Board of Finance
Town of Essex
29 West Avenue
Essex, CT 06426
Via Remote & In Person- 5:30 P.M.

MINUTES
Monday August 8, 2022

Members in Attendance: Campbell Hudson, Mary-Louise Polo, Ethan Goller, Vincent Pacileo III

Others in Attendance: Norman Needleman, First Selectman
Tracey Celentano, Finance Director
Kelly Sterner
Danielle Sanso, Board Clerk
Terry Stewart, New Board Member

Absent: Brian Weinstein
James Francis, Treasurer

1. CALL TO ORDER

The meeting was called to order at 5:35 PM by Chairman Campbell Hudson.

2. APPROVAL OF AGENDA

Ethan Goller made a motion to approve the agenda, seconded by Mary-Louise Polo. Passed unanimously. Motion carried.

3. APPROVAL OF MINUTES FROM JUNE 16, 2022

Ethan Goller made a motion to approve the minutes from the June 16, 2022 meeting, seconded by Vincent Pacileo III. Passed unanimously. Motion carried.

4. FINANCIAL REPORT FOR JUNE 2022

Finance Director Tracey Celentano presented the financial report to the board

REVENUES

Our preliminary fiscal year 2021-2022 revenue report shows positive results overall. Current property tax collections finished the fiscal year at $24,170,005 which brings the collection rate to 100.49% which is slightly lower than prior year (100.70%). Current property tax collections, prior years’ collections and interest & liens all compare similarly to prior fiscal years.
Interest and liens fees and prior year tax collections also finished the fiscal year strong with collection rates of 259.25% and 159.61% respectively. Overall, Property Tax revenue accounts for $287.3K or 36.62% of the revenue surplus. The YTD total tax collections were $24,539,053 or 101.18% of the fiscal year total.

We received the Municipal Grants in Aid ($74,547) in June bringing total State and Federal Grant Revenue above budget $93.8K or 118.5%. As expected, Local Revenues ended strong primarily due to Surplus Distributions for R4 & Supervision District ($428K). Town Clerk Fees ($55K or 148%) and Conveyance Taxes ($204K or 285.3%) being above budget. Total revenues collected for the current year reached 103.06% of budget. At this point, our forecasted fiscal year end revenue surplus is $784,469.

**EXPENDITURES**

Expenditures for the month of June currently total $1,580,392 bringing total YTD spending to $25,380,185 or 98.9% of budget. However, both the Selectman’s budget and Essex BOE budget will remain open for a couple more weeks as we continue to receive invoices. It is expected that Essex BOE expenses will be close to budget as expenses are still being processed. The two Capital encumbrance requests totaling $35,175 are included in the forecast. Savings on the expense side contribute $141,203 towards the surplus.

The Town budget surplus continues to be primarily a result of strong tax collections and real estate activity. Savings on the expense side include Selectman’s Office, Elections, Legal Services, Insurance. Employee Benefits, Health Department and BOF contingency.

The overall surplus is expected to be around **$925.6K**.
GENERAL FUND

FY 2021-2022 – IDENTIFIED SAVINGS & OVERRUNS

Savings

- Fringe Benefits $35K Medical – Budgeted higher rate/participation
- Selectmen Office $52K Elected Payroll
- Town Clerk Fees $55K Strong Real Estate Activity
- Conveyance Taxes $204K Strong Real Estate Activity
- Misc. Receipts $429K R4 & Supervision District FY20-21 Surplus
- Misc. State/Federal Income $108K Tropical Storm Isaias
- Building Permits $67K
- Tax Collections $287K
- Board of Finance $50K Contingency

Overruns

- Federal ESSER II $31K
- Police Services $52K 4th PT Officer / Police Body Cameras
- Town Clerk $46K State of CT Fees – revenue offset
- Interest Income $22K Interest Rates
- Public Works $23K Road Maintenance & Repairs
- Technology $10K ISP & Managed IT Services
- Budgeted Deficit $291K

Note above highlights only include significant line items and do not balance to overall surplus

Vincent Pacileo III made a motion to accept the Treasurer’s report, seconded by Mary-Louise Polo. Passed unanimously. Motion carried.

