

Minutes have not yet been approved.

**BOARD OF FINANCE  
Auditorium**

**Town of Essex  
29 West Avenue  
Essex, CT 06426**

**May 25, 2017**

**MINUTES**

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

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

Essex Board of Ed: Lon Seidman, Chair  
D.G. Fitton, Vice Chair  
Adam Conrad  
Jennifer Tousignant, Principal, EES

Meeting called to order at: 7:09 p.m. by Keith Crehan, Chairman

**APPROVAL OF THE AGENDA:**

Keith Crehan, Chair, indicated a change in the agenda to move item 7a. under - New Business – Essex BOE Sinking Fund Request to follow Approval of Minutes as item 3a.

***Campbell Hudson made a motion to approve the agenda as amended, seconded by Don Mesite. Passed unanimously. Motion carried.***

**APPROVAL OF THE MINUTES:**

Keith Crehan, Chair, had a couple of changes:

1. Under Financial Report – bottom of first page, last line should read “month ended (delete “ending” March 31, 2017.
2. Under Revenues – second line down – “This translates to a collection rate of 99.5% (delete - \$).
3. Under Revenues – sixth line down should read – “budget for tax revenue.” (delete –budgeted revenue for tax revenue)

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***Campbell Hudson made a motion to approve the minutes as amended, seconded by Jeff Woods. Passed with Don Mesite abstaining. Motion carried.***

**3a. Essex BOE Sinking Fund Request** – Lon Seidman, Chair, Essex Board of Education, discussed the security recommendations that are on the table. The school’s administrative office would like to have a little more control of the people that enter the school building. Getting into the school office needs to be more restricted with another barrier installed (a second buzzer) prior to getting into the building. D.G. Fitton, EBOE and Jennifer Tousignant, Principal, EES, distributed and presented a handout of the estimate for this enhanced security project for an estimated total of \$38,935. Ms. Tousignant reviewed the plans for the doors and windows (they will have a non-penetrable film product that is bullet resistant and smash resistant). The second item is a Keri door system on the interior doors that will integrate with the current card reader system. This which would require a second buzz system (as stated above) in order to gain access to the school. This holding area will contain a sliding glass window where visitors will leave an I.D., etc. and when not in use, locks automatically. The remaining enhancements would require this particular window to be propped up by cinder block wall to be built. Panic switches would also be installed that are directed to Valley Shore. The front office would also need some reconfiguration with some counters, etc. and new carpeting in the high traffic areas.

The members of the Board of Finance asked various questions as to the security of all other entrances including monitors. D.G. Fitton responded that the doors are never propped open when children are in the building, even during deliveries.

Kelly Sterner confirmed with the BOF that the Essex BOE Sinking Fund contains enough to proceed with this request.

***Vin Pacileo made a motion to approve and recommend to Town Meeting the proposed Essex BOE Sinking Fund Request not to exceed \$43,000 for the security enhancements to the Essex Elementary School, seconded by Jeff Woods. Passed unanimously. Motion carried.***

**FINANCIAL REPORT:**

Kelly Sterner, Finance Director provided the following financial report for the fiscal year through the month ending April, 2017:

**REVENUES:**

As we enter the last quarter of fiscal year 2016-2017, current collections of property taxes totaled \$22.2 million with collections of approximately \$102k for April. This translates to a collection rate of 99.9% year-to-date and is right in line with a collection rate of 99.6% as of April 2016 and 99.6% as of April 2015. Total tax collections, including prior years taxes and interest/lien fees, totaled \$22.39 million as of the end of April 2017 or 99.8% of budget. In order to reach our budget for tax revenue, we would need to collect another \$43k for the last 2 months. We should attain this or at least come in very close. Revenue from the State remains bleak. The forecasted State/Federal revenue shows a \$74.6k shortfall. As bad as this is, we could see it double if the Municipal Grant in Aid is not received. It has not officially been cut by the State, nonetheless conditions at the State level make this a potential target for cutting. Local revenue for the month came in at a hefty \$103.8k. The bulk of this (\$47.7k) represents the distribution of the prior year surpluses from R4 and the Supervision District. Building Permits were also

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strong at \$25.6k. Conveyance Tax accounted for \$13k, and Town Clerk fees totaled \$9.96k. At this point we are projecting a revenue surplus over budget but again this will depend entirely on the Municipal Grant in Aid from the State.

