

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

**Board of Finance
March 19, 2015**

MINUTES

In attendance: Keith Crehan, Chairman, Don Mesite, Jeffrey Woods, Campbell Hudson*, Mary-Louise Polo and Fred Vollono

Others in attendance: Norman Needleman, Selectman
James Francis, Treasurer
Kelly Sterner, Finance Director
Stacia Libby, Selectman
Bruce Glowac, Selectman
Yvonne Roziak, Recording Secretary

Essex Elementary Board of Education: Lon Seidman, Chairman
DG Fitton
Loretta McCluskey
Dr. Joanne Beekley

Essex Elementary School: Scott Jeffrey, Principal
Deb O'Donnell, Assistant Principal

Meeting was called to order at 7:03 p.m. by Keith Crehan, Chairman

APPROVAL OF AGENDA:

A request to move item 7a – Essex Elementary School BOE Budget Presentation to item 4c under Financial Report.

Motion made by Fred Vollono to approve agenda as amended, seconded by Jeffrey Woods. Passed unanimously. Motion carried.

APPROVAL OF MINUTES:

Motion made by Jeffrey Woods to approve the minutes of February 19, 2015, seconded by Fred Vollono. Passed unanimously. Motion carried.

FINANCIAL REPORT:

Revenues

February usually represents the last big tax collection month for the fiscal year. This year was no different with tax collections of more than \$1.1 million for the month. This brings the current property tax collection rate YTD as of the end of February to 97.91% versus 97.61% at the same point in fiscal year 2013-2014. Both the collection of prior year tax receivables as well as interest and lien fees have exceeded budget for the fiscal year. State payments for the month were limited to the Municipal Revenue Sharing grant of \$70,111. Local revenue receipts for the month totaled only \$33,300 and only reached this level due to the \$9.5K quarterly fee received from MIRA for the tipping fee. This could be a reflection of the severe weather. However, there are a number of building projects in the pipeline which promise more months of strong building permit fees in the future. This brings the YTD total local revenue to 84.36% of budget versus 81.02% at February 2014 month end. Total general fund revenues collected increased to 96.36% of budget versus 95.70% the prior year.

Expenditures

Expenditures for the fiscal YTD as of the end of February totaled \$15,948,756 or 69.17% of budget. Once again, this compares well with the 71.26% total expenditures at February 28, 2014. Expenditures from the Selectmen's budget for the month of February totaled \$325,002. Of this amount, the highway department represented \$136,018 of the expenditures. As bad as all of this sounds, we are still in better shape than we were last year as of February month end. At February 28, 2014 the Highway department had expended 81.47% of their budget while at February 28, 2015 the amount was 74.4% of budget. As stated last month, we are keeping an eye on the legal budget which now shows as 99.6% expended. Tax appeal legal fees still total \$26.7K for the year to date and the two tax appeals remain pending for this fiscal year so we are not quite finished with this budget line yet. Other expenditure budgets remain within typical tolerances.

Don Mesite made a motion to accept the Financial Report, seconded by Fred Vollono. Passed unanimously. Motion carried.

ESSEX ELEMENTARY SCHOOL BOARD OF EDUCATION BUDGET PRESENTATION:

Lon Seidman, Chair, EES BOE presented the Essex Elementary School Budget Summary. He began by discussing his testimony at the Capital regarding the Minimum Budget Requirement (MBR) issue.

Lon discussed in detail the declining enrollment projections and proposed EES budget for school year 2015-2016. He reviewed the Essex Major Budget Drivers including a \$40,000 increase in the Capital Sinking Contribution (line item 5430). The largest line item reduction was in the Out of District Transportation and Tuition with a decrease of \$145,141.00 related to Special Education Students moving to the Regional District.

The proposed budget requests additional services totaling \$61,400 which includes an upgrade to the schools Network Switch, Chimney Repair, Sidewalk Replacement, Furniture, Wood Guardrail, Classroom Furniture as well as several other smaller items. The total proposed budget for FY 2015-2016 is \$7,560,101 which represents a reduction of \$182,212 or -2.35% compared to the current year budget. This is very close to the maximum amount that the budget can be reduced based on the State MBR. Lon distributed a worksheet from Supervision District Business Manager Garth Sawyer outlining

the calculation of the Minimum Budget Requirement (MBR) for Essex.

