

*These minutes have not yet been approved.*

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

**Board of Finance  
January 19, 2017  
MINUTES**

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

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

Park & Recreation Commission Members:  
Robert Russo, Chair  
Anthony Mosa  
Virginia Willetts  
Mary Ellen Barnes, Director, P&R

Meeting was called to order at 7: 04 p.m. by Keith Crehan.

**APPROVAL OF AGENDA:**

Keith Crehan asked that we make a change to the Agenda in moving item 3a. Park & Recreation Sinking Fund Request under Selectman’s Report to be presented after approval of the minutes.

***Motion made by Vin Pacileo to approve the agenda (as amended), seconded by Jeff Woods. Passed unanimously. Motion carried.***

**APPROVAL OF MINUTES:**

Campbell Hudson had two corrections to the minutes of December 15, 2016. They are: Page 3, second paragraph under Selectmen’s report – 4<sup>th</sup> line down should read “approximately 1.5% of their aggregate budget to the Regional Health Dept. that **there (delete) they are (replace)** part of.

The motion at the bottom of the Selectmen’s report should be moved to “New Business.”

***Vin Pacileo made a motion to accept and approve the minutes of the Regular Meeting on December 15, 2016 (as amended), seconded by Mary Louise Polo. Abstained: Jeff Woods. Passed unanimously. Motion carried.***

**3a. Park & Recreation Sinking Fund Request.** Keith distributed out a memo to the BOF members from Don Mesite as he could not make tonight’s meeting (copy of memo attached as Appendix A).

Keith turned the floor over to Bob Russo, Chairman, Parks & Recreation. Bob opened up the discussion by indicating that P&R has maintained for the past few years a capital improvement program and an assets inventory that is essentially the master plan of the parks. This includes an inventory of items in the parks that require upkeep and/or replacement. They prioritize projects in a top 10 fashion in the financial planning of the assets in the parks. Bob indicated that the master plan is a live document and can change from meeting to meeting. Things may come up that they regularly vote on at their meetings. Mary Ellen Barns, Director, P&R handed out additional copies of the master plan. Bob referred to the sinking fund for P&R where funds are set aside and from which P&R may request funds when they see a need for a capital improvement. These requests come into BOS and then to the BOF for use of these funds. Bob indicated that the scoreboard at Comstock (and Hubbard Park) has been in the plan and they see this being an important part of the infrastructure for that facility. When they look at the sinking funds every year, they look at them as something to remain there. However, periodically, we may want to draw money from that sinking fund. It was initiated several years ago (with the idea that there were some fairly big P&R ticket items) and that the Town would be wise to start putting funds away instead of trying to do it all in one budget year.

Bob indicated that outside sources of funding i.e., STEAP grants have been available and that is how the tennis courts were reconstructed. The Town has had good fortune with STEAP grants and where possible, we would always like to obtain that grant money to add to or rebuild our infrastructure.

Bob also discussed Don Mesite's memo and that he disagrees with it. He reiterated that a scoreboard is part of a baseball field and he does not agree that Little League should have to pay for the scoreboard. Bob sees flaws in Don's current knowledge of where the funds are currently come from. Little League is not the only group that play at these facilities. There is also Cal Ripken and Babe Ruth Teams as well as girls' softball that play on these fields. A new batting cage is now at Comstock and those funds came from Little League in their fees (pay to play). He doesn't feel we should ask them to also pay for the scoreboard. There is currently no scoreboard at Comstock. The scoreboard they are looking at would be the same scoreboard at Valley Regional High School. The one at Hubbard is somewhere between 15 and 20 years old and may also need replacement down the road. Keith inquired about the costs per player. Mary Ellen responded that it is \$10 per town player, and the same for the Cal Ripken League is also \$10 and \$15 for out of town players. The program usually nets about \$1,000 in the spring and half or quarter of that in the fall. We also sponsor summer camp in addition to Babe Ruth. The fees have been in place approximately 5 years. The scoreboard at Hubbard was paid for by donations.

Vin Pacileo suggested perhaps a sponsor would want to contribute to the scoreboard and should we be open to that. Discussion ensued as that is not an option we want to pursue.

Norman feels that P&R has complied with this being in their capital plan and they are only asking for their sinking fund money to purchase this board and we should allow them to do it. He also feels we should build up their sinking fund to \$40K-50K annual contribution for future needs. Norman indicated that when the sinking funds are established during budget time that the BOF is welcome to sit through those discussions. Norman encourages the BOF to move forward on this request.

