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BOARD OF FINANCE

**Town of Essex
29 West Avenue
Essex, CT 06426**

Conference Room A – Via Zoom On-line Audio

March 19, 2020 – 7:00 p.m.

MINUTES

In attendance Via Zoom On-line Audio and in Person: Keith Crehan, Chairman, W. Campbell Hudson, Vice Chair, Edward Tedeschi, Mary-Louise Polo, Ethan Goller and Vin Pacileo III

Others in attendance: Norman Needleman, First Selectman
James Frances, Treasurer
Kelly Sterner, Finance Director

Chris McDermott, CT Examiner

Meeting called to order at 7:01 p.m. by Keith Crehan.

Mary-Louise Polo made motion to call the meeting to order, seconded by Vin Pacileo. Passed unanimously. Motion carried.

APPROVAL OF THE AGENDA:

Mary-Louise Polo moved to approve the agenda, seconded by Vin Pacileo. Voting: Passed unanimously. Motion carried.

APPROVAL OF THE MINUTES:

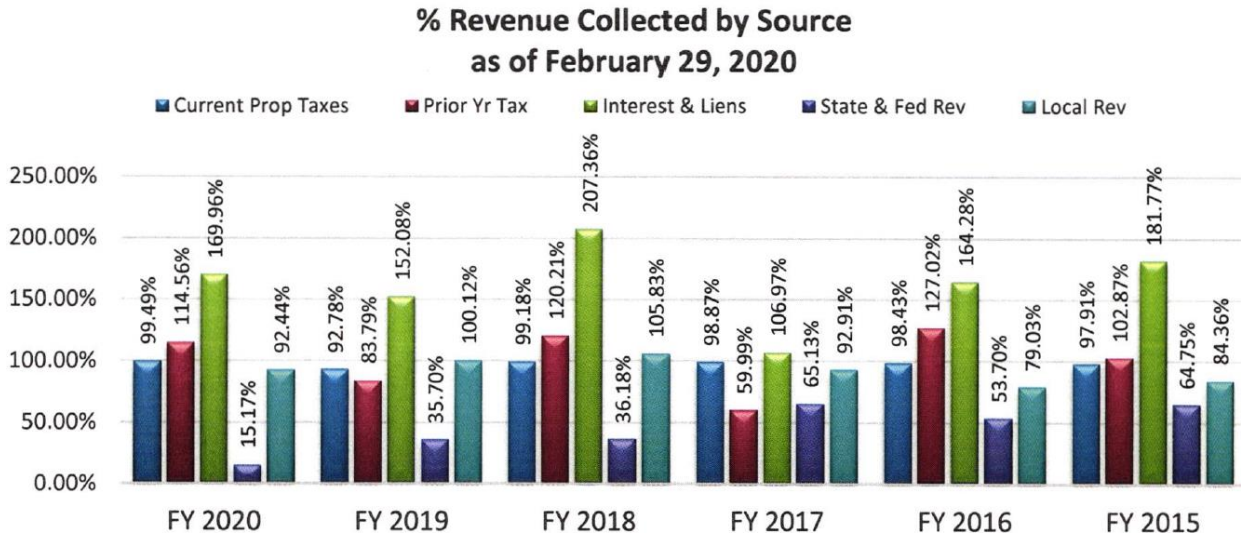
Campbell Hudson moved to approve the minutes of February 20, 2020, seconded by Ethan Goller. Abstained: Vin Pacileo. Passed. Motion carried.

Kelly Sterner, Finance Director, provided the following financial report for the fiscal year through the month ended February 2020:

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REVENUES

February tax collections brought in \$1,016,263 with current property taxes accounting of \$989.7k of this total. This brings the current tax collection rate to 99.49%. Prior years' collections and interest & liens finished the month with collection rates in excess of their full year budget amounts and are trending well compared to prior fiscal years.



As of February month-end, the YTD total tax collections were \$22,936.712 or 99.74% of the fiscal year total compared to 99.19% as of February 2019 and 99.56% as of February 2018. State revenues in February were once again non-existent. However, the House and Senate approved a state bond package which includes the funding for Town Aid Road, LoCIP and Grants for Municipal Projects. This gives us some measure of assurance that we will receive the funds prior to fiscal year end. Local revenues collected came in at \$30.4k for the month of February. Interest income, Conveyance Tax and Town Clerk fees made up 94% of the revenue collected. This brings the local revenue collection rate to 92.44% compared to 110.26% at February 2019 month end and 105.92% for February 2018. Total revenues collected finished February 2020 at 97.43% of budget versus 97.73% for February 2019 and 97.83% for February 2018 month end.

