

TOWN OF CHESTER CONNECTICUT
BOARD OF FINANCE
REGULAR MEETING
Thursday, November 16, 2017
Community Meeting Room
Chester Town Hall

CALL TO ORDER

Virginia Carmany, Chairman, called the meeting to order at 7:35 p.m. In attendance included: Virginia Carmany, Jon Joslow, John O'Hare (seated for Charlie Park), Richard Nygard (seated for Bob Gorman) and Jennifer Rannestad. Also in attendance; First Selectwoman Gister, Selectwoman Janecek, Peter Evankow, Accounts Manager Liz Nettle, Peter Harding, John Schroeder, and Marcia Marian, Auditor.

APPROVAL OF MINUTES

Jon Joslow made a motion to approve the minutes from the 10/19/17 BOF meeting. John O'Hare seconded the motion. The motion passed unanimously.

AUDIT REPORT FOR YEAR END JUNE 2017 – Marcia Marian

A draft copy of the year ending June 30, 2017 Town of Chester Audit was distributed to BOF members. Marcia Marian, Auditor, presented the audit report detailing the Short Term Balance Sheet, Long Term Debt (with the exception of Chester's portion of the R4 debt, Chester is debt free), Pension Obligations (and appropriate funding of same), Tax Collection Rate (excellent), Unassigned Fund Balance (currently at approximately 15%, indicating 17% to 18% would be beneficial in the event that the Teacher Pension obligation is transferred from the State to the towns). Marcia indicated is used to be that 8 – 10% was sufficient. Not any more. She also spoke about a possible change in reporting of revenue that currently revenue can be recorded in a year if it is expected to be received within 60 days of the end of the year. If it changes to be received within the following year, then functionally the State has given themselves an additional year to pay it's obligations (e.g. Special Education Costs) this will have a negative impact on Towns across CT.

Ms. Marian reported that the Management Letter reports no significant deficiencies or material weaknesses. Overall, the Town is in a better financial position than last year and its biggest risk is the condition of the State's budget.

The BOF thanked Marcia for her excellent presentation.

REPORTS

Monthly financials were included in the BOF packet. Both Revenues and Expenditures are in "good shape".

First Selectwoman's Report – Report will be presented under "OPEN ITEMS IN OLD BUSINESS" and "NEW BUSINESS".

OPEN ITEMS IN OLD BUSINESS

Finance and Accounting Policy and Procedures

Lauren reported that Selectman Grzybowski will be brought up to date on the Manual. The BOS will have a recommendation to the BOF for the January BOF meeting.

State of the State Budget and Chester

Lauren reported that the adopted fiscal year 2018 State budget will lower Chester's state revenue by approximately \$38,000. The Town budgeted for a \$138,000 loss in state revenue. At this time, the Teacher's Pension obligation has not been transferred to the towns and the MBR allowance in the education budget was lowered. Currently, no STEAP funding has been approved; fortunately, Chester does not rely on STEAP.

Lauren reported that the State took responsibility for only half of the Renter's Rebate obligation and the Town is now responsible for the other half (an approximate \$8,000 to \$10,000 liability).

LOCIP funds have been restored and the Town has \$71,000 available for use (roads).

Visioning/Strategic Plan/POCD

The Planning Advisory Team has met with the consultant. Their plan is to assemble all stakeholders and receive input from boards and commissions involved. Data is being uploaded to the website including opportunities for public participation. The public survey is uploaded and 150 residents have responded to it. Hard copies of the survey are available at the Town Hall and Library. Lauren encouraged the BOF and public to participate in the survey.

A Task Force meeting will include representatives from Boards/Commissions and is scheduled on December 4, 2017 @ 6:30 p.m. This meeting will be publically noticed and several more meetings will be scheduled in January for the following couple of months. A Public Workshop is planned for late January/early February.

Jon Joslow reported that the goal of the Advisory Task Force is to ensure that the process makes sense and is transparent. The POCD will have input from representatives of all of the constituencies. He continued that because this is the first time the POCD and the Strategic Plan will be integrated, it is appropriate to ensure that dollar amounts are associated with all of the initiatives.

NEW BUSINESS

Request for Main Street Phase III

Lauren reported that at the September 27, 2017 BOS meeting, the BOS voted to forward a request to the BOF for a release of funds in the amount of \$123,000 for the remainder of the design work for Phase III of the Main Street Project. Once the design work is completed, the public involvement portion of the project (Task 5) can be scheduled. The Main Street Committee would like to schedule this portion in January. Lauren amended the request to \$130,000 due to inadvertently dropping task 5 from the new contract.

