

Call to Order

- Introduction and seating of members

The Chester Board of Finance held its regular meeting on Thursday, October 15, 2015, at the Chester Town Hall, 203 Middlesex Avenue, Chester, Connecticut. In attendance and seated were Virginia Carmany, Jennifer Rannestad, David Cohen and Rick Nygard (seated for C. Park). Chairman Carmany called the meeting to order at 7:30 PM.

- Approval of Minutes - August 20, 2015

Minutes were tabled until next month in order to have a quorum of members present who were at the August meeting.

New Business

- Requested meeting with Board of Finance by Auditors
Kathryn McNair, Manager in Charge of the Town's Audit, introduced herself. She reviewed the following items from the Audit -

Reviewed monies received and spent from the STEAP Fund.

Reviewed Capital Projects (fire truck, Main Street, police cruiser) - total appropriations of \$1.6 million, only spent \$133,000, leaving \$1.5 million for other projects.

Reviewed General Fund - \$202,000 taxes receivable, \$182,000 Special Assessments (sewer - this went down about \$20,000 from last year). There were deferred revenues of \$396,000 because they weren't received within 60 days.

Reviewed Assigned Balance - \$279,000 (\$200,000 to balance the 2015/16 Budget and \$79,000 for encumbrances. The Unassigned Fund Balance is about 14% of the General Fund revenues. It is recommended to be 8 to 15%. Question was asked as to what determines the % of unassigned fund balances. McNair explained it is determined by how secure the Town is and market. It differs by towns and what the residents like. It was noted the auditors recommend between 12-15%.

Budget results were reviewed. \$12.5 was budgeted in revenues. Spent \$12.6 million taking \$113,000 from Fund Balance. Actually received \$12.4 million in revenues and spent just over \$12.5 so only actually spent \$31,000 of the Fund Balance. A lot of savings were in the General Government (Public Works, Public Safety and Education gave back \$51,000).

Reviewed Taxes - budgeted \$10.9 million, received \$10.8 million. Chester Village West won its appeal so taxes decreased by about \$100,000. Collection rates have been pretty steady at about 98.7% in 2015 for current year and about 1% of delinquent. Total collected was 99.6%.

Reviewed Interest and Lien Fees - received \$62,000 interest and a little bit in lien fees which was better than the budgeted amount of \$45,000.

Reviewed Grant Revenues - \$50,000 requested from LoCIP but not received within 60 days so deferred revenue. It was spent so will be shown on budget for next year.

Reviewed Miscellaneous Grants - \$20,000 from Dept. of Transportation Bridge and Railroad Grant having to do with the bridge construction and utility work (WPCA).

Reviewed Local Revenues - Building Permits and Conveyance Taxes were up. Region 4 had a surplus. Miscellaneous Funds were received. Park & Rec had about \$9000 over expenditures. Ambulance Fund received \$195,000 and transferred out \$170,000. Miscellaneous and Education Grants were pretty even. Sewer system revenues were a little under expenditures.

Long term debt is decreasing. Pension obligation stayed relatively similar to last year. Paid off all special termination benefits for the Board of Education.

Balance Sheet and Long Term Income Statement were reviewed.

McNair noted the financials are free from material misstatement, no material weaknesses, no deficiencies in accounting policy, no fraud or illegal acts. Internal accounting controls were reviewed. No unresolved matters or difficulties in doing the audit, no significant adjustments were made.

First Selectman Meehan thanked Peter Evankow and Liz Netsch for their excellent help in putting this together and providing information needed to do a timely report.

Chairman Carmany thanked Kathryn McNair for coming and presenting the

audit to the Board of Finance.

- Distribution of Fraud Questionnaire

The Fraud Questionnaire was distributed after the audit review. BOF members present completed the questionnaires. Those members not in attendance will be sent the forms and asked to return them to Town Hall.

