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**BOARD OF FINANCE
Room A
Town of Essex
29 West Avenue
Essex, CT 06426**

March 15, 2018

MEETING MINUTES

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

Others in attendance: Norman Needleman, First Selectman
Kelly Sterner, Finance Director
James Francis, Treasurer
Yvonne Roziak, Recording Secretary
Mary Ellen Barnes, Director, Park & Recreation

Meeting called to order at: 7:10 p.m. by Keith Crehan, Chairman

APPROVAL OF THE AGENDA:

Keith Crehan requested a change to the agenda moving item 5b “Sinking Fund Request – Park & Recreation” to item 3a. after the approval of the minutes.

Vin Pacileo made a motion to approve the agenda as amended, seconded by Ethan Goller. Passed unanimously. Motion Carried.

APPROVAL OF THE MINUTES:

Ethan Goller made a motion to approve the Regular minutes of January 18, 2017, seconded by Ed Tedeschi. Abstained: Vin Pacileo. Passed. Motion Carried.

3a. Sinking Fund Request Park & Recreation. Mary Ellen Barnes spoke on behalf of the Commission and presented a request for funding for the walking path on the grounds of the Town Hall (Grove St. Park). This was one of the items in the P&R capital improvement plan that was done in 2016. The park’s current walking path is overgrown and requires a lot of hand weeding and maintenance as well as becoming narrower and more pitted. Discussions took place as to what could be done as far as improvements. They spoke to contractors and were looking for something that would not require annual maintenance on a gravel walkway, the suggested option was paving. The P&R Commission discussed the options and decided to go with paving the path specifically due to the fact it will be lower

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maintenance and would accommodate strollers, wheelchairs and bicycles. This path is used by many citizens and children. This is one of the most used parks in town. The Department of Public Works reviewed the 3 recommendations from contractors that they recommended and all three of the quotes came in close to the \$25k figure. Mary Ellen confirmed that the quotes were based on a “not to exceed” the \$25k.

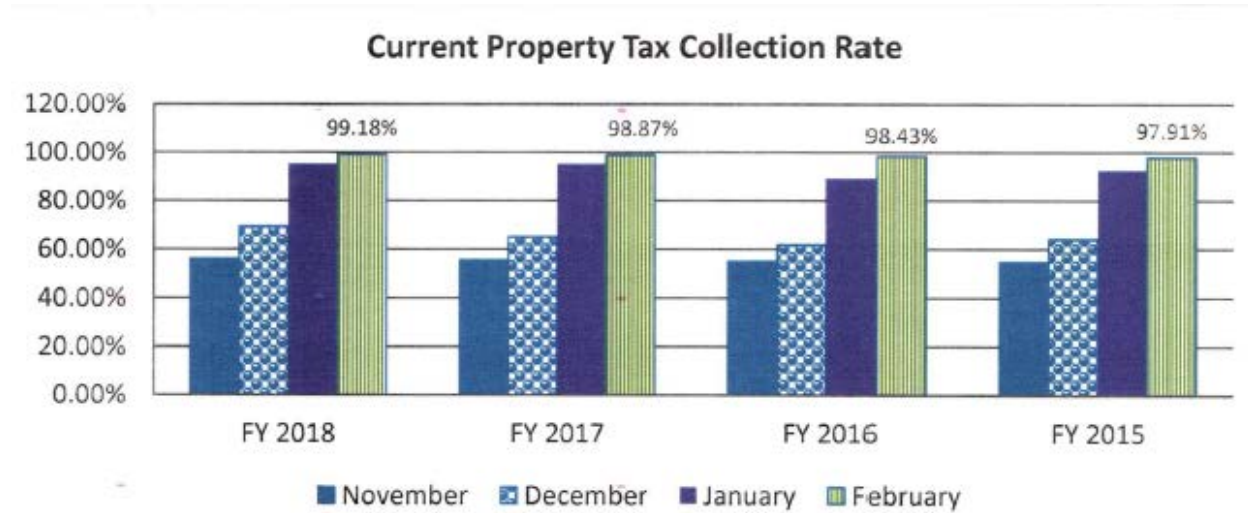
Mary-Louise Polo made a motion to approve and recommend to Town Meeting a request for an amount not to exceed \$25k from the Park & Recreation Sinking Fund for the installation of a 6’ wide asphalt walking path/track in Grove Street Park, seconded by Ethan Goller. Passed unanimously. Motion carried.

FINANCIAL REPORT:

Kelly Sterner, Finance Director, provided the following financial report for the fiscal year for February 2018:

REVENUES:

The collection rate as of the end of February 2018 continues to trend well compared to historical collection rates for the prior 3 years as show in the chart.



