CALL TO ORDER
Chairman Carmany called the meeting to order at 7:30 p.m. In attendance included Virginia Carmany, Jon Joslow, Lori Ann Clymas (seated for Dave Cohen), Rick Nygard (seated for Charlie Park), Bob Gorman, First Selectwoman Gister, Selectwoman Linn, Selectwoman Janecek, James Schaefer, Denny Tovey, Peter Evankow, Finance Manager, Steve Tiezzi, Susan Wright, Liz Netche, Treasurer and approximately 9 residents were also in attendance.

APPROVAL OF MINUTES
Rick Nygard made a motion to approve the minutes from the March 16, 2017 BOF meeting as amended. Bob Gorman seconded the motion. The motion passed with Jon Joslow, Lori Ann Clymas and Rick Nygard abstaining.

Corrections:
Page 1 – Note that the cost of bonding is approximately $60,000 to $70,000.

Rick Nygard made a motion to approve the minutes from the April 20, 2017 BOF meeting as amended. Lori Ann Clymas seconded the motion. The motion passed unanimously.

Page 3 – 4th paragraph – add the word “into” in the first sentence after the word “funding”.

REPORTS
Monthly Financials
Monthly financial documents were included in the BOF packet.

Peter Evankow reported no significant changes to the estimated fund balance forecast. This information is reviewed regularly by First Selectwoman Gister. It was requested that Peter provide the Revenue/Expenditure Analysis for over/under line items at the next BOF meeting.

Virginia Carmany reported no issues with expenditures year to date and no changes from the forecasted revenue.

First Selectwoman’s Report
Lauren Gister reported that the Library Account will be over budget by approximately $9,000 instead of $13,000 due to the payment of benefits for the librarian’s retirement.

Regarding the Police Coverage for the Winter Carnivale, Lauren gave a brief history of the expenses including the delay of the event one year and a cancellation of the event another year. This past year, the Trooper, who determines what is necessary for the Winter Carnivale police coverage, estimated a $10,000 cost for police coverage at the Winter Carnivale (only $1,500 was budgeted). With the assistance of the Police Explorers and mutual aid with Essex constables, the final bill was $3,000. The
Winter Carnivale Committee has already begun discussing options with the Resident State Trooper for policing next year’s Winter Carnivale.

Three properties in Chester were placed for tax sale. Two tax bills were subsequently paid by the property owners. The third property, located on Liberty Street, is a sewer parcel and contains the Town’s retention pond. It is not a building lot and no bids were received for the property at the tax sale. The Town has incurred $3,000 in legal fees associated with the property which normally, when purchased, would be paid by the buyer. These funds will be taken from the Selectman’s legal budget.

OLD BUSINESS
i. Financial and Accounting Policy Manual – no new information reported.
ii. Main Street Phase 3 – The Town is awaiting a response/information (commitment letter) from the DOT for the LotCip Grant. It was originally expected the State would approve in Dec. 2016. Lauren Gister has been contacting the DOT for said information. There is no additional information at this time.
iii. New Town Garage light costs – The total cost of the lights was $6,531.06. The Town paid approximately $4,000 of this cost, the remainder was funded via a grant. The $4,000 is being paid back on the electric bill over a 30 month period. The Town is saving $1,955 per year and the project will ultimately cost the Town $0.
iv. Next steps regarding Bulky Waste – The bulky waste budget was reduced by $10,000. First Selectwoman Gister will speak to First Selectman MacDonald (Deep River) regarding stickers and the set up of the Bulky Waste area at the Deep River Transfer Station.

NEW BUSINESS
Vote to Accept Call for Town Meeting regarding Town Budget 2017/18
A copy of the Call to the Town Meeting on 5/25/17 was distributed.

First Selectwoman Gister outlined the current status of the Governor/State budget including a possible additional loss to Chester of approximately $790,000.00 in revenue, for ECS & Special Education grant. Lauren distributed information compiled by the RiverCOG regarding impacts to Ct Town’s budgets. She indicated that many towns have passed their budgets but have delayed in setting their mill rates until more information is received regarding the State’s budget.

Peter reported that the mill rate being proposed is 26.36 or 3.09%.