- Requests from Board of Selectmen (attachments)

1. Fire House Building Project - new boiler - reallocation of excess funds - vote to approve and send to Town Meeting for approval for expenditure

First Selectman Meehan noted the Fire House had a very good bid for the roof replacement. There is a balance in that account of \$39,132. The Hose Company has asked the Board of Selectmen to set up a Fire House Account to have future Capital funds to fix items they know are coming up on the horizon (boiler, etc.). It was noted this will have to go to Town Meeting for reallocation as a Capital item. Chairman Carmany noted she has no problem with this particular request other than it is outside the normal CIP procedure that at the end of the year unexpended funds go into Unassigned and the Capital Budget comes to the BOF during the regular budget process.

First Selectman Meehan noted there is a procedure in the Policy Manual where that policy can be bypassed. It would be a new line item in Capital and would be just for the building, not the parking lot. This would have to go to Town Meeting for approval.

Motion by Nygard, second by Cohen, to accept the Board of Selectmen request to move the \$39,000 +/- from the Fire House Roof line item the remainder of which is not going to be spent and open a new Fire House Line Item called Building Repairs, and send to Town Meeting for approval. Unanimously Approved.

2. Town Hall Attic Insulation Project - addition of this new project - vote to approve and send to Town Meeting for approval and approval to expend remaining monies in line Town Buildings CIP Fund

First Selectman Meehan noted the Energy Task Force has been working on a project for a couple of years now. Pat Woomer was present to answer any technical questions. The Energy Team developed a proposal to save energy by reducing heat loss in the attic. A lot of the

insulation put in about 10 years ago has been disturbed by projects done over those years. Meehan reviewed the proposals received. U. S. Insulation submitted a phased proposal. Meehan noted the Board of Selectmen felt this should be done in one phase and spend \$33,000 to get the project done. This will solve the ice dam problem and safety concerns, etc. This is the most practical way to go.

Pat Woomer gave a brief summary of the problem and how this new technology would solve it. The question was asked as to why this wasn't looked at when the remodeling on the second floor was done. Meehan noted there wasn't enough money at that time. Mr. Cohen noted he was concerned that all that work had been done before and now we are going back into the attic and disrupting things. Woomer noted they have researched options for some time now. Meehan noted this is a steel frame building which conducts all the cold above the offices. This should save on oil and air conditioning costs and fix the ice dam problem.

Meehan briefly reviewed all the proposals received and the methods of correcting the problem.

A lengthy discussion was held as to the problem and the technology being used to correct it.

Meehan noted financially the money has already been released through Town Meeting approval, but was earmarked for the Meeting House and roof replacement at 20 Water Street. \$70,000 was budgeted and \$45,936 was released at Town Meeting on April 20, 2015. Quotes are being received for the work at the Meeting House and priorities need to be set for this work.

- First Review of Updates to Policy Manual (attachment)

Chairman Carmany noted she sent everyone a copy of the Policy Manual. Rick Nygard, Peter Evankow and Virginia Carmany have gone through it and made significant changes. Once completely done, it will come back to the BOF. Carmany noted one important part is that the Auditors have recommended a Tax Collector's Reconciliation section be added. She noted the other thing was does the BOF want anything in the Policy Manual about how it reviews the Board of Education Budget.

Chairman Carmany noted the Auditors recommend the BOF look at this manual on an annual basis. Bonding Procedures and how Grants get approved and how this money is spent should also be looked at.

Chairman Carmany noted there was also a concern as to whether the BOF can authorize \$10,000 or \$20,000 based on the budget. It was clarified this was not based on the budget but rather on a \$10 or \$20 million Grand List.

First Selectman Meehan noted if all the grant money is not spent, it has to be returned to the State OPM unless OPM can be convinced to reallocate it to another project.

It was noted the Bid section of the Policy Manual has been cleaned up a bit too.

Reports

- Monthly Financials

It was noted Governor Malloy has announced a \$15,000 reduction in the Pilot Program. Chairman Carmany noted there was nothing that stood out in the Monthly Financials.