Total tax collections for February 2018 were \$930,532 bringing the YTD total tax collections to \$22,822,476 or 99.56% of the fiscal year total. Prior year collections and interest & lien fees continue to be strong and have exceeded the full year budget amount as of month end. State funding was almost non-existent for the month with only \$654 of circuit court fines received. While the second half payment of the Town Aid Road grant being distributed by the State isn't totally out of the question, it is past due and could become a rescission or holdback. Local revenues for the month totaled \$113.1k. Building permits accounted for \$53,8k of that revenue. Interest income, Conveyance tax, Town Clerk fees and the quarterly MIRA fees accounted for the majority of the other revenue. Additionally, we recently received a surplus distribution from MIRA of just over \$20k which will be reflected in next month's revenue. Total revenues collected finished February 2018 at 97.83% of budget versus 97.1% as

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of February 2017 and 96.55% as of February 2016.

EXPENDITURES:

The last 2 winter storms are expected to have a significant impact on the Highway Department and Transfer Station budgets. While we do not have the full costs yet, these storms resulting in crew overtime, contracted services for plowing and, with all of the tree damage, the cost for brush grinding (which costs \$4.5k per day) will likely exceed budget. We are probably going to need an additional 2 days of grinding. Total General Fund expenditures for the month of February totaled \$1,594,173 bringing total expenditures for the fiscal year to \$16,233,434 or 67.38% of budget. Selectmen's budget expenditures for the month totaled \$236.1k for a total expended fiscal year-to-date of \$5,002,948 or 63.36% as of the end of February 2018 compared to 65.61% as of February 2017 and 65.72% at February 2016 month end.

Tree contractors have been contracted and are assisting with the clean up as they have the necessary equipment and more man power for the amount of debris needing to be cleaned up. With the exception of the Highway Department budget, we are not seeing any areas of major concern at this point. Hopefully spring is on its way.

Motion made by Campbell Hudson to accept the Financial Report, seconded by Ethan Goller. Passed unanimously. Motion carried.

SELECTMEN'S REPORT:

Norman discussed the elevator repair and the supplemental appropriation for its upgrade. This elevator needs to be renovated versus new elevator. Our elevator will need to have several parts replaced but not the carriage itself. Our Building Official indicated that this needs to be done and done correctly as well as be accessible. This will bring the elevator up to code and with a limited warrantee. While the elevator is out of service, we will have person on board that will be the Town's communicator between floors for Town Hall visitors that cannot manage the stairs.

Motion made by Campbell Hudson to approve and recommend to Town Meeting a supplemental appropriation to the 2017-2018 general fund budget for the balance of the funds for the elevator modernization not to exceed \$75,000.00, seconded by Ethan Goller. Passed unanimously. Motion carried.

Norman discussed the 2018-2019 budget and we started by looking at the Major Budget Drivers for the highlights. This biggest increase being within the salaries budget lines and 6 bulleted items.

Fringe Benefits - contained an increase in # of participants plus a 4% premium increase with employees paying a larger share of the costs. Pension is seeing a growth in payroll and supplemental contributions have lowered unfunded liability.

Outside Service Contracts – seeing changes in the Town's share of the resident trooper contract, decrease to the 911 service contract and the water company rate change (fire hydrant system)

Debt Service – decrease in current general obligation and bond principal payment. FY2019 – 2020 will see addition to principal payment for 2017 General Obligation Bond and a net increase in interest with

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the new general obligation bond.

Support to Outside Organizations – Tri Town You Services minor increase, Essex Ambulance – Workers Comp. Insurance and Libraries have received an increase in support.

Capital & Sinking Funds – Addition of sinking funds for Essex Ambulance and Bridge Replacement. There will be a reduction in the Harbor Board sinking fund and Police Vehicle sinking fund and there will be an increase in annual road reconstruction budget line.

Campbell asked about the fire department and the fire marshal and Norman indicated he will be an employee of the Town and will also work for the Fire Department with filings etc.

Next year Norman foresees educational costs going down again in the elementary school.

Norman indicated to the Board of Finance that he and the Board of Selectmen would like to see a flat mill rate or a slight increase depending on the grand list.

Next BOF meeting will be March 29, 2018 with the Essex Elementary Board of Education to present their budget. Campbell suggested we extend that invitation to the R4 Board of Ed and have them attend as well. The Budget Public Hearing will be on April 26, 2018.

OLD BUSINESS: None

NEW BUSINESS: None

COMMUNICATIONS AND CORRESPONDENCE: None

PUBLIC COMMENT: None

ADJOURNMENT:

Keith Crehan made a motion to adjourn the meeting at 8:25 p.m., seconded by Ethan Goller. Passed unanimously. Motion carried.

Respectfully submitted,

Yvonne Roziak
Recording Secretary