The BOF discussed the pros and cons of setting a mill rate before the State’s budget figures are finalized. The process and timing of setting a mill rate was also discussed including lead time required for tax bills to be sent and processed by banks/lending establishments/homeowners. Virginia Carmany discussed the possibility of issuing supplemental tax bills in January and/or using the Town’s fund balance to “make-up” any shortfall once the State’s budget is finalized. However using General Fund Balance would only be appropriate with a one-time reduction in revenue from the State. Jon Joslow expressed concern about using the fund balance to cover any shortfall from the State.

Peter reported that most towns have not placed the proposed Teacher Pensions in their budgets. If additional monies are necessary to fund the Teacher’s Pensions, a Town Meeting vote would be required.

It was requested that Chester residents be informed that the State’s budget situation is in play and will continue to play a major role in any tax increase/mill rate increase in Chester. The current known
reduction of $139K in revenues from the State plus Operating and Education increases necessitate the current mil rate increase for 2017/18.

Lauren Gister suggested that the BOF set the mill rate at their 6/15/17 BOF meeting when, hopefully, more information from the State will be available. It was noted; however, that there may not be a State budget finalized until sometime in the fall. The mil rate could be adjusted to reflect the decrease in revenue.

Liz Netche, Treasurer, reported that in order to be as transparent as possible, the mill rate should match the budget figure residents will vote on at the Town Meeting. She favored a supplemental tax bill in January if necessary.

Lori Ann Clymas made a motion to approve the Call to the 5/25/17 Town Meeting as presented. Jon Joslow seconded the motion. The motion passed unanimously.

Virginia Carmany reported that the BOF will discuss setting the mill rate as more information is available from the State and agreed waiting until the BoF meeting in June was appropriate.

VOTE TO APPOINT AUDITOR
Peter Evankow reported that the Town has been satisfied with the current auditor, PFK O'Connor Davies, LLP. The Town has used this firm for approximately 5 years.

Lori Ann Clymas made a motion to appoint PFK O'Connor Davies, LLP as auditor for the Town of Chester. Bob Gorman seconded the motion. The motion passed unanimously.

UNION CONTRACT
A copy of the proposed Union Contract was distributed to BOF members. Lauren Gister highlighted changes to the document including:

- “Housekeeping” items were addressed to remain consistent with town practices.
- Cost of living increases as follows: 7/1/17 – 2.5%, 7/1/18 – 3%, 7/1/19 – 2.75%, 7/1/20 – 2.75% and 7/1/21 – 2.75%
- The Town no longer pays “longevity pay”.
- Information regarding “steps” in included in the Appendix.
- Vacation carry over time was clarified.
- Thirty hour per week employees are considered Union members.

Rick Nygard made a motion to accept contract as recommend by First Selectwoman Gister. Lori Ann Clymas seconded the motion. The motion passed unanimously.

SOLAR FOR ELEMENTARY SCHOOL
The Chester Elementary School PPA Options packet was distributed to BOF members.

The Chester E Team recommends adding additional solar panels to the roof of the Chester Elementary School. After exploring many options, they decided that Greenskies offered the best program. The E Team’s plan includes adding 385 new panels to the existing 42 panels, which will account for 42% of the total energy used at CES. At 5.7 cents per kilowatt hour, the plan will save the Town almost $470,000
over 20 years, and will cut the current bill by approximately 25%. The panels will be leased and the Town will have the option of purchase the panels after 20 years for $15,000 or Greenskies will remove them. The panels will be maintained by Greenskies.

*Bob Gorman made a motion to approve the E-Team’s proposal as presented. Rick Nygard seconded the motion. The motion passed unanimously.*

The BOF thanked the E-Team for their work on this project.

**NEXT STEPS REGARDING LIBRARY/NQP and RFP Strategic Plan/POCD (Plan of Conservation and Development)**

Virginia Carmany developed and distributed two documents; a “Run Rate” spreadsheet and an “Analysis Chester vs. Neighbors” spreadsheet as informational items.

The “Run Rate” document outlines the history of Chester’s financial position and forecasts how the budget might look out 10 years. The categories were, Town Operating, Capital, Elementary School and Region 4 expenditures. Three run-rates were calculated: a) the full 9 years of history, b) 5 years just after 2008 Financial Crisis and c) the last 4 years during which the Town has begun to recover. All run rates indicate that there will be budget increases despite any lift from retiring Bonds and the proposed NQP/Library project costs will add an additional tax burden. The exact increase is difficult to determine as any shifts in student body at the Region 4 have not been factored in nor any other Education cost increases/decreases (considering the Education Costs to the Town make up 67% of our budget). There are probably other one time increases and decreases that could be factored in if there is any appetite to adjust the run-rates. The increases were based solely on expenditures not on any increases or decreases to revenue. The concern of reduced revenue from the State will compound the problem with additional tax increases.