- Consideration and Approval of Bills and Transfers - none.
- First Selectman's Report

First Selectman Meehan reported on the following items -

Main Street Bridge Replacement - there is a question as to when Frontier will be moving their wires. This has to be done by the middle of December. There is currently a crew working under the bridge doing various things. Everything is a go for the contractor to start in earnest in January 2016. The Town is working with the merchants and Economic Development. Supplemental signage has been requested. Parking will be available at Norma Terris Theatre, Maple and Water Street and Laurel Hill Cemetery Parking Lots. A brochure is being worked on which will highlight pedestrian routes and parking areas. There are all kinds of ideas on how to promote the Center during this time. Fire access, public safety and snow removal are being discussed.

Main Street Project - this project is 90% done. Paving of the road will be done in one shot probably middle of next week. There are a couple areas that need touch up. The Water Company came in on time and put extra effort in to coordinating with the Town's contractor on the culvert crossing. A check has been received from the Water

Company in the amount of \$15,000. Unfortunately the old water line has been left in place which may be a problem in 20-30 years if more utilities are needed in Main Street. The catch basin work didn't go as quickly due to the water lines still being active. Waiting for Eversource to turn the lights on at Laurel Hill Cemetery. This should be ready for the Halloween Parade.

Chester Elementary School Clean Up - clean up from the water leak and septic system back up have been done. Insurance has paid for this.

LoTCIP Grant - it was noted the next phase of Main Street is classified as an urban collector road which qualifies for this Grant funding. This goes to the Local Council of Governments. There is money in the Main Street account that can be used for the soft side of this project. The engineering is required to be paid for up front. There should at least be a pre-screening that Chester is interested in this money. This Grant is not capped at \$500,000. There is a 10% contingency for construction and 10% contingency for soft costs project management.

Pratt Street is being prepared for repaving. The catch basins are all new and set to go.

International Trucks - it would be wise to pick one of the trucks and replace it so the Town is not buying two trucks at the same time.

Library Building Committee - last night's meeting was well attended. The Committee is still mulling over the site layout, shape of the building, general spacial layout of the floor plan. Discussion now centers around how far back into the Park should the building go. It is one story. How do you break up the mass of the building so it is not overwhelming to the Park. Meehan noted he asked Jacobson's office to stake out one version of the building so people can get a sense of what it looks like. The Committee has a long way to go yet. Chairman Carmany asked how much of the \$100,000 has been spent to date. Meehan noted maybe \$30,000 on the architect, \$15,000 on the subcontractors and a small amount on environmental. He noted there are issues with the drainage in the Park. The parking lot, T-Ball field and playscape were reviewed.

Tax Appeal - Meehan noted there is another tax appeal from Gilbert Hill Road that was won, but not as significant as Chester Village West.

59 Winthrop Road - brief discussion was held regarding back taxes due. Meehan noted it might be worth applying for the Brownfield Assessment Grant. The Town could then hire a licensed professional to go on the property and find out what is there. The Town would not need the property owner's permission to go on the property because there are back taxes due.

The Chester Point Marina project has not come to fruition yet.

Bonding for the new library was briefly discussed. It was noted there will also be private fund raising. There was a brief discussion regarding North Quarter Park and whether the library could go at the Town Hall if the bank ever moved out.

Meehan noted Planning & Zoning still needs to take a look at the Route 154 corridor relative to mixed uses and streamlining the permit process.

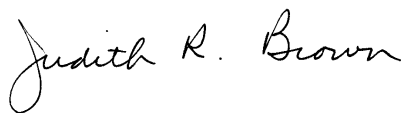
The Board of Finance members thanked First Selectman Meehan for all his past years of service.

Audience of Citizens - none.

Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

A handwritten signature in cursive script that reads "Judith R. Brown".

Judith R. Brown, Recording Secretary