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BOARD OF FINANCE

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

**Via Remote Attendance Only – 7:00 p.m.
BUDGET MEETING #1**

MINUTES

Thursday – March 18, 2021

In attendance via zoom: Keith Crehan, Chairman, Edward Tedeschi, Mary-Louise Polo, Vin Pacileo III, Ethan Goller and Campbell Hudson, Vice Chairman

Others in attendance: Norman Needleman, First Selectman
Tracey Celentano, Finance Director
James Francis, Treasurer
Kelly Sterner
Bruce Glowac, Selectman
Stacia Libby, Selectman

Meeting called to order at 7:10 p.m.

APPROVAL OF THE AGENDA:

Keith Crehan indicated there would be an additional item added to the Agenda as item 7b. This is to Request a Special Appropriation from the BOS for \$35k from the Municipal Sinking Fund for renovations to the Finance Office.

Vin Pacileo moved to approve the amended agenda, seconded by Mary-Louis Polo. Passed unanimously. Motion carried.

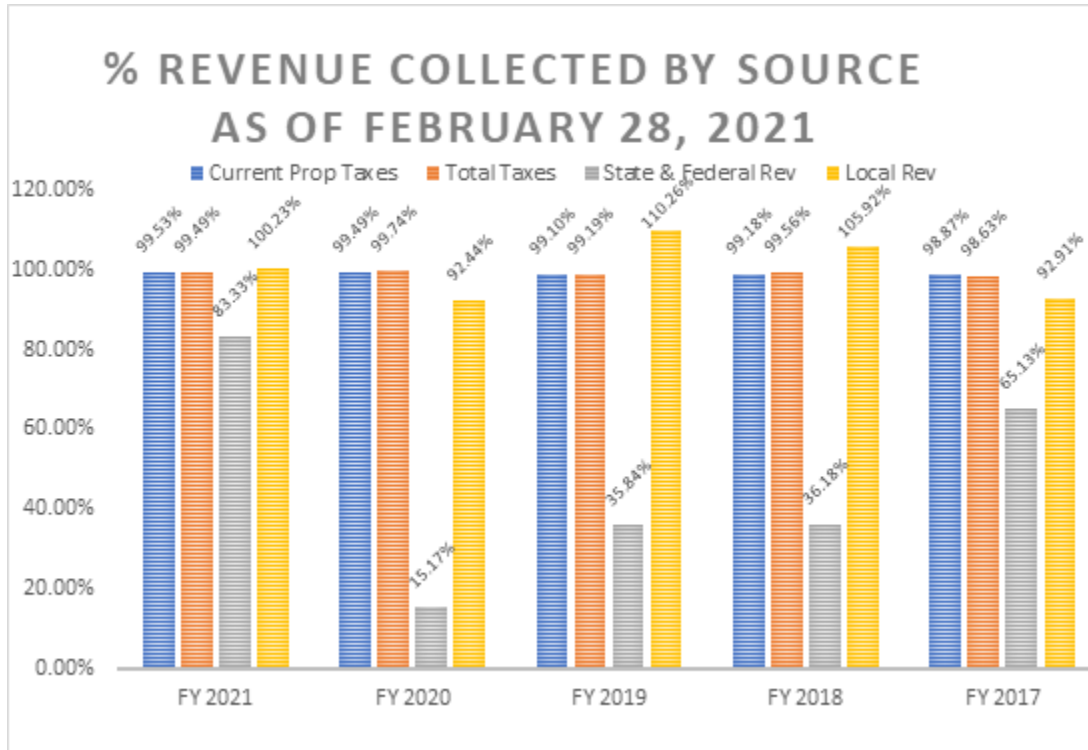
APPROVAL OF THE MINUTES:

Ed Tedeschi moved to approve the minutes of February 18, 2021, seconded by Mary-Louise Polo. Passed unanimously. Motion carried.

FINANCIAL REPORT:

REVENUES

February tax collections brought in \$1,121,290 with current property taxes accounting for all but \$12.1K of the total. This brings the current tax collection rate to 99.53%.



As of February month-end, the YTD total tax collections were \$23,218,592 or 99.49% of the fiscal year total compared to 99.74% as of February 2020 and 99.19% as of February 2019. We did not receive any additional State or Federal Revenue in February; however, year-to-date totals compare favorably to prior years at 83.33% of budget. Despite interest income trending significantly lower, total local revenue is at 100% of budgeted amount. This positive trend is due to Town Clerk Fees (\$14k above budget) and Conveyance Taxes (\$123.5K above budget) as of month-end. Total revenues collected came in at 98.51% of budget versus 97.43% for February 2020 and 97.73% for February 2019 month end (Note – Total includes budgeted deficit of \$168,933).

