

THESE MINUTES ARE SUBJECT TO APPROVAL AT THE NEXT BOARD OF FINANCE MEETING

TOWN OF CHESTER, CONECTICUT
REGULAR BOARD OF FINANCE MEETING
THURSDAY, August 17, 2017
COMMUNITY MEETING ROOM
CHESTER TOWN HALL
203 MIDDLESEX AVE.
CHESTER CONNECTICUT

CALL TO ORDER

Chairwoman Carmany called the meeting to order at 7:30 p.m.

SEATING OF MEMBERS

In attendance included Virginia Carmany, Jennifer Rannestad, and David Cohen. Lori Ann Clymas was seated for Bob Gorman, and Rick Nygard was seated for Jon Joslow. Also in attendance included First Selectwoman, Gister, Selectwoman Janecek, Accounts Mgr, Evankow and several members of the Hose Company including the current and former Fire Chiefs and the Fire Marshal.

APPROVAL OF MINUTES

Lori Ann Clymas made a motion to approve the minutes from the July 20, 2017 BOF meeting as presented. Rick Nygard seconded the motion.

Corrections include a) adding the word further to the sentence on page 1 under Current State Budget Implications: If the State further reduces the full amount of revenue Chester receives...

And b) under Main Street Phase 3 the First Selectman will correct the and elaborate on the Lotcip Grant as part of the First Selectman's report. Please refer to those minutes for clarification.

The motion passed unanimously.

REPORTS

Monthly Financials

The year end financial reports were included in the Board's packet. Carmany explained the Fund Balance is now at 15.73% and that the yet to be approved year end transfers had been incorporated into the 8/16/17 final column.

Nygard had three questions regarding the fund balance included in a) Board of Finance Contingency; which previously included \$100,000 savings in expenditures comprised of \$80k in contingency and \$20K set aside for the POCD/Strategic Plan in outside contractor. Carmany explained \$49k of these dollars are being used to offset overages in other departments per the request for transfers, b) regarding Employee Benefits savings is primarily due to the Health Savings Plan or HRA, which Peter explained we just can't know until the end of the year what might be used or not, c) Police savings of \$69.5k due to having positions unfilled throughout the year, first one position and then two positions. Lauren went on to explain that we had had one full time and one part time police positions in the last fiscal year budget and in the current year we have budgeted for one full time and two part time positions though one part time position is currently unfilled, and d) Chester Elementary School savings is still moving as the School has not finalized it's numbers. Jennifer asked if the savings might be used again in the following year. Peter indicated the school savings particulars were unknown and it was unlikely any of this years savings could be counted on for the future.

First Selectwoman's Report

Lauren Gister followed up with more on Fund Balance. She explained that Gov. Malloy was requesting information from all the Towns regarding their last two years of Fund Balances and what was the expected unassigned fund balance projected for the current year in a clear attempt for the State to determine how well the Towns can absorb a reduction or reallocation in State Aid (Revenue) while the State works out its budget shortfall . **Malloy's request letter is attached.**

Gister went on to comment on how the Town has maintained a responsible Fund Balance based on GFOA guidelines and has been fiscally responsible and now we might be penalized. She reported all of RiverCog have responded in a letter of protest . **Gister's letter is attached.**

Carmany noted that each town has a different way of handling its fund balance e.g. Deep River has a 2-3% fund balance as they have other ways of budgeting and other fiscal concerns with a large sewage treatment plant etc., and while we have a healthy fund balance it is still not at the GFOA amount of 16.6% representing two months of expenditures, but still very good at 15.73%.

Gister then spoke about the LED Street Light Conversion Project: We have 313 street lights that will be converted to LEDS and 60 lights in parking lots etc. that will not be converted at this time. She reported on the Public Meeting that took place the night before at which Nygard and Carmany attended. The overall meeting resulted in those in attendance weighing in on reducing the wattage of the lights in all possible instances on a light by light basis. Gister reported two people had requested new lights where none existed. Carmany noted that as the wattage came down so did the costs. Not by a lot but there will still be additional savings.

Gister then reported that there are boosters now in Town Hall that give three bars for all cell phone use in the building. There are two or three on each floor. The upgrade will help in the event of any emergency and it was paid for by an Emergency Grant from the State.

Gister reported that the September 21, 2017 Board of Finance meeting will be moved either forward or back due to Rosh Hashanah. Carmany will poll all Board members to determine which date works best and it will be made clearly communicated to all, BoF members, Library Building Committee members and the public.

