

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

**Board of Finance
March 16, 2017**

MINUTES

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

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

Guests: Paul Greenberg, Essex Land Trust, Land Acquisition
Mike Carlucci, Essex Land Trust, Treasurer

Meeting was called to order at 7:11 p.m. by Keith Crehan.

APPROVAL OF AGENDA:

Don Mesite made a motion to approve the agenda, seconded by Mary-Louise Polo. Passed unanimously. Motion carried.

APPROVAL OF MINUTES:

Mary-Louise Polo made a motion to accept and approve the minutes of the Regular Meeting on February 16, 2017, seconded by Campbell Hudson. Passed unanimously. Motion carried.

FINANCIAL REPORT:

Revenues:

Current collections of property taxes finished the month at \$21.98 million. Collection rates continue to trend well at 98.87% compared to 98.43% as of February 2016 and 97.91% as of February 2015. Total tax collections, including prior year taxes and interest/lien fees, totaled \$22.1 million as of the end of February 2017 or 98.63% of budget. Revenue from State sources consisted of our second/final installment of the Town Aid Road grant in the amount of \$107k and a small amount of circuit court fines. We were also advised that, based on adjustments to the prior fiscal year special ed funding, we will lose an additional \$4k of ECS grant funds this year. On the local revenue side, the Town took in about \$75.8k last month. Only eight months into the fiscal year and we have already reached 100% of our estimated revenue for Conveyance Tax and Building Permits for the year and Town Clerk fees are very close. Total revenues collected at the end of February totaled approximately \$23 million or 97.1% of budget versus 96.55% at February month end the prior year. Outside of the General Fund, we received \$421.6k from the State for our EES roof replacement project. This is 95% of the approved total of \$443.8K and we anticipate receiving the retainage by fiscal year end.

Expenditures:

Expenditures for the month of February totaled \$2,071,236 bringing total YTD spending as of month end to \$16, 576,410 or 69.82% of budget. This compares to a total expenditures rate of 65.72% as of month end February 2016. Selectmen's budget expenditures totaled 55.61% of the fiscal year total budget. Significant expenditures during the month included Highway Department spending related to the winter storm as well as contributions totaling \$494k to the Town's defined benefit pension plans. These contributions include the supplemental appropriations made after fiscal year-end of \$125k for the police plan and \$75k for the merit service plan.

Financials for Essex Elementary have been updated and, at this point, they continue to forecast a surplus at fiscal year-end.

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

SELECTMEN'S REPORT:

The Board of Selectmen approved and is recommending to BOF the following appropriation:

Paul Greenberg and Mike Carlucci were present to represent the Essex Land Trust and to support the request for \$50,000 as partial funding for the purchase of MBlu 06 007 known as the Doan Property land off Oxbow Lane in Essex. This said sum to be taken from the Open Space Sinking Fun. Mr. Greenberg restated it is to purchase 18 acres currently owned by the Doane family. Vin Pacileo asked Mr. Greenberg how many acres in Essex are currently considered open space; Paul Greenberg responded there are approximately 600 acres.

Mr. Greenberg indicated they will be postponing the closing until they find out about the grant. They have applied for a DEEP Open Space Grant that we should hear about that in the fall. They plan to do a fund raising event or two even if they don't get the grant.

Campbell Hudson is recusing himself as he currently represents the Deep River Land Trust and has worked with them in recent months regarding the neighboring property. This easement is next to Deep River and a small piece of this land is also in Deep River.

Mary Louise Polo made a motion to approve and recommend to Town meeting an appropriation from the open space sinking fund in amount not to exceed \$50,000 as partial funding for the land trust purchase of 18.4 acres of land off Oxbow Lane, seconded by Don Mesite. In Favor: Keith Crehan, Mary Louise Polo, Vin Pacileo and Don Mesite. Abstained: Campbell Hudson. Passed. Motion Carried.

Land Use guests departed at 7:25 p.m.

Kelly distributed the Town of Essex Expenditures for Fiscal Year 2017-2018 (one including and one excluding teacher retirement payment) to the BOF for their information and their budget binders.

Norman reviewed the list of "drivers" that has caused the 2.49% increase in the Town Government budget. Norman indicated one specific driver under "Outside Service Contracts" is the water company rate increase for the fire hydrant systems which has come in at approximately \$182k for water that is considered "stand-by." They have raised this concern and have asked

Connecticut Water Company to come to the next BOS meeting to further discuss. Bruce Glowac indicated that perhaps it is time to look at viable alternatives. Fringe Benefits including Health Care and Pension and an increase in Debt Service were included in the total increase in spending to \$244k.

The Health Director/Sanitarian is in need of hiring a part-time back up sanitarian position (Environmental Health Inspector) within the town. This is also happening in other towns due to a state mandate from MS4. This new mandate will eventually require us to control all water coming off municipal buildings and to monitor it so it doesn't end up in the river. This will end water going into the storm drain systems and rain gardens will soon be required.

Norman asked the BOF not to set the mill rate at their May meeting. He would like the BOF to hold off and wait and see what happens with the State budget. Norman asked Megan to reach out to Quality Data Services who prepare our tax bills and they indicated they will still be able to mail the tax bills out by July 1st, even if the mill rate is set at the BOF meeting in June. This will also help when the State of CT has its last session in June to see what the State budget actually turns out to be.

Norman also mentioned that we will need to come up with a tax plan to assist and protect the elderly residents in town. Freeze and abate or freeze and accrue is what Madison has recently done. It would need to be passed here and then people would need to apply.

For next year's debt services, we will apply for a general obligation bond for approximately \$6M in November. With the increase in interest rates, the municipal bond rates are currently on the move. We will continue to watch these rates.

Norman thanked the Board of Finance for letting the BOS present their budget proposal. Kelly then distributed the latest BOE budget including additional information regarding healthcare cost cuts and they will discuss this as well as their full budget at the meeting on March 30, 2017 at 7:00 p.m.

OLD BUSINESS: None

NEW BUSINESS: None

COMMUNICATION AND CORRESPONDENCE: None

PUBLIC COMMENT: None

ADJOURNMENT:

Motion made by Don Mesite to adjourn the meeting at 8:25 p.m., seconded by Vin Pacileo. Passed unanimously. Motion carried.

Respectfully submitted,

Yvonne Roziak
Recording Secretary