

# Board of Finance

Town of Essex  
29 West Avenue  
Essex, CT 06426  
Via Remote & In Person- 7:00 PM

## MINUTES

Thursday February 16, 2023

<b>Members in Attendance:</b>	Campbell Hudson
	Terry Stewart
	Vincent Pacileo III (Via Zoom)
	Ethan Goller (Via Zoom)
<b>Others in Attendance:</b>	Norman Needleman, First Selectman
	Tracey Celentano, Finance Director
	Kelly Sterner
	Danielle Schumacher, Board Clerk

### 1. CALL TO ORDER

The meeting was called to order at 7:06 PM by Chairman Campbell Hudson

### 2. APPROVAL OF AGENDA

*Terry Stewart made a motion to approve the agenda as submitted. Seconded by Vincent Pacileo III. Passed unanimously. Motion carried.*

### 3. APPROVAL OF MINUTES: REGULAR BOF MEETING ON JANUARY 19, 2023

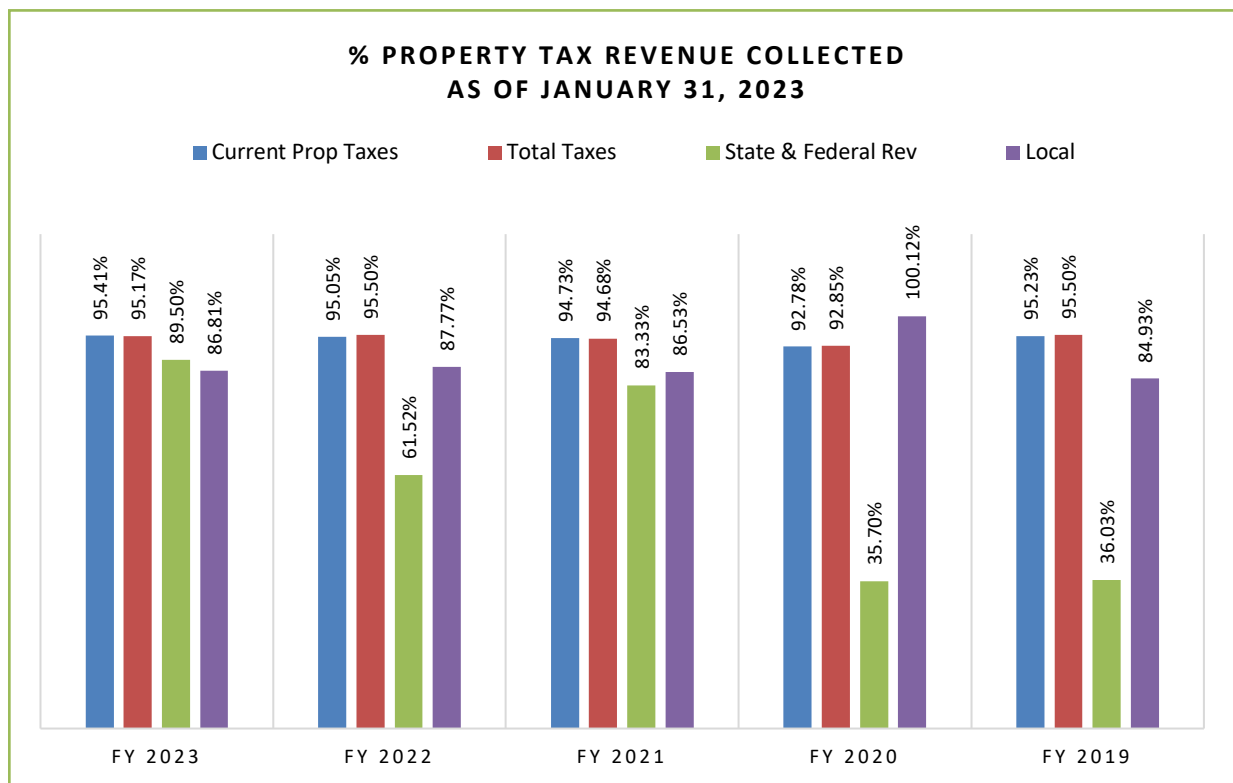
*Terry Stewart made a motion to approve the minutes from the January 19, 2023 regular Board of Finance meeting. Seconded by Ethan Goller. Passed unanimously. Motion carried.*

### 4. FINANCIAL REPORT

#### a. ESTIMATED JANUARY YTD UPDATE

#### REVENUES

The current tax collection results at the end of January is an early indicator of how our tax collections will finish the year. For FY 2023, January current property tax collections totaled \$7.43 million which brings us to a collection rate of 95.41% and compares favorably with prior fiscal years. Prior years' collection rates and interest and liens accounted for \$22K for the month.



As of January month-end, the YTD total tax collections were \$23,547,703 or 95.17% of the fiscal year total compared to 95.50% as of January 2022 and 94.68% as of January 2021. February 1<sup>st</sup> is the last day to pay without penalty and added another \$333K of tax collections. State Revenue in January consisted of \$37.7K for State Education Grant and Town Aid Road Grant totaling \$107.8K. Local revenues totaled \$98.6K in January and \$515K (86.81% collected) YTD, which is comparative to the prior two years. Town Clerk Fees and Conveyance Taxes continue to trend positively. As of the end of January, Conveyance Tax Fees exceeded the full budget amount by \$35.8K. Town Clerk Fees collected are at 54.61% of budget in January with five months remaining. Total revenues collected came in at 94.04% of budget versus 93.57% for January 2022 and 93.59% for January 2021 month end. These totals reflect the budgeted deficit amount of \$230,123.