EXPENDITURES

Expenditures for the month of February totaled \$2,229,902 bringing spending YTD to \$17,139,235 or 69.5% of budget. Selectmen's budget expenditures made up \$403,713 of the total spending. As of February month-end, the Selectmen's budget spending YTD is \$5,997,461 or 69.4% of budget compared to 67.8% as of February 2020 and 66% at February 2019 month-end. For the month, payroll and fringe benefits accounted for \$277,567 of the monthly spending. Staff adjustments have resulted in the current deficit in the ZEO line. This makes up 68.7% of the Selectmen's budget spending for the month. Expenses for the snow events (Seasonal Payroll, Overtime, Plowing, Sand & Salt totaling \$31,768 are also reflected in February).

Vin Pacileo inquired as to if you net the opportunities and savings and risks and overruns, can one interpret that are we running a deficit? Tracey indicated we are not expected to end FY20-21 in a deficit. Kelly also indicated we just put in another grant for \$25K, from the state for COVID expenses. Vin asked is we knew what the Town will be getting from the recently released Federal relief bill. Norman indicated he's not sure what we're getting or if there are strings attached, i.e., how we spend the money etc.. Ethan asked if we are under or over our plowing budget. Tracey responded that we will be over due to an additional purchase of salt.

Vin Pacileo moved to accept the financial report, seconded by Ed Tedeschi. Passed unanimously. Motion carried.

SELECTMEN'S REPORT:

Norman discussed a new initiative with regards to the collection of food scraps. A new container will be placed at the Transfer Station for biodegradable food waste. We will be a trial town in this venture backed by a company called Blue Earth. We will also be selling small pails for people to use and take to the transfer station without needing a permit for them to throw away their food scraps. We will also be looking for additional funds to finish the Centerbrook Grant Project. This will include a crosswalk and sidewalk as well as the Train Station crosswalk which we'll need permission from the DOT.

Norman stated that Lisa Fasulo and all Town employees have done a great job with the weekly clinics as well as throughout the last 13 months. They have been very successful in administering these vaccinations and things have run very smoothly.

a. BOS Budget Highlights/Presentation:

Norman briefly presented his general highlights including no new spending which have kept our numbers conservative due to the fact that Reg 4 will be high. The Selectman's Budget has a proposed 2.44% increase (including Debt Service).

Tracey referred everyone to page 7 of the Budget binder – Expenditure Projection. Region 4 currently has an increase of 7.96% or \$662K, of which \$352K is due to the ADM shift. Essex BIE is currently proposing a 1.98% increase as well.

Other Items affecting the 2021-2022 Budget are:

Fringe Benefits – Health and Dental Insurance reflect an increase of \$76K due to increased participation and a preliminary increase of 6%.

Recent employment changes in Land Use Office has resulted in a net increase of \$36K, however, a decrease of \$3,800 has been noted in the new Planning & Zoning Commission. Overall, the Land Use reorganization of all commissions and departments reflect a proposed \$18K increase.

Emergency Management has an increase of \$8k / Emergency 9-1-1 has an increase of approximately \$2,400 which includes dispatch and the Everbridge Notification System. Valley Shore notified the Town on 3/18/21 that it will have a zero percent increase. The next budget proposal will reflect this change.

The Town has also invested in a project tracking / work order software entitled Dude Resolutions for tracking DPW requests from start to finish.

The Resident Trooper Budget Request came in at \$175,500 which is \$8,900 less than current proposed budget. The next budget proposal will reflect this change.

Police Services has a proposed increase of \$33.7K or 8.26% due to additional patrols, training and staff longevity. The technology required for the Police Accountability Bill is not included in this proposal as the expenses are capital and yet to be determined.

Transfer Station coming in less due to not rehiring a p/t person and current staff longevity. The Public Works department is assisting with any coverage needed.

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Debt Service is down by \$200 and will continue to go down until FY 2030-31 without further debt issuance.

Reserve/Sinking Fund Balances total out to be approximately \$2.5 million vs. \$2.1 million (bal. as of 7/1/2020) which includes a police vehicle and EES Capital Improvement (proposed increase balance as of 6/30/2021). The proposed budget increase remains flat with a new Technology Sinking Fund proposed.

b. Municipal Property Sinking Fund Request:

Norman discussed the request from the Board of Selectmen for \$35,000 from the Municipal Property Sinking Fund. Said funds will be used to renovate the Finance Department office. The renovation will consist of eliminating 2 closets, abatement, patching of flooring, ceiling and walls including trim. Storage will also be improved with additional furniture and organized filing system below the First Selectman's office. This has been the only office that we have not done any improvements to. Riggio's quote was approximately \$29k, which we approved as there may be some issues in taking out the walls.

Keith Crehan made a motion to approve and recommend to Town Meeting the appropriation of an amount not to exceed \$35,000 from the Municipal Property Sinking Fund for the Finance Department Renovations as recommended by the Board of Selectmen, seconded by Ed Tedeschi. Passed unanimously. Motion carried.

OLD BUSINESS: None

NEW BUSINESS: None

COMMUNICATIONS AND CORRESPONDENCE: None

PUBLIC COMMENT: None

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ADJOURNMENT:

Vin Pacileo moved to adjourn the meeting at 8:07 p.m., seconded by Ed Tedeschi. Passed unanimously. Motion carried.

Respectfully submitted,

Yvonne Roziak
Recording Secretary