

THESE MINUTES ARE SUBJECT TO APPROVAL AT THE NEXT BOF MEETING  
CHESTER BOARD OF FINANCE  
REGULAR MEETING  
SEPTEMBER 20, 2018  
CHESTER TOWN HALL  
203 MIDDLESEX AVENUE  
CHESTER, CT

**CALL TO ORDER**

Chairman Carmany called the meeting to order at 7:30 p.m. In attendance included Virginia Carmany, Richard Nygard, Jon Joslow, Jennifer Rannestad, Mike Joplin (alt.), and Richard Strauss (alt.) were seated. Note that John O'Hare will be a non-voting member. David Cohen arrived but was not seated.

Absent: Charlie Park

Also in attendance included: Selectman Grzybowski

**APPROVAL OF MINUTES**

*Motion to approve July 26, 2018 Special Meeting Minutes made by Rick Nygard, seconded by Jennifer Rannestad approved with the date change from June 26 to July 26. The motion passed unanimously.*

*Motion to approve August 16, 2018 Special Meeting Minutes made by Rick Nygard, seconded by Jennifer Rannestad with the following change submitted by email from Peter Evankow "the Board of Selectmen approved all transfers except the Police one. That was modified and recommended by the First Selectman". The motion passed unanimously.*

*Motion to approve the September 6, 2018 Meeting Minutes made by Jennifer Rannestad, seconded by Rick Nygard with no changes or corrections. The motion passed unanimously.*

**REPORTS**

Monthly Financials

Monthly Financial reports were included in the BOF packet.

The Estimated Fund Balance sheet reflected changes since July 19, 2018. Changes were noted in General State Government and Local Licenses and Permits. Also, changes were seen in Chester Elementary School (\$24,000) resulting in a "flat" budget for the elementary school. It was originally anticipated that the elementary school would realize a surplus of \$24,000.

Jon Joslow requested that Peter Evankow provide a written analysis on the financial reports.

The Tax Collector's report indicates a 53.81% collection rate.

No further information was available regarding the tax status of Ten Directions or Chester Village West. The BOF briefly discussed the possibility of a loss in tax revenue if Chester Village West is deemed non-profit and tax-exempt. The possibility of a retro-active tax exempt status was included in the BOF discussion. First Selectwoman Gister has been meeting "informally" with Chester Village West on the matter.

David Cohen provided an article from April regarding the opening/transition to a Masonicare facility in Mystic. In that instance, the First Selectman negotiated a deal calling for the Town to waive \$136,000 in building permit fees for the project and agreed to tax incentives in which Masonicare makes a payment in lieu of taxes equal to 33% of what it would pay if it was a full profit entity. Virginia reported that we have a risk of losing 2/3 of taxes on the property.

This, in addition to potential loss in State funding, prompted the auditor to recommend an 18% general fund balance.

#### Report Region 4 Year End

A copy of the report was included in the BOF packet. Richard Strauss commented that the Personnel lines are under budget. We would expect the Health to be under budget as well yet it shows a "0". He requested that clarification on this account be provided.

Richard Strauss reported that the information provided on the elementary school budget is difficult to understand, as it is labeled "Essex". Virginia will follow-up. Kim Allen is the new Business Manager for Region 4.

#### First Selectwoman's Report

The First Selectwoman's Report was included in the BOF packet. The report reflects additional funds to Chester from LOCIP.

#### Status of POCD/Strategic Plan and Survey

The BOF discussed their frustrations and costs (\$60,000) relative to the process of the POCD and Strategic Plan. The content/format of the surveys sent out to residents was also discussed. Many individuals had difficulty in filling out the survey.

*Motion made by Jennifer Rannestad and seconded by Rick Nygard to request an accounting of Milone and MacBroom's expenditures to date and we would like to understand how Milone and MacBroom expects to meet the obligation of a Strategic Plan and what that deliverable would look like. The motion passed unanimously.*

*Motion made by David Cohen and seconded by Jennifer Rannestad to amend the previous motion for new wording. The motion passed unanimously.*

*New motion by Richard Strauss and seconded by Jennifer Rannestad with the following wording: We would like an accounting of Milone and MacBroom's expended man hours to date and a forecast for the remainder of the contractual obligation by task a) POCD and b) Strategic Plan. Regarding the Strategic Plan, we would like to understand the scope of work, process and projected deliverables. The motion passed unanimously.*

#### Main Street Project

Michael Joplin reported that LOTCIP funding has been reinstated. Chester is currently #2 on the project list. He continued that there will be difficulty in addressing the "hollow" areas under the sidewalks; specifically in front of Simon's. LOTCIP funds cannot be used on private property but there have been exceptions made in the past. Virginia reported that there are ample funds in Capital to address the area. There was some discussion about the possibly of transferring the property in question to the Town.

## **OPEN ITEMS IN OLD BUSINESS**

### Review Region 4 Concerns – Status Report

A copy of a “checklist” developed by Virginia Carmany was distributed to BOF members. The request for a Region 4 Actuals to Budget Analysis has been received for July/August.

Richard Strauss expressed concern with the continued lack of a BOE Capital plan and that \$155,000 was used to replace the road at John Winthrop without BOE authorization. The funds were used from the year end sinking fund. Richard suggested that an accounting of expenditures from the Capital reserve fund be explored with the auditors.

Virginia reported that Jennifer Clark, Region 4 Chairmen, provided a draft Capital Plan several months ago, including the year-end sinking fund balance. At that time, it was noted that these funds would be used to pave the John Winthrop driveway.

Jon Joslow requested that the BOE add an agenda item to discuss compliance with State Statute regarding use of capital funds. Virginia suggested that Region 4 BOE members be invited to the October BOF meeting.

Richard Strauss expressed concern that the school’s Capital Policy may be adopted by the BOE prior to BOF and BOS review and possible comment as previously requested. Virginia will follow-up with the Ms. Clark.

### Review of Finance and Accounting Policy and Procedures Manual

Virginia reported that the document has been forwarded to all BOF members.

Regarding the Unassigned Fund Balance, the current policy is 10% to 16.6%. Twelve percent was previously agreed to by the BOF. Currently, we are at approximately 16%. GFOA would like to see a 16.6%, two months of expenditures. The auditor had recommended 18% but the BOF decided to keep it at 16% since the State did not reduce revenue as anticipated. The BOF discussed an appropriate figure for the Unassigned Fund Balance.

Note that the Tax Collector section of the document still requires finalization and BOS review. The BOS has requested an update to the Pension section to include language regarding VSAP. The Bonding section was prepared by the Treasurer. Virginia will ask her to review same. The BOS did not approve sections 15 and 16.

Additional BOF comments/revisions regarding the Manual will be forwarded to Virginia.

## **NEW BUSINESS**

### Chester Elementary School Monthly Reporting

As reported previously, clarification is necessary on the reports received as the report is labeled “Essex”.

### Annual Report Dedication

The BOF agreed that the Annual Report should be dedicated to the Delaney Family as the founder’s of the Chester Historical Society. This information will be forwarded to the First Selectwoman’s office.

**AUDIENCE OF CITIZENS – None.**

**ADJOURNMENT**

*Jon Joslow made a motion to adjourn the meeting at 10:30 p.m. Rick Nygard seconded the motion. The motion passed unanimously.*

Respectfully Submitted,

Suzanne Helchowski  
Clerk