Keith Crehan stated on behalf of the Board of Finance that they were very happy with what he presented and the work involved. Keith's concern is that the MBR formula needs to be reworked statewide.

Lon Seidman indicated that with the MBR there is really no more room to cut the budget. He thanked the EES Board of Education and Region 4 staff in assisting with the numbers and coming up with this final budget.

Keith Crehan thanked Lon and guests for coming.

SELECTMEN'S REPORT:

Norman Needleman, First Selectman discussed the request for proposal from CREC Construction Division (an Owners Program Management Service) regarding the three roof projects. The Board of Selectmen believe that by contracting with CREC we could get through the State application process for the EES roof and get that project done this summer. Funds for the project have been approved but the Board of Selectmen want to keep the Board of Finance informed as we progress through the projects. CREC is committed to work as a proactive partner from the conceptual stage to a finished reality. They would prepare the bid and we would approve the contractor that would be hired. The total cost for CREC services for both the Essex Elementary School Roof Project and the Town Hall and Garage would be approximately \$72K.

Norman Needleman discussed the fact that the winter weather tally has not yet come in and we could be taking further hits on this line item, however, we likely won't know how much until end of next month.

Norman Needleman also mentioned that the street sweeper did get approved at the Board of Selectman meeting last night. He also discussed that the fire department has found a used truck for approximately 1/3 less than their original request. The list price of the apparatus is approximately \$475K which is \$125K less than was approved through the bond referendum. He also discussed that the RFP for the Main Street Investment Fund Grant Project is out to bid.

Mary-Louise Polo made a motion to add in 7b under the Selectman's Report – Town of Essex Budget, seconded by Jeffrey Woods.

Norman Needleman reviewed the Town Budget with regard to the major drivers which resulted in a 3.53% increase in this year's budget. Debt service increase for the 2007 General Obligation Bond as well as pension funding, benefits and some salary increases were the primary drivers of this budget increase. Keith Crehan inquired about the increase in State Trooper fees/reimbursement and Norman indicated that when you have a Resident State Trooper you get the State (which includes their phone system, radios, and the infrastructure of the State Police Department). We will continue to budget for the 70% trooper fee which is currently our portion. There is money in our budget to add another officer to our staff but if the State requires the Town to pay the 100% of the Resident Trooper cost, we would not hire the additional officer.

Norman finalized his budget discussion by indicating overall the budget aggregate increase will be \$248K or 3.53%. The Grand list is up which, at the current mill rate will result in an additional \$72K of

tax revenue which will offset a portion of the increase. This year's budget totals are \$7,456,687 for the Town's budget and \$7,560,101 for the elementary school budget for a grand total of \$15,016,788. A total increase of \$72,315.00.

Norman went on to discuss the proposed new housing for Bokum Road and a change in design plans to a 22 individual single stand-alone condo development. The original application requested the community be an over 55 community, however, that may or may not be the case. Norman also indicated some activity may be surfacing around the old Iron Chef property and some surrounding lots. If such projects take place, we could see some growth in our Grand List in the future.

Mary-Louise Polo made a motion to submit for review and discussion at Public Hearing the 2015-2016 Board of Selectmen's Budget in the amount of \$7,456,687 and the Essex Elementary School 2015-201 budget of \$7,560,101, seconded by Don Mesite. Passed unanimously. Motion carried.

*Board of Finance Member Campbell Hudson, Vice Chairman arrived at 8:40 p.m.

Campbell inquired as to whether it was allowable to add an agenda item to this meeting for the Selectmen's Budget. This budget was originally posted to be presented to the BOF at a later meeting. The public would reasonably expect the meeting to take place and to hear the presentation of that budget to the BOF. It was decided that the meeting calendar filed with the Town Clerk reads to present the BOS budget on March 26, 2015; therefore, the motion to submit the budget to public hearing will need to be rescinded.

Motion by Fred Vollono to rescind the last motion, seconded by Mary-Louise Polo. Passed unanimously. Motion carried.

OLD BUSINESS - None

NEW BUSINESS - Moved to item 4c under Financial Report

COMMUNICATION AND CORRESPONDENCE - None

PUBLIC COMMENT - None

ADJOURNMENT:

Motion made by Jeffrey Woods to adjourn at 8:55 p.m., seconded by Fred Vollono. Passed unanimously. Motion carried.

Respectfully submitted,

Yvonne M. Roziak