

*These minutes have not yet been approved*

**BOARD OF FINANCE**

**Town of Essex  
29 West Avenue  
Essex, CT 06426  
Conference Room A**

**January 17, 2019**

**MINUTES**

In attendance: Keith Crehan, Chairman (joined the meeting at 7:18 p.m.), Campbell Hudson, Vice Chairman, Mary-Louise Polo, Edward Tedeschi and Ethan Goller. Absent: Vin Pacileo III

Others in attendance: Norman Needleman, First Selectman  
James Francis, Treasurer  
Kelly Sterner, Finance Director  
Lon Seidman, Chair, Essex Elementary School BOE

Meeting called to order at: 7:00 p.m.

**APPROVAL OF THE AGENDA:**

***Ethan Goller made a motion to move up Item 7a. under New Business to the position of 3a. Supervision District Budget Highlights presented by Lon Seidman, seconded by Mary-Louise Polo. Passed unanimously. Motion carried.***

**APPROVAL OF THE MINUTES:**

***Ethan Goller made a motion to approve the minutes of December 20, 2018, seconded by Ed Tedeschi. Passed unanimously. Motion carried.***

Lon Seidman opened up his presentation on the supervision district by indicating that we are close to hitting bottom with student enrollment everywhere except for Essex. Chester is really being affected and will experience significant education cost increases. They lost a large tax payer on the grand list and this too is affecting them. Lon then referred to page 11 on his presentation (not attached). Physical Education and Media Specialists are being moved from local budgets to the supervision budget. The costs in this category will remain the same. Some of the time cut last year from the Asst. Business Manager position is being added back. Network Tech's are going from 5 to 4, and two of them will be split between three elementary schools. Media Specialists will also be moved into Supervision District. They were very helpful during the distribution of the Chromebooks, which was 100+ when issued. Under salaries and benefits the biggest increase in the budget is the cost of health benefits. The Central Office Building is in need of some roof and there are some safety concerns with two exits being in the same part of the building. The fire panel also needs replacement. There has been a slight reduction in instrumental music as well as another reduction in gifted and talented which will be moving to Region 4. Lon is eager to see how the RFP for healthcare costs pans out and will hopefully have that information nailed down for the public hearing. Teacher steps and compensation were discussed and are currently in negotiations. Further details on this will also be discussed at the Public Hearing on February 4<sup>th</sup>

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from 7-9 p.m. at the John Winthrop Junior High School. Roundtable discussion then continued with regards to the future of regionalization of the elementary schools and what it would take to achieve cost savings.

Lon reviewed the increase with regards to out of town tuition for students coming into Essex to attend schools. The breakout is:

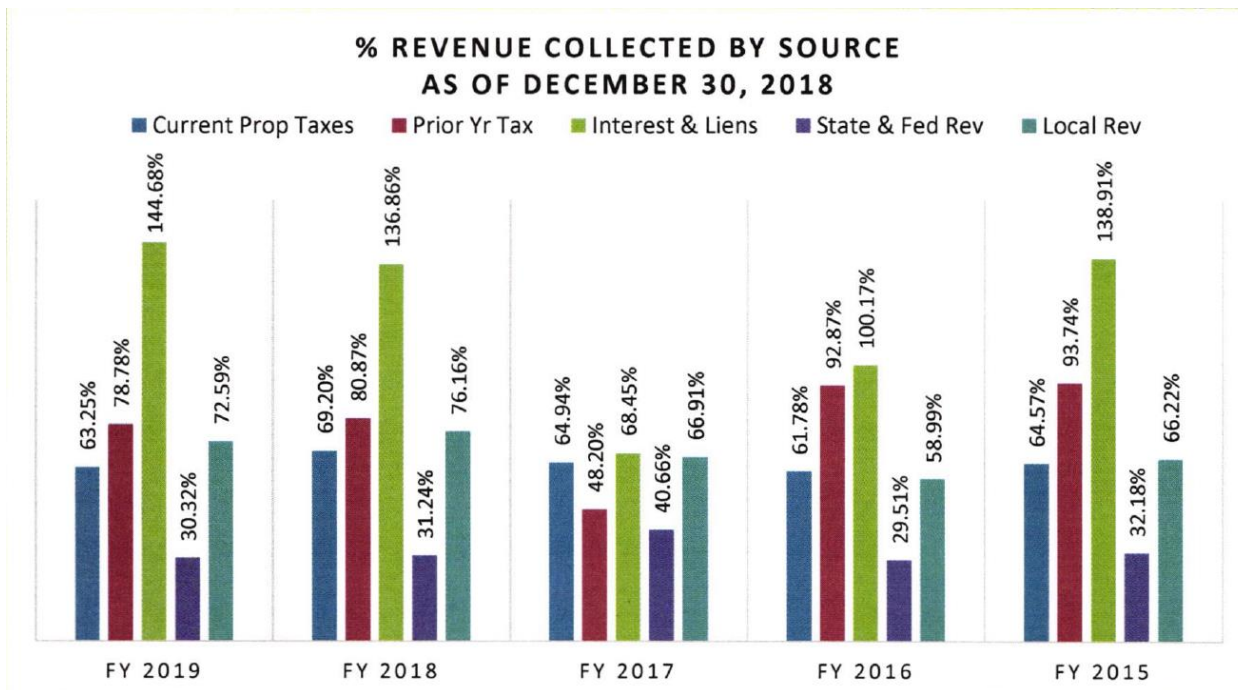
\$16,500 for High School, \$15,500 for Jr. High and \$13,500 for elementary school. We also offer a discount for siblings.

Lon wrapped up his presentation and offered to come back to another Board of Finance meeting if need be to clarify anything put forth at this meeting.

**FINANCIAL REPORT:**

**REVENUES**

Current property tax collections for December totaled \$1,322, 835. This is less than historical collections in December and may reflect that the new SALT limitation as taxpayers may not have the same urgency to pay the second half of their property taxes by December 31<sup>st</sup>. Despite this, the current property tax collection rate finished the month at 63.25%.



Interest and Liens fees and prior year tax collections brought in \$15.2k for the month. As of December month-end, the YTD total tax collections were \$14,554,781 or 63.53% compared to 69.43% for December 2017 and 64.84% for December 2016. Revenue from State sources totaled \$3k which represented tax relief for veterans and totally disabled. Local revenues totaled \$46.9k. Interest income of \$9.7k, Building permits of \$17.3k, Conveyance tax of \$6k and Miscellaneous revenue of \$8.8k were the main contributors for the month. Total revenues collected have reached 62.79% of budget versus 68.38% for Decemer 2017 and 63.90% at December 2016 month end.

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**EXPENDITURES**

Expenditures for the month of December totaled \$2,184,708. Total spending YTD increased to \$12,807,719 or 53.15% of budget. Selectmen's budget expenditures YTD totaled \$4,647,125 or 57.54% as of the end of December 2018 compared to 51.21% as of December 2017 and 46.78% at December 2016 month end. The earlier payment of the retirement contribution in October this year rather than closer to the end of the fiscal year will continue to add a slight skew to the spending percentage through the rest of the fiscal year. Selectman's budget spending for the month totaled \$697.1k. The quarterly payments to libraries, insurance and 911 services as well as the second half payment to the Fire Department accounted for \$328.9k of spending. Looking forward, there is a possible mid-year tipping fee increase by MIRA as the struggle to recover from significant costs related to turbine failures that have left them unable to process the MSW they receive since November 4<sup>th</sup>. This could result in an additional \$3k-\$4k of cost this year. Our Transfer station typically comes in under budget so there is a good chance they will be able to absorb the cost.

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

**SELECTMEN'S REPORT:** None

**OLD BUSINESS:** None

**NEW BUSINESS:** Moved to item 3a.

**COMMUNICATIONS AND CORRESPONDENCE:** None

**PUBLIC COMMENT:** None

**ADJOURNMENT:**

***Keith Crehan made a motion to adjourn at 8:17 p.m., seconded by Ed Tedeschi . Passed unanimously. Motion carried.***

Respectfully submitted,

Yvonne Roziak  
Recording Secretary