5. SELECTMEN’S REPORT
   a. FYE 2021-2022 PROPOSED SUPPLEMENTAL APPROPRIATIONS

First Selectman Norman Needleman started by saying we are currently working on the roads including chip sealing and paving. The Town is seeking additional funds to appropriate to the roads as chip sealing and paving costs have escalated. In addition, paving materials are wearing out faster due to recycled materials being used. In the past we have gotten away with chip sealing most roads and not repaving. It is important to keep the roads maintained. Roads scheduled to be paved includes Maple Avenue, Riverview, New City Street, Kings Lane, Foxboro Road, and a portion of North Main Street. Ryan Welch, Director of Public Works is negotiating with the Water Company for their share of the costs.

The State of CT is currently milling/paving Routes 153 and 154 Towards route 80.
He also spoke about putting a new water tower on Bushy Hill Road. He said that he had carefully reviewed the deed and it allows for uses by the Town. A shorter and wider diameter tower (500,000 gallons) would be installed which would be used for fire safety/fire protection. They would also be able to put antennas on it for better communications.

The Town is also applying for a $500,000 STEAP grant in August to complete the Civic Campus Part 2 which includes upgrading Hubbard Park, adding crosswalks, sidewalks and improving accessibility.

**Appropriations**
The Town currently has multiple bids for the Assessor Revaluation ranging from $84,400 to $140,000. An appropriation of $15,000 was requested to replenish the Sinking Fund.

The Capital Committee is working on planning and funding for the River Road bridge project. The Town will need to provide matching funds for grant funding. An appropriation of $200,000 was requested.

A $165,000 appropriation was requested to upgrade the current radio tower and acquire new radios for the public safety communications to link to the State system. These funds will be in conjunction with State Binding to support the $550,000 project.

An appropriation of $300,000 was requested to complete chip sealing, sidewalks, and paving projects due to increased costs and timely maintenance. These will be supplemented with funds from the water company.

*Ethan Goller made a motion to approve and recommend to Town Meeting fiscal year end 2021/2022 budget supplemental appropriations in the total amount $755,000 as recommended by the Board of Selectman on the provided list (see attached item 5a). Seconded by Mary-Louise Polo. Passed unanimously. Motion carried.*

6. **OLD BUSINESS**

None

7. **NEW BUSINESS**
   a. **ENCUMBRANCES FY21-22**

*Vincent Pacileo III made a motion to approve and recommend to Town Meeting fiscal year end 2021/2022 budget supplemental appropriations in the total amount $755,000 as recommended by the Board of Selectman on the provided list (see attached item 5a). Seconded by Ethan Goller. Passed unanimously. Motion carried.*
b. **RESOLUTION CLEAN VESSEL ACT PROGRAM (NEW BOAT MOTOR REIMBURSEMENT)**

   Ethan Goller made a motion to approve the Resolution of Lessee’s Governing Body (copy attached). Seconded by Vincent Pacileo III. Passed unanimously. Motion carried.

c. **RESOLUTION FOR HMGP GRANT (MATCHING FUNDS FOR FERRY STREET)**

   Mary-Louise Polo made a motion to approve the Authorizing Resolution to Commit Match Fund (copy attached). Seconded by Ethan Goller. Passed unanimously. Motion carried.

d. **AMERICAN RESCUE PLAN ACT REQUEST**

   i. **ESTUARY COUNCIL OF SENIORS**

      Vincent Pacileo III made a motion to approve an appropriation in the amount of $2,000 to be allocated from the American Rescue Plan Act Funds for the Estuary Council of Seniors to aid a local non-profit organization to fund the ongoing services by their social worker as they continue to navigate through the COVID pandemic. Seconded by Mary-Louise Polo. Passed unanimously. Motion carried.