EXPENDITURES

Expenditures for the month of February totaled \$1,835,532 bringing spending YTD to \$16,618,522 or 68.69% of budget. Selectmen's budget expenditures made up \$342,724 of the total spending. As of February month-end, the Selectman's budget spending YTD is \$5,395,754 or 67.83% of budget compared to 66.01% as of February 2019 and 63.36% at February 2018 month-end. For the month, payroll and fringe benefits accounted for \$251.8k or 73.5% of the

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Selectman's budget spending. Of the remaining \$90.9k, the major spending items included the monthly payment to CT Water for the fire hydrant system of \$15k, consulting services for audit – final installment of \$11.9k, technology support totaling \$10k and town clerk payments for State fees of \$7.6k. Overall the majority of budget lines are following their typical patterns. However, we have spotted an overage in Zoning Commission due to higher than budgeted State fees and an overage in Zoning to the printing of the zoning regulations manual. We could see this overage grow a little, but the total dollars should not be material. For the March YTD report, we will start to include a forecast for fiscal year end.

Vin inquired about the potential revenues for this year based on the closure of town hall and effect on the public. Kelly indicated there is probably a little expense, however, we'll continue to track and when we get more info, she will let the BOF know.

Mary-Louise Polo made a motion to accept the Financial Report, seconded by Vin Paciolo. Passed unanimously. Motion carried.

SELECTMEN'S REPORT:

Norman discussed the recent announcement from Lisa Fasulo, Health Director, Town of Essex, limiting gatherings to no more than 10 people and 6 feet apart distances. He is also very proud of the staff that has gone above and beyond during this time of crisis. Public Works is working hard to keep our municipality running smoothly. All restaurants are cooperating as well as giving meals away during this time. Park and Recreation has purchased food gift cards for those who may need it. In the Budget you will note there will be two specific salary increases in Finance and the Health Department keeping in line with others in similar positions in today's environment. Norman indicated that the BOS has submitted their budget and Kelly will give us an overview of the details.

OLD BUSINESS: None

NEW BUSINESS:

- a. BOS – Budget Presentation

Kelly opened the conversation where she mentions she included in the budget this year budget preparation notes. She proceeded budget by budget chronologically with factors that impacted that particular budget.

Budget items for discussion – Section A – IWWC – Commission – engineering increased by 150%. This is in case we need to bring someone in from the outside. Bob Doane is the Town Engineer and works as engineer on IWWC and this could be perceived as conflict of interest and not permissible.

Mary-Louise Polo inquired about – Page 3 of the BOS 2020-2021 budget under Fringe Benefits – she asked about the reduction in the long-term rate of return from 7.125% to

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7%. This assumes that we remain on the current R4 self-insured plan and the premiums increase by 18% (the estimate by our broker). Long term it is the best plan of benefits with a 95% match. Pension rate of return assumption to remain at 7.125%.

Debt Service – from an interest rates standpoint, Vin asked are there any opportunities to refinance with lowered rates and would we benefit from doing that? Kelly indicated we have already refunded a bond. She doesn't feel we would benefit from another one. Do we anticipate any further debt service? This was an idea from the auditors, Norman indicated a bridge in Town that may cost \$2m, may only cost the Town a \$1m out of pocket to proceed. We may look into a line of credit in case we need it. We currently have a healthy fund balance but would proceed down that road if we needed to use on current events.

Vin inquired about the overall percentage of change to the Capital and Sinking Funds being 2.76% for 2020-2021 (Page 32 of the BOS 2020-2021 budget.) do these percentages relate to that page re: Capital and Sinking Funds or something else? Can he assume that there was no reduction in that the 235,818 is the correct number, per Kelly that is correct.

We will vote on this budget next Tuesday, March 24, 2020 at 7:00 p.m. as well review and approve the BOE/Reg 4 Budget It will be another "Zoom Online Audio" meeting and Kelly will reach out to Lon Seidman and to Reg 4 to get their presentations out to each of you ahead of time.

COMMUNICATIONS AND CORRESPONDENCE: None

PUBLIC COMMENT: None

ADJOURNMENT:

Vin Pacileo moved to adjourn the meeting at 7:57 p.m., seconded Mary-Louise Polo. Passed unanimously. Motion carried.

Respectfully submitted,

Yvonne Roziak
Recording Secretary