**EXPENDITURES:**

Expenditures for the month of April totaled \$2,065,611 bringing total YTD spending as of month end to \$19,722,577 or 83.1% of budget. This compares to a total expenditures rate of 83.5% as of month end April 2016 and a rate of 81.8% at April 2015. Selectmen’s budget expenditures for the month totaled \$421k bringing it to 77.36% of the fiscal year total budget. So what are we forecasting through the end of the fiscal year? The forecast includes the requested special appropriation to cover the 2007 School building project shortfall of \$42,017. Other expenditure overages include Legal, Water and Highway Department – all of which we have discussed in prior months. We should see some savings in Selectmen’s office and Resident Trooper as we budgeted for 100% of the cost but the State held at 85%. Currently we also anticipate some savings in Transfer Station, Health Department and Insurance budgets. The Board of Finance contingency remains intact at \$75k and the elementary school currently projects a \$33.5k surplus. So is this enough savings to project a balanced budget at fiscal year end? It will be a close one. With the originally budgeted deficit of \$115k, the special appropriation and the loss of State revenue, it will be tighter than prior years. This month’s projection would result in an overall surplus of \$58.5k but this is subject to change. The crystal ball should be clearer as we get closer to fiscal year end.

***Keith Crehan made a motion to accept and approve the Financial Report, seconded by Jeff Woods. Passed unanimously. Motion carried.***

**SELECTMEN’S REPORT:**

- a. Special Appropriation for 2007 EES Building Project Deficit – Norman discussed the special appropriation of \$42,017 to liquidate the receivable remaining after the final construction grant funds have been received from the State of CT for this project.

Budget Amendment Request #2017-03 – Special Appropriation

|                                    |                     |
|------------------------------------|---------------------|
| The May 2, 2007 Bond Appropriation | \$13,300,000        |
| Total Project Expenditures         | \$13,062,709        |
| 2007 General Obligation Bond       | \$ 9,950,000        |
| Balance                            | \$ 3,112,709        |
| School Construction Grant Payment  | <u>\$ 3,070,691</u> |
| Remaining Deficit                  | <u>\$ 42,017</u>    |

***Keith Crehan made a motion to approve and recommend to Town Meeting a request for a Special Appropriation to the FY 2016-2017 General Fund Budget in the amount of \$42,017. Said funds would be used to liquidate the outstanding general fund receivable from the 2007 EES Building Project fund, seconded by Campbell Hudson. Passed unanimously. Motion Carried.***

**OLD BUSINESS:** None

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**NEW BUSINESS:**

- a. Essex BOE Sinking Fund Request – ***moved to item 3a. after Approval of Minutes.***
- b. Appointment of Auditor – Kelly Sterner indicated that Mahoney & Sabol Company LLP have been selected to be the Town’s auditor for 2017-2018. This includes the Essex Board of Education also. Need to officially appoint as auditor to OPM.

***Keith Crehan made a motion to appoint Mahoney & Sabol & Company LLP as the audit firm for the Town of Essex for the audit of the fiscal year from July 1, 2016 to June 30, 2017, seconded by Don Mesite. Passed unanimously. Motion Carried.***

- c. Approval of Tax Suspense List – Kelly distributed the current Tax Suspense List and how it compares to the last few years. Keith will need to sign two copies after approval.

***Don Mesite made a motion to approve the tax suspense list as presented by the Tax Collector in the amount of \$38,390.01 (\$13,302.96 Motor Vehicle, \$1,272.77 Motor Vehicle Supplement and \$23,814.28 Personal Property), seconded by Campbell Hudson. Passed unanimously. Motion carried.***

**COMMUNICATIONS AND CORRESPONDENCE:**

Jim Francis asked that we recognize and have a moment for John Greene who used to be the Finance person for the Town of Essex. He passed on Tuesday, May 23rd. Services will be held on Friday, May 26<sup>th</sup> at Our Lady of Sorrows. The Town will acknowledge his passing with flowers.

**PUBLIC COMMENT:** None

**ADJOURNMENT:**

***Keith Crehan made a motion to adjourn at 8:30 p.m., seconded by Campbell Hudson. Passed unanimously. Motion carried.***

Respectfully submitted,

Yvonne Roziak  
Recording Secretary