The second spreadsheet, “Chester vs. Neighbors” was developed in response to the Library Building Committee’s recent presentation to the Town. The bar code slides included in the Library Building Committee’s presentation were used in a way to indicate that the Town had plenty of room for more debt. This spreadsheet was produced to provide actual numbers and a snap shot of how we look in comparison with our neighbors, how much debt, what capacity to pay off the debt based town’s grand lists, how much towns keep in their general fund balance for emergencies, and what the debt is used for. The first data point regarding Chester’s population indicated that the population number used by the Library Building committee was inconsistent with our 2010 census and inflated compared with the other towns.

Lauren Gister reported that the BOS members did attend the Library’s presentation but have not yet had a discussion on it. They do plan to discuss the presentation and determine next steps on the project.

Regarding the RFP: POCD and Strategic Town Plan, Lauren reported that she is working on a draft RFP for a consultant to begin work on the Strategic Plan/POCD. With the uncertainty at the State level, Lauren has discussed the process and costs of updating the POCD with the Towns of Essex and Haddam who have recently updated their documents.

Lori Ann Clymas reported that before hiring a consultant to do “soup to nuts” work on the POCD, the Town has many talented individuals that may be able to assist in updating the POCD. Lauren stressed the importance of having a neutral 3rd party work on the project. It was reported that the River COG is
not interested in the project. The goal is to build on the 2009 document to include goals, timelines, financials and responsible entities.

Virginia requested that a timeline and plan, including financial implications, be presented to the BOF when available.

**GOJT DISTRIBUTION**
A copy of the report developed by Murtha Cullina with regard to the Gwendolyn Orton-Jones Trust was included in the BOF packet. Also included was a draft Operating Guideline document, developed by Lauren Gister. The Operating Guideline document outlines the procedures and limitations on the mechanics of transferring the funds from the Trust to a Town Account, how the funds can be used and how the funds will be overseen primarily by the Library Board of Directors. The changes are in the interest of transparency and to conform with proper accounting regulations.

Peter Evankow reported that the Town is not involved with the Friend’s of the Chester Library funds since it is not part of the Town. The Library Board does share their books with the Town and the auditor.

It was requested that the Friends of the Library not have a vote regarding the distribution of monies from the Trust as they are not elected town officials. A member of the Friends of the Library may be in attendance and speak as the meeting is public.

The Library Board will provide financial reports at their meetings and as requested by the public. Also, a record of all votes made at their meetings concerning how the funds from the trust will be spent will be included in their meeting minutes. Denny Tovey reported that a Treasurer’s Report is distributed at meetings.

Lauren Gister reported that since last July, there have been no payments from the Trust. In June this year, the income of the Trust will be calculated and paid from the Trust into this new account that will be part of the financials of the Town. The Trustees will vote, at their meeting which is a Public Meeting, on how the funds are to be disbursed. Lauren is satisfied that the Trust will now be in compliance based on these corrections to the process of administering the Trust income monies.

The wording in the first paragraph was questioned as it gives the impression that Town employee salaries could be paid from the Trust’s income. It was requested that the wording be reworked for clarity.

The issue of bonuses was briefly discussed and it was requested the Guidelines clarify the issue and clearly state that bonuses will not be paid to the Librarians. Lauren indicated that no bonuses will be paid.

Virginia and Lori Ann requested that the Guidelines incorporate language that the process is in accordance with all State and Municipal Statutes and Ordinances as well as the Town’s Ethics Policy.

Lori Ann Clymas pointed out some additional “wordsmithing” items in the document. Lauren will address same.

**AUDIENCE OF CITIZENS**
Denny Tovey requested clarification on the “Run Rates” spreadsheet. Virginia Carmany provided same.
ADJOURNMENT
Rick Nygard made a motion to adjourn the meeting at 10:05 p.m. Bob Gorman seconded the motion. The motion passed unanimously.

Respectfully Submitted,

Suzanne Helchowski
Clerk