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Campbell inquired as to whether or not a discussion with the scoreboard company could be made to see if they would do both scoreboards at Comstock and Hubbard for a better price. Mary Ellen Barnes agreed to call to find out.

Jeff indicated that he feels the BOF is not privy to the backup material that goes into a lot of these requests from the beginning. He thanked Bob for the clarification and feels this presentation was very helpful in the decision to go forward with their request.

Vin also appreciated Bob Russo's presentation of P&R's capital plan. This discussion assisted him to understand the costs involved in P&R. The reality is that things have changed in the way these items get funded. He suggested a capital component be added to the (pay to play) fee structure. He agrees P&R will require more money to be put in their future sinking fund.

***Campbell Hudson made a motion to appropriate an amount not to exceed \$15,000 from the P&R sinking fund for the purpose of purchasing a scoreboard for Comstock field (price includes costs for electrical work and installation) as shown on the documentation presented at this meeting, seconded to Mary-Louise Polo. Passed unanimously. Motion carried.***

#### **FINANCIAL REPORT:**

Kelly distributed the state single audit for the last fiscal year. It is a clean audit with no material weaknesses. On page 21, of the audited financial statement it shows that we added \$58,288 to the fund balance bringing it to a total of \$3,169,686 as of the end of the fiscal year 2015-2016.

#### **Revenues:**

Current property tax collections picked up at the end of December as taxpayers wanting the tax deduction in 2016 made their second half property tax payments. Current collections totaled \$2.1 million for the month bringing total collections to \$14.4 million or 64.94% which compares favorably to the current tax collection rate of 61.78% as of December 2015. Although prior year taxes and interest/lien fees lag last year, total tax collection at December month end reached almost \$13.6 million or 64.84% compared to 62.09% as of December 2015. Revenue from State sources consisted of veterans' tax relief and homeowners tax relief as well as the first of three payments toward our share of the Pequot/Mohegan grant. These totaled \$40k. Municipalities received word from the state as to our portions of the \$20 million rescission of state aid in December. The cut will come in our Education Cost Sharing grant revenue. Essex will see a \$55,606 or 34.6% reduction in our ECS grant. Partially offsetting this cut, the Town will receive a distribution of surplus for R4 and supervision district for last fiscal year in a combined amount of approximately \$44k. On the local revenue side, the Town took in about \$44k last month which once again consisted primarily of Building permits (\$16.2k), Conveyance Tax (\$13k), and Town Clerk Fees (\$9.5k) bringing total local revenue at month end to \$361,630 or 66.6% of the budget for fiscal year. Total revenues collected came in at 63.90% of budget versus 60.75% at December month end the prior year.

#### **Expenditures:**

Expenditures for the month of December totaled \$1,651,420 bringing total YTD spending as of month end to \$11,916,314 or 50.19% of budget. This compares to a total expenditures rate of 55.41% as of month end December 2015. Selectmen's budget expenditures totaled 46.78% of the fiscal year total budget. Budget lines appear to be holding their own at this point. The fringe benefits budget line is

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artificially low as the annual pension contribution and the additional funds carried forward from last year have not yet been released. This will likely take place before the end of January bringing that line back to its normal expenditure level.

The most recent financial for Essex Elementary School are as of January 9, 2017. A surplus is still being projected although it is down almost \$2k from the November 2016 report due to an anticipated electricity cost overage.

***Motion made by Vin Pacileo to accept the Financial Report, seconded by Jeff Woods. Passed unanimously. Motion carried.***

**SELECTMEN’S REPORT:**

Norman discussed our Town’s emergency response to calls and that they are having a tough time with limited volunteers available during certain shifts. There will come a point in time where Towns that currently have volunteer responders may have to pay for these services to be manned full-time. The Ambulance and the Fire Department will be approaching the BOS with requests for assistance in getting the help these services need. They are willing to look at part-timers as an interim solution. Educating the public in not calling 911 for non-emergency needs will also help.

Norman also mentioned to the BOF that both the Ivory Street Bridges are up and passable. Both bridge spans were fully replaced using no state money.

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**COMMUNICATION AND CORRESPONDENCE:** None

**PUBLIC COMMENT:** None

**ADJOURNMENT:**

***Motion made by Jeff Woods to adjourn the meeting at 9:00 p.m., seconded by Vin Pacileo. Passed unanimously. Motion carried.***

Respectfully submitted,

Yvonne M. Roziak  
Recording Secretary