   ii. **ELECTRIC VEHICLE CHARGING STATIONS**

      Ethan Goller made a motion to approve an appropriation in an amount up to $10,000 to be allocated from the American Rescue Plan Act Funds for the installation of two electric vehicle charging stations. Seconded by Mary-Louise Polo. Passed unanimously. Motion carried.

e. **REVENUE FROM NIPS**

   Mary-Louise Polo made a motion to designate the Bottle Bill (nips) funds to be utilized by the Town of Essex Sustainable CT group for the specific purpose of funding sustainability actions and initiatives in Essex. Nips revenue and expenses will be recorded and tracked in the Town’s Grant Fund (026). Seconded by Ethan Goller. Passed unanimously. Motion carried.

f. **APPOINTMENT OF NEW MEMBER**

   Ethan Goller made a motion to appoint Terry Stewart to the Board of Finance as a member, fulfilling the unexpired term ending November 23, 2023. Seconded by
8. COMMUNICATIONS AND CORRESPONDENCE

None

9. PUBLIC COMMENT

No public comment

10. ADJOURNMENT

Ethan Goller made a motion to adjourn the meeting at 7:01 PM, seconded by Mary-Louise Polo. Passed unanimously. Motion carried.

Respectfully Submitted,

[Signature]

Recording Clerk
FYE Supplemental Appropriations
Fiscal Year Ending 6/30/2022

<table>
<thead>
<tr>
<th>Proposed to Board of Finance @ 8/8/2022 meeting</th>
<th>Amount</th>
<th>Current Sinking Fund Balance*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessor Revaluation Sinking Fund</td>
<td>$15,000.00</td>
<td>153,186.00</td>
</tr>
<tr>
<td>Bridges/Infrastructure Sinking Fund</td>
<td>200,000.00</td>
<td>247,134.00</td>
</tr>
<tr>
<td>OPEB Pension</td>
<td>25,000.00</td>
<td></td>
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<tr>
<td>PW Grounds Maintenance &amp; Repairs (additional tree work)</td>
<td>50,000.00</td>
<td></td>
</tr>
<tr>
<td>Radio Tower Upgrade &amp; New Radios</td>
<td>165,000.00</td>
<td></td>
</tr>
<tr>
<td>Capital for Road Reconstruction, Chip Sealing &amp; Sidewalks</td>
<td>300,000.00</td>
<td></td>
</tr>
<tr>
<td>Supplemental Appropriations</td>
<td>$755,000.00</td>
<td></td>
</tr>
</tbody>
</table>

* Includes FY22-23 Allocation
RESOLUTION OF LESSEE’S GOVERNING BODY

The undersigned, being the officer identified below of the Town of Essex (the "Lessee"), hereby certifies that the following is a true and correct copy of the Resolution adopted by the governing body of the Lessee at a meeting duly held on August 3, 2022.

WHEREAS, in order to facilitate the acquisition of certain equipment for use by the Lessee and to pay the cost thereof, it is necessary and desirable for the Lessee to enter into a Tax Exempt Lease Purchase Agreement (together with all Exhibits and Schedules, the "Agreement") with Municipal Asset Management, Inc. (together with its successors and assigns, the "Lessor"), pursuant to which the Lessee will Finance the Equipment from the Lessor with an option to purchase; and

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF LESSEE, AS FOLLOWS:

Section 1. Approval of the Agreement. The Agreement is hereby approved in substantially the forms submitted to and reviewed by the governing body of the Lessee on the date hereof, with such changes therein as shall be approved by the following officer of the Lessee, said officer's execution thereof to be conclusive evidence of the approval thereof:

<table>
<thead>
<tr>
<th>Title</th>
<th>Printed Name</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Selectman</td>
<td>Norman M. Needleman</td>
<td></td>
</tr>
</tbody>
</table>

Said officer is hereby authorized and directed to execute and deliver the Agreement on behalf of and as the act and deed of the Lessee, and to affix the seal of the Lessee, if applicable.

Section 2. Further Authority. The Lessee shall, and the officials and agents of the Lessee are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this resolution and to carry out, comply with and perform the duties of the Lessee with respect to the Agreement and the Equipment.

