

*These minutes have not yet been approved.*

**Town of Essex  
29 West Avenue  
Essex, CT – Meeting Room A**

**Board of Finance  
July 21, 2016**

**MINUTES**

In attendance: Keith Crehan, Chairman, Campbell Hudson, Vice Chairman, Mary-Louise Polo, Vincent Pacileo III, Don Mesite and Jeffrey Woods.

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

Meeting was called to order at 7:06 p.m. by Keith Crehan.

**APPROVAL OF AGENDA:**

***Motion made by Vin Pacileo to approve the agenda, seconded by Don Mesite. Passed unanimously. Motion carried.***

**APPROVAL OF MINUTES:**

Vin Pacileo asked that the word “unanimously” be placed after the word “Passed” in the motion to set the mill rate.

Mary-Louise Polo requested an “e” be placed on her name also in the motion to set the mill rate.

***Vin Pacileo moved to accept the minutes of the Regular Meeting (as amended) on May 19, 2016, seconded by Don Mesite. Abstained: Jeffrey Woods. Passed. Motion carried.***

**FINANCIAL REPORT:**

**Revenues:**

Preliminary fiscal year end revenue numbers finished well despite the significant shortfall in State revenue. Total property taxes collections on a combined basis are 101.1% of budget or a surplus of \$235k. This compares to a prior fiscal year end total collection rate of 100.4% or a \$97k surplus. Local revenue also finished the year strong with a combined surplus of almost \$108k. More than half of the surplus came from conveyance tax revenue which finished the year \$63k over budget. Unfortunately, the local revenue surplus was almost entirely offset by the \$103k revenue deficit in state revenue. There will be a couple of revenue accruals before we finalize the fiscal year which will increase results slightly. We anticipate the final revenue for fiscal year 2015-2016 will be surplus and will be

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approximately \$245K.

**Expenditures:**

Expenditures related to fiscal year 2015-2016 continue to trickle in. Expenditures received to date total \$22,428,779. To this we must add accrued payrolls, encumbrances and some final accounts payable. The forecast has attempted to estimate and include these. We have experienced a uniquely quiet year on the expenditure side. A mild winter combined with no extraordinary expenses (with the exception of the special education costs in the education budget) has left the contingency line in the Board of Finance budget untouched through fiscal year end. Even with the estimated \$50k deficit in the education budget, we are still projecting a \$128k surplus.

Should the year finish as projected, total revenues would exceed expenditures by a total of approximately \$346k. This is preliminary and subject to change.

***Motion made by Jeffrey Woods to accept the Financial Report, seconded by Mary-Louise Polo. Passed unanimously. Motion carried.***

**SELECTMEN'S REPORT:**

Norman discussed a possibility of offering early retirement to three Town of Essex employees. The total payout amounts would still need to be worked up. These employees would also be replaced. Norman also discussed those 10 non-union employees who have recently voted to go into the municipal union.

With the proposed surplus, we may need to be doing a lot of road repairs and paving. Norman is also recommending out of the surplus that \$40K be put towards a new police cruiser and \$40K into the police boat sinking fund. He is also considering a 1x payment into the Police Pension Fund.

Norman stated we are going out to sell bonds as we're rolling over our current bond anticipation notes another 9 months. We are in need to get the Ivory Street Bridge done this fall and before winter. Walnut Street Bridge is hopefully on schedule for completion next spring.

Vin Pacileo discussed that we should be cautious barring the current State of Connecticut.

Norman indicated he would like to finish the sidewalks from Falls River Drive and into Ivoryton. This would cost approximately \$80K.

Dave Caroline is getting a price for paving all of Mares Hill Road. Methodist Hill is also in need of road repair.

The grant that Essex was the lead town on for Valley Shore was approved under the Bond Commission totaling \$375,000. This is not necessarily coming to us, however, coming through us. All open bond appropriations that have been approved in the State but not used, have been zeroed out.

Keith asked if the police cruiser, police boat, police pension and early retirements, can be accrued into last year's surplus. Kelly responded yes, as long as we take the proper steps. Norman would

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like the undesignated fund to go up 12-13% and putting it into sinking funds.

**OLD BUSINESS:** None

**NEW BUSINESS:**

*Motion made by Campbell Hudson to authorize the Treasurer to invest any portion of the General Fund, as specified amounts that may be available, in direct obligations of the U.S. or certificate of deposits or specified regular savings accounts for the fiscal year 2016-2017; and to approve Bank of America, Essex Savings Bank, TD Bank, Liberty Bank, First Niagara Bank, Webster Bank, Citizen's Bank and the State of Connecticut Short Term Investment Fund (STIF) for investments and for regular checking accounts for the fiscal year 2016-2017, seconded by Don Mesite. Passed unanimously. Motion carried.*

**COMMUNICATION AND CORRESPONDENCE:**

Kelly indicated that Keith previously signed the Auditor's engagement letter.

Kelly indicated that the Auditors were here this past week for their preliminary work and will be back in September.

Norman indicated that the Iron Chef property was approved for the apartments with conditions. Applicant came back and contested some of the conditions.

**PUBLIC COMMENT:** None

**ADJOURNMENT:**

*Motion made by Jeffrey Woods to adjourn the meeting at 7:45 p.m., seconded by Campbell Hudson. Passed unanimously. Motion carried.*

**The next Board of Finance meeting will now be August 25, 2016 (vs. August 18).**

Respectfully submitted,

Yvonne M. Roziak