

*These minutes have not yet been approved*

**BOARD OF FINANCE**  
**Following Annual Budget Town Meeting - Auditorium**

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

**May 14, 2018**

**MINUTES**

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

Others in attendance: Norman Needleman, First Selectman  
Kelly Sterner, Finance Director  
James Francis, Treasurer  
Yvonne Roziak, Recording Secretary

Meeting called to order at: 7:42 p.m. by Keith Crehan, Chairman

**APPROVAL OF THE AGENDA:**

Keith Crehan requested we add an item under 4B Adding Air Handlers for the EES.

***Keith Crehan made a motion to approve the agenda (as amended above), seconded by Ed Tedeschi. Passed unanimously. Motion carried.***

**APPROVAL OF THE MINUTES:**

***Campbell Hudson made a motion to approve the minutes of April 26, 2018, seconded by Ethan Goller. Passed unanimously. Motion carried.***

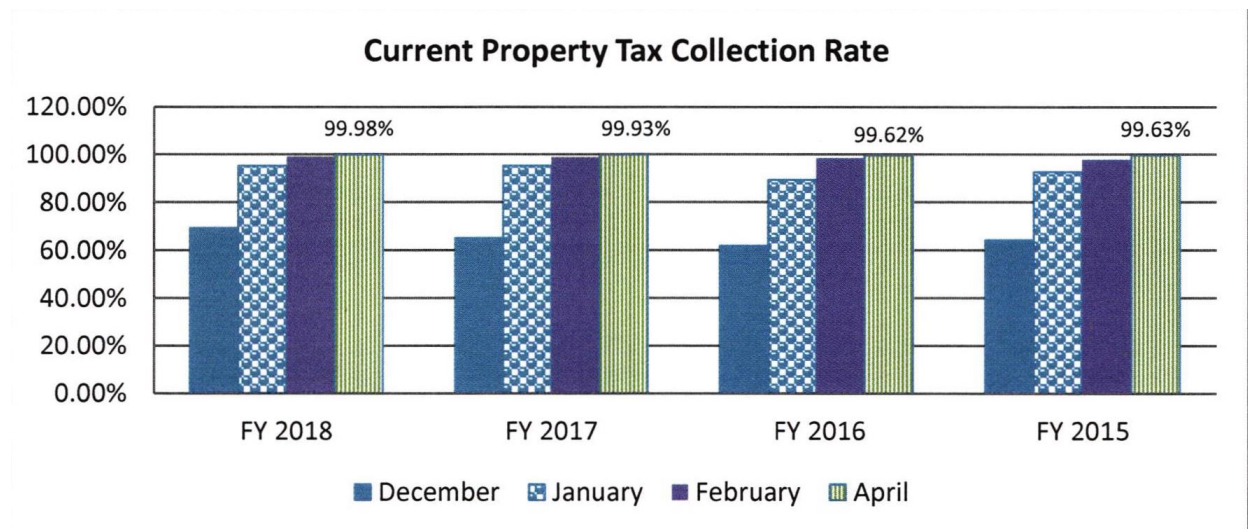
**FINANCIAL REPORT:**

Kelly Sterner, Finance Director, provided the following financial report for the fiscal year through the month ending April 30, 2018:

**REVENUES:**

As we finish the 10<sup>th</sup> month of fiscal year 2017-2018, we find that despite disappointing revenue receipts from the State, our revenue results for the fiscal year are promising good results. The collection rate for current property taxes finished April 2018 at 99.98%. The remaining months should bring us to 100% of budgeted current property taxes.

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The total tax collections for April 2018 were \$103,546 bringing the YTD total tax collections to \$23,046,858 or 100.5% of the fiscal year total thanks to prior year collections and interest & lien fees. State funding received in April consisted of the remaining payment of \$45k under the Education Cost Share grant. For the remaining 2 months of the fiscal year, we should receive the LoCIP grant of \$74k and possibly a little bit more under circuit court fines but expect to finish the year approximately \$50k short of budget. Local revenues for the month totaled \$66k. The bulk of it was building permits of \$27k and conveyance tax of \$16.2k. Total revenues collected through April 2018 reached \$100.91% of budget versus 99.6% as of April 2017 and 99.5% as of April 2016.