## **EXPENDITURES**

Expenditures for the month of January totaled \$2,371,920 bringing spending YTD to \$16,914,869 or 64.50% of budget. Selectmen's budget expenditures made up \$824,742 of the total spending. As of January month-end, the Selectmen's budget spending YTD is \$6,223,548 or 67.23% of budget compared to 67.80% as of January 2022 and 64.80% at January 2021 month-end. January expenditures include the semi-annual Fire Department allocation, quarterly insurance, and bond payments. Budgeted expenses include \$180K Special Appropriations/Grant Expenses to reflect the appropriations approved at the 11/9/22 Town meeting (Essex Ambulance and STEAP grant matching funds).

## **GENERAL FUND**

### **FY 2022-2023 – IDENTIFIED OPPORTUNITIES/SAVINGS & RISKS/OVERRUNS**

#### **As of 1/31/2023**

#### **Opportunities/Savings**

- |                                   |           |                               |
|-----------------------------------|-----------|-------------------------------|
| • Selectmen Office                | \$64K +/- | Elected Payroll               |
| • Municipal Revenue Sharing Grant | \$83K +/- | Not budgeted – did not expect |
| • Conveyance Taxes                | \$46K +/- | Real Estate Activity          |

• Misc. State & Federal	\$50K +/-	Tropical Storm Ida
• Medical/Dental Insurance	\$25K +/-	Retired Police Officer
• Interest	\$8K +/-	
• Local PILOT	\$5K +/-	

#### **Risks/Overruns**

• 11/9/22 Appropriation	\$50K	Essex Ambulance Stretcher
• 11/9/22 Appropriation	\$130K	STEAP Grant Matching Funds
• Budgeted Deficit	\$230K	
• Harbor Patrol	\$8K +/-	Additional Patrols
• Police Services	\$10K +/-	Accreditation (PT Officer)
• Electric	TBD	

***Terry Stewart made a motion to accept the financial report as submitted. Seconded by Vincent Pacileo III. Passed unanimously. Motion carried.***

#### **b. FINANCIAL REPORTS - OTHER FUNDS**

Finance Director Tracey Celentano spoke to the Board. She said that there was a request to see P&Ls for some of the other funds that don't fall into the general revenue fund. The examples provided were for Fund 66 (usually fiduciary accounts), the Social Services Assistance Fund, the Dog Fund, and the Recreation Fund.

#### **c. ARPA SUMMARY**

*A summary of what has been approved so far was included with the meeting packet.*

### **5. SELECTMEN'S REPORT**

First Selectmen Norman Needleman said that this mild Winter has been a suitable time for the Public Works department to complete construction projects. These are things that we wouldn't usually do in February which gives us a jump on next year.

He went on to say that we will be able to go out to bid for the sidewalk project on River Road by April. The River Road bridge was not approved in the first round of the State and Local Bridge Program. We have been working on the budget, but it is not there yet. Tracey is doing a great job of putting it together and there is a modest increase so far. He is not going to recommend the bifurcated mill rate again. The revaluation and adjusted grand list should be set by the middle of November 20223, which he thinks will be up about 40%.

The only new full-time position that the town is adding into the budget is another Operator in the Public Works department. Ryan Welch is a hands-on Director but needs to spend more time on administrative tasks and project management. Norman is also considering going back to 3 full-time police officers which is already included in this year's budget.

### **6. OLD BUSINESS**

None

### **7. NEW BUSINESS**

#### **a. TECHNOLOGY SINKING FUND REQUEST – NOVUS PROJECTS**

Tracey Celentano spoke saying that the Board of Selectmen switched the request from the Technology Sinking Fund to ARPA. There is a spreadsheet along with a narrative in the

packet. One of the biggest technology issues right now is related to acquiring cyber insurance and security requirements. To stay compliant and continue to acquire appropriate cyber insurance, the Town is required to complete several one-time projects with Novus, our Managed Technology Support Vendor. The Board of Selectmen has approved not to exceed \$17,500 for one-time projects.

***Terry Stewart made a motion to approve an appropriation not to exceed \$17,500 to be allocated from the American Rescue Plan Act Funds to complete the one-time Technology projects recommended by NOVUS Insight. Seconded by Vincent Pacileo III. Passed unanimously. Motion carried.***

Terry Stewart reported that he had attended the Board of Education Supervision District Budget meeting. He said a lot has changed in from the original budget due to a negative increase in the ADM for Deep River. There was a request for a region wide Facilities Director which would cover all 6 buildings. He explained that they are in need of a Facilities Director is needed as the school buildings require extensive repairs and leadership is in “fixing mode”. They are also hoping to expand the pre-k program due to moving from half day to full day kindergarten. This is due to an increase in standards and the needs of children coming out of the pandemic.

There are also additional HR requirements for central office now that the building is open and accepting visitors. Software originally provided by the state will need to be purchased and they hope to hire a secretary for the building who can also support Human Resources.

**8. COMMUNICATIONS AND CORRESPONDENCE**

None

**9. PUBLIC COMMENT**

None

**10. ADJOURNMENT**

***Terry Stewart made a motion to adjourn the meeting at 8:10 PM. Seconded by Vincent Pacileo III. Passed unanimously. Motion carried.***

Respectfully Submitted,

A handwritten signature in cursive script that reads "Danielle Schumacher".

Recording Clerk