Open Items in Old Business:

Main Street Phase3:

Gister then spoke about the Lotcip Grant Application for the Main Street Phase 3 Downtown. First she gave some historical context: Jacobson had been hired to write the application, the application was submitted to RiverCog for RiverCog's approval before being sent to the State DOT in October for review and comments/questions. We expected to hear from the State by the end of the year, but didn't hear until Jacobson received a list of questions from DOT on July 24th, responses have been written and were submitted August 11th . We are back in a waiting mode while the State reviews same. It was determined the State has only one person reviewing all Lotcip Grant applications. The three areas of concern were a) the voids under the sidewalks b) ADA compliance for access into/out of buildings from the sidewalks and c) right of way easement issues for work on private property. Lauren explained that each of these areas were addressed in Jacobson's response with photographs and clearly written explanations of as the work needed which has a direct relationship to the historic nature of our downtown due to the existing structures. Now the State must review and if approved we will receive a letter committing the funding to us. The timeframe for getting the requested \$2.2M in Grant Funding is based on information supplied from Rob Haramut of RiverCog. The main point said Haramut made was our project must be shovel ready when funding is become available. The report that Carolyn Lynn gave last month indicating the project might move out an additional two years was not quite accurate. Haramut indicated Chester and Haddam are next in line and whoever is ready first would be considered

next in line. If Chester is ready we could see a commitment letter as soon as 2018 for construction to begin in 2019 if we get bumped we would be put off one year not two. Carmany requested further clarification regarding the timing on needed bond monies, as the State is not Bonding anything right now. Haramut indicated Bonding for part of 2016 and 2017 had not yet happened and this could affect the timeframes. Part of the problem is understanding how all the parts function between what is allocated, what has been bonded or not, what has been spent, what monies are remaining, what is in the pipeline and when the State will be bonding again. Lauren continued, the Lotcip Grant process was intended to get federal monies to the towns from the state more quickly than dealing with the federal government directly. At the moment there are no other projects in the pipeline within the RiverCog Region. It is necessary to have the preliminary Design phase complete to be considered shovel ready. Lauren indicated the Main Street project Committee and Jacobson would be preparing a request for the BoF to release additional funds to keep the design phase of the project moving forward. Lauren said that the 'approval' from the State was the 'commitment to fund letter' that this was not a two steps process. The BoF had stated they wanted to see an approval letter from the state before releasing any additional monies from capital. Lauren indicated that she was concerned that missing the Sept meeting due to the next meeting being dedicated to the library might slow down the project work. Carmany stated once the paper work was ready the Board of Finance could consider a special Meeting in order to be responsive to any timing concerns. Rannestad stated that at no time has the BoF slowed down the project by withholding monies and did not expect the BoF would slow down the project in the future. She went on to say the BoF requested the full amount of monies initially et aside in capital be released in smaller chunks as without funding the project could not proceed. Lauren indicated Jacobson will make a formal request to the BoF to release monies for the next needed set of deliverables in the design phase. There was continued discussion regarding when the State might be bonding for anything since it is dependent on the approval of two year budget. Carmany stated she read the State is considering a Budget vote the week of Sept 11th.

Next steps regarding Bulky waste: nothing new to report.

New Business:

Finance and Accounting Policy and Procedures Manual update: The BoS are continuing their review. Jenny has begun writing up changes the BoS would like incorporated.

Year End Transfers: A motion was made by Jennifer Rannestad and seconded by Lori Ann Clymas to transfer monies from BoF contingency of \$26,000 and Chester Hose Company Regular Payroll of \$2, 432 to Chester Hose Company Equipment Maintenance for a total of \$28,432.

A detailed discussion of how the line item got so far over budget without the accounts manager, BoF or BoS awareness. It was determined the Hose company was holding invoices for work done during the last quarter to be paid in the next fiscal year to prevent the department from going over budget. Carmany, Accounts Mgr. Peter Evankow and First Selectman Gister all stated that this practice was inappropriate and should be terminated immediately. Basic Accounting rules indicate all work performed whether invoiced or not need to be reflected in the month the work was completed; if not yet invoiced it would be accrued and reported in the appropriate month. Carmany reminded everyone, BoF instituted a procedure to ensure departments report expenditures that might cause a line item to go over it's budget during the year so we would know about it in a timely fashion. This would ensure any issues could be addressed, monies could be set aside and the downstream budgeted process (operating and capital) would not be impacted due to inaccurate information. This is a critical component in keeping our fiscal health intact and preventing an Audit letter for inaccurately stated financials. It is written in the Policy Manual and State Statutes. Many members of the board also stated

It is important that our equipment is properly working and we are glad the Hose company is on top of what is required.

Lauren will make sure all departments are aware of this procedure so there is no confusion by anyone. It was clear several trucks needed maintenance and the work done was required with the exception of the Chief's vehicle, Lauren stated, which may have gotten more work done than was appropriate due to the age of the vehicle and the way the vehicle is being used vs. how it was intended to be used. The BoS will evaluate this situation going forward.

Additional questions regarding how expenses and revenue are booked by the Chief vs. by the Accounts Mgr. This will be reviewed by the parties involved off-line and determined if additional support is required,

The motion passed unanimously.

A motion was made by LA Clymas seconded by D. Cohen to approve the remaining full list of yearend transfers presented to the BoF for review..

All other year end transfer requests /expenses were known by the Board as they had been reported as they occurred and therefore not a surprise. There were no other questions or discussions on any of the items and ***it passed unanimously.*** ***The full list of Year End Transfer is attached***

Annual Report Dedication: A suggestion was made and excepted by BoF .

Audience of Citizens – no comments

A motion to adjourn was made by LA Clymas, seconded by R. Clymas and approved by all.

Submitted by Virginia Carmany