Section 3. Declaration of Official Intent of Reimbursement of Capital Expenditures. BE IT RESOLVED by the Board of Selectmen (the "Governing Body") of the Town of Essex (the "Governmental Unit"), as follows:

The Governing Body has determined that it is necessary and in the best interests of the Governmental Unit to acquire one Mercury 150HP XL described further on Exhibit A hereto (the "Equipment"). The Governmental Unit intends to finance all or a portion of such Equipment cost through the entering into of a Tax Exempt Lease Purchase Agreement the interest on which is intended to be excludable from the gross income of the recipient for federal income tax purposes (the "Agreement"). The Governmental Unit expects to make expenditures for costs relating to the Equipment after the date of this resolution (or has made such expenditure no longer than 60 days prior to the date of this resolution) and prior to the entering into of such Agreement.

Official Intent Declaration. The Governmental Unit reasonably expects to reimburse the expenditures it will make or has made in the last 60 days for costs of the acquisition of Equipment out of the proceeds of the Agreement to be incurred by the Governmental Unit in a maximum principal amount of $13,730 after the date of payment of all or a portion of such acquisition costs. All reimbursed expenditures shall be capital expenditures as defined in Section 1.150-1 (h) of the Regulations.

I further certify that the foregoing ordinance has not been modified, amended or repealed and is in full force and effect as of the date hereof.

WITNESS my hand this 2nd day of August 2022.

Lessee: Town of Essex

By: Joel Marzi, Town Clerk

Printed Name & Title: Joel Marzi, Town Clerk

TAX ID NUMBER: 06-6002017
Dear Kenneth:

Re: Letter of Commitment to Fund Hazard Mitigation Grant Program (HMGP).

As part of FEMA's Hazard Mitigation Grant program process, a local funding match is required. This letter serves as the Town of Essex commitment to meet the matching fund requirement for the Ferry Street Flooding Mitigation Project. The total estimated cost of the project is $300,000. If awarded, we commit to a 25% local matching fund requirement of $75,000. If additional funds are requested, we understand that an additional local matching fund commitment letter is required to be submitted.

Attached is the Town of Essex Resolution of Commitment as authorized by the Board of Selectmen at their meeting duly held on August 3, 2022.

Sincerely,

Norman M. Needleman
First Selectman
Authorizing Resolution to Commit Match Fund

A RESOLUTION OF THE BOARD OF SELECTMEN OF THE TOWN OF ESSEX

Providing a Guarantee of Matching Funds for the Hazard Mitigation Grant Program Disaster Declaration HMGP-DR-CT-4500

Related to the Town of Essex's participation in the Hazard Mitigation Grant Program (HMGP)

WHEREAS, federal monies are available under the HMGP Disaster Declaration HMGP-DR-CT-4500 by the State of Connecticut, Division of Emergency Management and Homeland Security, for the purpose of the mitigation or elimination of damage resulting from natural disasters; and

WHEREAS, the Board of Selectmen of the Town of Essex has authorized the submission of an HMGP Application to the State of Connecticut for the following project: Ferry Street Flood Mitigation; and

WHEREAS, an adequate local financial match must be provided for the proposed flood mitigation project by the Town of Essex.

NOW, THEREFORE, BE IT RESOLVED, that the Town of Essex does hereby authorize the commitment of match funds to be used as outlined in the HMGP application, for the match amount of $75,000, from the following secured source(s): Reserve for Encumbrances (account $10000-29260).

ATTEST:

I, Joel Marzi, the duly qualified and Town Clerk of the Town of Essex, a municipality organized under the laws of the State of Connecticut, do hereby certify that the following is a full and true copy of a resolution adopted at a regular meeting of the Board of Selectmen of the Town of Essex, duly held on the 3rd of August, 2022, and is on file and of record, and that said resolution has not been altered, amended or revoked and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town of Essex this 4th Day of August, 2022.

Joel Marzi, Town Clerk

2nd Congressional District ☆ 33rd Senatorial District ☆ 36th Assembly District