance. Fred Vollono seconded the motion.

Discussion:

Campbell Hudson inquired why the change to implementing January 1, 2012 inasmuch as the Selectmen's motion was effective December 1, 2011. Mr. Francis responded that he believed January 1, 2012 made more sense. Mr. Hudson stated that it was a good concept that he was in favor of and that the position of Treasurer has evolved with the present Treasurer. Mr. Hudson stated that the Board may statutorily take some type of action. Mr. Hudson stated that the Deputy Treasurer is a wonderful person and that he has no complaints or concerns. Mr. Hudson suggested that we consult labor counsel to ensure the position change does not need to be posted.

Motion unanimously approved. Motion carried.

Town Garage Building Repair:

The Board reviewed correspondence from First Selectman Philip Miller and Director of Public Works David Caroline with regard to damage to the public works building awning and gutters. There is a request for make roof modifications to prevent future damage of this nature. Mr. Miller reported that this was a budget request for the 2011-2012 fiscal year that had been removed. Joel Marzi stated that he did not recall that being a budget item. The total funding request is for \$12,947 which would include installing a three foot overhang, to include removing and reinstalling lights and electrical wiring. It is anticipated that there will be insurance proceeds in the amount of \$700 for the gutters and awning (net of the \$1,000 insurance deductible). There was discussion as to whether or not the Public Works budget could absorb these improvements. James Francis stated that he would like to see Mr. Caroline go ahead with the work and then to look at the budget at the end of the year to determine if there is a shortfall. It was the

consensus of the Board that the repairs be made and at the end of the year they will address any shortfalls.

Emergency Management Suggested Improvements:

Joel Marzi reported that in follow-up to storm Irene there was a list of improvements and needs put together. The initial list totaled approximately \$200,000. The list has been reviewed and pared down to \$32,528. It was noted that there will be insurance proceeds to move the Emergency Management office to the first floor of the Town Hall from the ground level because of water damage. Mr. Marzi stated that the list has been reduced quite a bit and that the Selectmen fully support the volunteers having equipment in working order. Items on the list include signage to be used for Centerbrook and Ivoryton, a hydraulic thumb, first responder radios and repeaters, emergency management flyer project, email spooler and transportable sandwich boards.

There was discussion regarding the equipment and phone issues during storm Irene.

Motion was made by Jeffrey Woods to recommend to Town Meeting a supplemental appropriation in the amount of \$32,528 for the purchase of Emergency Management improvements and needs. Keith Crehan seconded the motion and it was unanimously approved. Motion carried.

OLD BUSINESS:

Essex Elementary School Flooring:

Chairman of the Board of Education Lon Seidman reviewed with the Board the flooring issues from the prior months. James Francis stated that the Board would need to rescind their motion of June 16, 2011 with regard to the flooring and to request that Town Meeting rescind the resolution of July 6, 2011. These actions will provide for the installation of the carpeting in the B-wing in accordance with the August 4, 2011 Board of Finance motion.

Motion was made by Campbell Hudson to rescind the Board of Finance motion of June 16, 2011 as follows:

"Motion was made by Keith Crehan to recommend to Town Meeting an appropriation in an amount not to exceed \$12,000 from the Elementary School Capital Improvements Sinking Fund for the installation of rubber flooring in the B-wing and to recommend an additional appropriation in an amount not to exceed \$12,800 from the Elementary School Capital Improvements Sinking Fund for the purchase and installation of carpeting in the B-wing; said appropriation for the carpeting is contingent upon completion of the flooring installation within the funds appropriated. Lee Rowley seconded the motion and it was unanimously approved. Motion carried."

And to recommend to Town Meeting the rescission of the resolution dated July 6, 2011 as follows:

"To consent and approve an appropriation in an amount not to exceed \$12,000 from the Essex Elementary School Capital Improvement Sinking Fund for the installation of rubber flooring in the B Wing and to recommend an additional appropriation in an amount not to exceed \$12,800 from the Essex Elementary School Capital Improvement Sinking for the purchase and installation of carpeting in the B Wing; said appropriation is contingent upon completion of the flooring installation within the funds appropriated as recommended and approved by the Board of Finance."

Keith Crehan seconded the motion and it was unanimously approved. Motion carried.

Motion was made by Campbell Hudson to recommend to Town Meeting an appropriation in an amount not to exceed \$11,500 from the Elementary School Capital Improvements Sinking Fund for the purchase and installation of carpeting in the B-wing. Keith Crehan seconded the motion and it was unanimously approved. Motion carried.

Campbell Hudson stated that he would like the Board to consider meeting annually at the Elementary School to tour the school. Mr. Seidman responded that Dr. Joanne Beekley has always extended an invitation to tour the school.

2010-2011 Annual Report:

Dedication:

Motion was made by Lee Rowley to dedicate the 2010-2011 Annual Report to Lois Ely. Keith Crehan seconded the motion and it was unanimously approved. Motion carried.

Printing Vendor Selection:

Motion was made by Keith Crehan to approve Essex Printing as the vendor for the printing of the 2010-2011 Annual Report and to print 500 copies in an amount not to exceed \$925. Jeffrey Woods seconded the motion and it was unanimously approved. Motion carried.

Annual Report Preparation Payment:

Motion was made by Keith Crehan to approve payment for the Annual Report design and layout in the amount of \$3,000 to Kelly Sterner and Cindy Varricchio upon delivery to Essex Printing. Jeffrey Woods seconded the motion and it was unanimously approved. Motion carried.

Schedule Dedication Event:

It was the consensus of the Board of Finance to schedule the dedication prior to their November 17th meeting.

NEW BUSINESS:

2012 Board of Finance Meeting Schedule:

A proposed meeting schedule was distributed to the Board for their review and comments. It is anticipated that the Board will vote on the schedule at their November meeting.

COMMUNICATIONS AND CORRESPONDENCE: None

PUBLIC COMMENT: None

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

Respectfully submitted,
Cindy Varricchio
Board Clerk