

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

**Board of Finance
February 16, 2017
MINUTES**

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

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

Meeting was called to order at 7:14 p.m. by Keith Crehan.

APPROVAL OF AGENDA:

Vin Pacileo moved to approve the agenda, seconded by Mary-Louise Polo. Passed unanimously. Motion carried.

APPROVAL OF MINUTES:

Campbell Hudson had a correction to the minutes on the 2nd page, 3rd paragraph half way down the sentence that begins with “The scoreboard they are looking at would be the **“same – delete** replace with **“similar to the”** scoreboard at Valley Regional High School.”

Vin Pacileo had a correction on the 2nd page, 4th paragraph, 2nd sentence should read – “Discussion ensued as **“that is not” – delete** and replace with **“to whether this is”** an option we want to pursue.”

Campbell Hudson made a motion to accept and approve the minutes of the Regular Meeting on January 19, 2017 (as amended), seconded by Vin Pacileo. Passed unanimously. Motion carried.

FINANCIAL REPORT:

Revenues:

Current collections of property taxes totaled \$6.7 million for the month bringing total current collections to \$21.17 million or 95.25% of the fiscal year total. This again compares favorably to the current tax collection rate of 89.21% as of January 2016. With February 2, 2017 being the last day to pay the second installment of real estate property taxes without penalty, the Town brought in another \$496k by that date. Total tax collections, including prior year taxes and interest/lien fees, totaled \$21.3 million as of the end of January 2017 or 94.93% of budget. Revenue from State sources consisted of our LoCIP grant of \$40,105 (yes, we got our request in before the freeze by the State) and our second installment of the

Education Cost Sharing (ECS) grant in the adjusted amount of \$12,362. Traditionally, this ECS payment would be 25% of the full year entitlement or approximately \$40k, however, due to the rescission by the state, this payment and the remaining payment in April have been reduced a total of \$55.6k. If we assume no further cuts by the State this fiscal year, we project total State revenue for the year at \$533.8k or 81.5% of the budgeted amount – a shortfall of \$121.2k. On the local revenue side, the Town took in about \$65.4k last month which once again consisted primarily of Building permits (\$19.3k), Conveyance Tax (\$20.9k), and Town Clerk Fees (\$14.95k) bringing total local revenue at month end to \$428,651 or 79.0% of the budget for the fiscal year. Total revenues collected at the end of the seventh month of the fiscal year totaled approximately \$22 million or 92.83% of budget versus 87.08% at January month end the prior year.

Expenditures:

Expenditures for the month of January totaled \$2,588,860 bringing total YTD spending as of month end to \$14,505, 174 or 61.1% of budget. This compares to a total expenditures rate of 59.46% as of month end January 2016. Selectmen’s budget expenditures totaled 54.71% of the fiscal year total budget. Expenditures during the month included the second / final installment to the Fire Department of \$157k, a debt service-interest payment of \$105.5k and Highway Department spending for winter storm related costs of \$25k (this does not include costs related to our recent storm/blizzard). We now know that the water budget will show a deficit by fiscal year end based on charges for our fire hydrant system. Rate increases granted to the CT Water Company as well as increases to their “Revenue Adjustment Charge” and WICA (Water Infrastructure and Conservation Adjustment) are estimated to cause a \$12k deficit.

As noted by the strong building permit revenue month after month, the work load for the Building Official has increased significantly. With 3 large housing projects becoming a reality, that workload will not be reduced in the near future. The First Selectman is proposing some relief for the Building Department.

Motion made by Mary-Louise Polo to accept the Financial Report, seconded by Vin Pacileo. Passed unanimously. Motion carried.

Kelly distributed a report by COST that shows the impact of the governor’s budget town-by-town. It gives population information, general fund balance, and grand lists and a lot of useful information. Kelly will send it to the BOF via email in pdf format.

Kelly also distributed the budget books as well as a flash drive with the same information. She will also send out the most recent version of the EES Budget, Supervision and Region 4. A summary of our Capital project was also distributed. Kelly indicated that we will be going out to bond for \$5.75 to \$6 million. The Walnut Street Bridge is proceeding and we’ll be going out to bid in April with construction starting in the summer. We’re hoping the bridge will be complete by December. Projects left to do are the Town Hall bathrooms and the back entrance. The lower vault project in the Town Clerk’s office includes creating a filing system for our land records and replacing the heating system with a ductless heat pump.

Kelly also mentioned we may need to request a small appropriation for \$5k from contingency for the new electronic document management system.

Norman also discussed that if we have some surplus at the end of the fiscal year, we may want to bring the police pension up to a 50%-60% funding level. In order to do this, we would need to put in one additional \$68k payment to get to 50%, or to get to 60%, make an additional payment of an additional \$182k.

SELECTMEN'S REPORT: None

OLD BUSINESS: None

NEW BUSINESS: None

COMMUNICATION AND CORRESPONDENCE: None

PUBLIC COMMENT: None

ADJOURNMENT:

Motion made by Vin Pacileo to adjourn the meeting at 8:02 p.m., seconded by Mary-Louise Polo. Passed unanimously. Motion carried.

Respectfully submitted,

Yvonne M. Roziak
Recording Secretary