Several months ago the DOT forwarded questions/comments on the project to the Town. All of their issues were addressed by Jacobson but to date, there has been no further response from the DOT (presumably due to the lack of a State budget).

A meeting with the Water Company is scheduled next week to discuss the replacement of the water main located in the center of town.

LOTICIP – Currently, Haddam's LOTICIP project is next in the queue for funding. Once our design is completed, and when funds are available, Chester's project is first priority. The BOS believes that it is

important to complete the design portion of the project. If funds are not available, the design work can be “shelved” and used in the future.

The sidewalk concerns and costs associated with addressing same, vis a vis property owner’s responsibility for repairs, was discussed at length. Currently, property owners of the buildings are not “on the hook” for any costs.

John Schroeder reported that any unforeseen condition (such as the condition of under the sidewalks) would be included a contingency plan and funds are in place for such incidents.

Jon Joslow suggested that the cost estimates should include funding for the possibility of additional work to address the concerns of the conditions under the sidewalks.

Lauren reiterated that the 20% contingency is set aside for this type of issue. Schroeder noted that at least \$80k was set aside for work to connect the sidewalks to possibly impaired building sills. He also indicated that with contingencies at 15 – 20% there was ample contingency for any additional issues that may be found when the sidewalk is removed allowing for a more accurate view of what is underneath.

Figures provided in the project for Ken & Frost’s landscape costs will be further clarified by Lauren.

Virginia Carmany expressed concern that the timeline for LOTCIP funding is unknown. If the BOF approves the BOS’s request for the release of funds for the remainder of the design work and the LOTCIP does not get funded, there is the potential that the Town would have to bond for the project.

Laruen responded that bonding for the project has never been discussed or assumed. The goal is to get the design work completed so that the project is “shovel ready” when LOTCIP is available.

Virginia suggested that in the event that LOTCIP is not funded and the Town would need to fund the project, perhaps the project could be redesigned less expensively. John Schroeder responded that the project is already designed in a value conscious way. No part could be separated from other parts. Mr. Schroeder continued that the plans have an indefinite shelf life and can wait until funding is available. It is more of a maintenance project. Lauren stated other towns have received LOTCIP because they were shovel ready. Chester needs to be shovel ready so we are poised to get state funding when it is available. Joslow asked if there were any safety issues regarding the wood beams that hold up the sidewalk. Schroeder reiterated that the project had an ‘indefinite self life’. No safety issues were mentioned.

Jon Joslow made a motion to release \$130,000 from the Main Street Phase III Capital Improvement Account and to authorize First Selectwoman Gister to sign the Jacobson Contract for tasks 5 through 9. John O’Hare seconded the motion. The motion passed unanimously.

Greenskies Contract

Lauren reported that according to the Town Attorney the BOF does not need to take action on the Greenskies Contract. The contract calls for the Town to lease the top of the CES building in exchange for low electricity rates. The E-Team has recommended this lease option that will provide a low kilowatt

rate and will generate 42% of the school's electrical needs. The Greenskies contract also includes substantial tree work to be completed at CES. The contract has been reviewed by both the Town Attorney and insurance company.

Virginia Carmany used the PPA vs. Purchase spreadsheet provided by the E-team to evaluate a ROI over 20 and 30 years for buying solar. She determined that Chester may receive better cost savings if the solar panels were purchased as opposed to being leased as recommended by the E-Team. However, she acknowledged that there were several unknowns in her calculations, since they were not specifically noted in the spreadsheet including possible installation and wondered maintenance costs would really be added as maintenance is typically included as a 20 year guarantee. Though the ROI would be higher the Town had not put aside the cost to buy at around \$200,000. Carmany indicated she was just making sure the BoF got the opportunity to review the analysis before it moving forward as the BoF had not looked at any comparisons of cost lease vs. buy and ROI when the E-Team first brought the project to BoF.

Lauren reported that the E-Team analyzed all options prior to making their recommendation. She indicated the contract would need to be brought to a Town Meeting for approval.

Education Budget Calendars

A copy of the BOE Budget Calendar(s) was included in the BOF packet. Virginia stressed the importance of BOF participation at these meetings.

ADJOURNMENT

Jon Joslow made a motion to adjourn the meeting at 10:20 p.m. Rick Nygard seconded the motion. The motion passed unanimously.

Respectfully Submitted,

Suzanne Helchowski
Clerk