#### **EXPENDITURES:**

Total general fund expenditures for the month of April totaled \$2,532,094 bringing total expenditures for the fiscal year to \$20,490,666 or 84.8% of budget. Selectmen's budget expenditures for the month totaled \$618.6k for a total expended fiscal year to-date of \$6,300,954 or 79.1% as of the end of April 2018 compared to 77.4% as of April 2017 and 75.5% at April 2016 month end. More than half of the months expenditures consisted of the annual pension contribution of \$355k. Currently on our radar for potential fiscal year end overages are: Highway Department, Town Clerk, Zoning Commission, Legal Service and Central Services. However, we expect savings on other budget lines and the BOF contingency to be sufficient to cover this.

FYE Forecast. As of the end of April, we are projecting a combined revenue surplus of \$350k. Expenditures are tougher to project and potential encumbrances could have an impact. That being said, we are currently projecting a selectmen's budget surplus of \$86.7k and are sticking with the \$50k EES BOE budget surplus. Barring any significant expenditures surprises, once we cover the budgeted deficit and supplemental appropriation, this forecast would result in a year-end total budget surplus of \$237.1k.

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

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**AIR HANDLERS AT ESSEX ELEMENTARY SCHOOL:**

Keith noted this was previously discussed at the last few BOF meetings. Lon Seidman, Chairman, EES Board of Education, also discussed the air handlers and the need for them to be replaced. Lon indicated that there is currently money in the sinking fund and they will be adding \$60k next fiscal year. The request is for an appropriation not to exceed \$100k based on the quotes.

Bruce Glowac indicated that he looked at them with Tom Fitzgerald, a representative from Carrier and a mechanical contractor. They are 27 years old and they are currently functioning, however, trying to make them better is taking a chance for any long term functionality. Bruce suggested based on their input to go with new ones vs. keeping the old ones and trying to repair them. They will need to be craned off the roof. They have found air handlers very close to what is already there. The current ones were installed during the 1991 addition. Norman suggested a preventive rust product should be put on the new ones once installed.

***Campbell Hudson made a motion to approve an appropriation from the Essex Elementary School Capital Improvement sinking fund of an amount not to exceed \$100,000 for the purposes and related expenditures to purchase new air handlers for the EES school and to move the request to Town Meeting, seconded by Ethan Goller. Passed unanimously. Motion carried.***

**SELECTMEN'S REPORT:**

Norman discussed the new police boat. He stated it is a true public safety boat and the right choice. It also has its own trailer as we used to share the trailer with the pump boat. Also noted is that it was delivered ahead of schedule.

Building permit activity is very high. Re-evaluations have also begun.

Walnut Street Bridge is almost done.

Town Hall elevator is currently being worked on for the next 2 weeks.

Two out of the six bathrooms are done.

Norman discussed his thoughts about where to go with the mill rate. Norman and Kelly reviewed various scenarios with the BOF based on the recent passing of the State of CT Budget. Discussion ensued with regards to setting the mill rate.

**OLD BUSINESS:** None

**NEW BUSINESS:**

- a. Set Mill Rate

***Motion made by Keith Crehan to set the mill rate for the Town of Essex for fiscal year 2018-2019 at 21.85 mills, seconded by Ethan Goller. Passed unanimously. Motion carried.***

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**COMMUNICATIONS AND CORRESPONDENCE:** None

**PUBLIC COMMENT:** None

**ADJOURNMENT:**

***Keith Crehan made a motion to adjourn at 8:32 p.m., seconded by Mary-Louise Polo. Passed unanimously. Motion carried.***

Respectfully submitted,

Yvonne Roziak  
Recording Secretary