

THESE MINUTES ARE SUBJECT TO APPROVAL AT THE NEXT BOF MEETING

TOWN OF CHESTER, CONNECTICUT  
Special Meeting  
Board of Finance  
Thursday, December 06, 2018  
Downstairs Conference Table  
Chester Town Hall

CALL TO ORDER

Chairman Carmany called the meeting to order at 7:31 p.m. In attendance included: Jennifer Rannestad, John O'Hare, (seated for John Joslow) Dave Cohen, Charlie Park, and Rick Nygard. Mike Joplin and Richard Strauss attended but were not seated as voting members. Also in attendance Peter Evankow, Accounting Manager, James Grzybowski, Selectman, Lauren Gister, First Selectwoman, and one member of the audience.

APPROVAL OF MINUTES

*John O'Hare made a motion to approve the minutes from the 10/18/18 meeting. Charlie Park seconded the motion. The motion passed unanimously with Rick Nygard and Dave Cohen abstaining from the vote.*

NEW BUSINESS

Storm Damage

An update of storm damages was included in the BOF packet. This document was developed by Peter Evankow and Lauren Gister. Totals to date are \$268,136.00; more invoices are expected. The initial estimate was \$480,000.00.

Peter reported that per the auditor, funds cannot be moved from Capital to the General Fund. However, at the end of the year, funds may be transferred into two Emergency Storm Repair lines one for operating and another for capital. Any reimbursements would go into the General Fund Revenue and then be transferred as appropriate. This will maintain the history for unbudgeted storm damage.

2019 Board of Finance Regular Meeting Schedule

*Rick Nygard made a motion to set the 2019 Regular BOF meetings as the 3<sup>rd</sup> Thursday of each month beginning at 7:30 p.m. with the exception of the February, March and April Regular meetings which will begin at 6:30 p.m. Jennifer Rannestad seconded the motion. The motion passed unanimously.*

2019/20 Joint Budget Meeting Schedule

A draft 2019/20 Joint Budget Meeting Schedule was distributed to BOF members. The document will be updated as discussed and forwarded to BOF members.

REPORTS

Monthly Financials – October and November 2018

Monthly financial information was included in the BOF packet. Please note the following:

- Tax Collector's report reflects a 56% collection rate.

- The format of the Annual Budget Status Report, including additional information as requested by Chairman Carmany, will be clarified.
- Mike Joplin reported on additional funding (as much as a total of \$150K) that may be necessary to address tree maintenance throughout the Town. Many trees throughout Chester and the State have been affected by blight, moths and the Ash Borer Beetle.
  - Lauren reported that RiverCOG has been discussing the issue throughout the Towns and there has been some discussion regarding sharing services to address the matter. Also, Eversource and the DOT have some responsibility relative to tree maintenance/removal.

#### First Selectwoman's Report

Lauren reported that the Liberty Street Bridge repairs are nearing completion; the road has been repaired and paved, guardrails were installed and it is anticipated that the road will open the week of 12/10. Lauren has received weekly reports from the contractor. Additional road repairs were made to the area allowing the old road (now repaired) to be tied into the new section and will be billed separately from the emergency repairs.

Lauren reported that the President signed an Emergency Declaration for Middlesex County enabling the Town to apply for FEMA and the Natural Resource Conservation Agency for funding. Both agencies have visited Chester to evaluate the damages and Lauren is currently assembling the appropriate paperwork/applications for submission.

Lauren also reported on the following:

- POCD – P&Z has been meeting every 2 weeks to edit the document. Their next meeting is 12/13 and a draft document is due to be posted for public comment on 12/20. The public will have 65 days to comment. A Public Hearing on the POCD is scheduled in February.
- Lauren has been meeting with the Region 4 Buildings and Grounds Committee. The Committee is working on the Capital Plan. Said Plan will be distributed through the school budget process.

*Virginia requested a copy of the draft as soon as possible.*

#### OPEN ITEMS IN OLD BUSINESS

##### Analysis regarding Cafeteria transfer resulting in zero variance and findings of the Auditor

E-mail correspondence between Kim Allen, Region 4 Business Manager, Dr. Levy, Superintendent and First Selectwoman Gister clarifying the reported discrepancies in the CES Cafeteria Report was distributed to BOF members. After further review by the Town's Auditor, Peter, Virginia and Lauren, additional questions became apparent. The auditor expressed concern that the cafeteria is not self sufficient as required per Federal law. In fact, the cafeteria payroll is funded inappropriately through the school's budget, not the cafeteria budget. There is the possibility of significant risk, \$68K that had not been apparent in previous years.

The BOF discussed the status of the CES Cafeteria and expressed concern about the record keeping protocols in the cafeteria account.

Peter reported that he has requested that the School Business Manager provide an analysis of the cafeteria from July moving forward. Lauren will schedule a meeting with First Selectman Needleman (Essex) and First Selectman MacDonald (Deep River) to discuss further. Lauren also recommended that the Chairman of the CES BOE be updated on the matter.

### Status of POCD/Strategic Plan

A copy of the Goals, Objectives and Strategies relative to the POCD was distributed. Please note that this handout is approximately one month old and has been updated and changed substantially. Lauren will provide a new report as soon as possible.

BOF members were encouraged to review the document and attend the remaining P&Z meetings or provide comment in the comment period as the POCD may have a financial impact on the Town's finances.

### Review Finance and Accounting Policy and Procedures Manual

A joint meeting of the BOS and BOF to discuss the Finance and Accounting Policy and Procedures Manual was scheduled for January 3, 2019 from 4 to 6 p.m. A tentative meeting was scheduled January 17, 2019 at 6:00 p.m. before the regularly scheduled meeting.

### Education Bi-monthly Financials/ Region 4 letter and reporting

Education Bi-monthly Financial Reports for both Region 4 and the CES were distributed to BOF members and discussed. Virginia encouraged BOF members to forward any questions on the document(s) to her and she will forward same to the School Business Manager.

The documentation included information on the school's recent purchase of land. Lauren reported that the property was purchased for future use; possibly fields. Regarding the sub-dividable piece of property, the BOE plans to hold off on selling that portion of the property until the market is better. Funds for the purchase of the property were taken from the school's sinking fund.

Richard Strauss expressed concern about the overall financial accountability at the schools (cafeterias, land purchases, paving work, oil tank replacement) and further stated that the purchase of the property and other capital improvements just mentioned, should have been budgeted through the School's Capital Plan (note that the school does not currently have a Capital Plan as required by law).

Richard Strauss reported that the Joint Finance Committee has requested that Ms. Allen, School Business Manager provide information regarding a consortium for health insurance expenses. The District is currently going out to bid for medical insurance.

Virginia Carmany reported that there may be a significant increase in the budget for deferred capital improvements at the school facilities as reported by the Region 4 BofEd Chair. The Buildings and Grounds Committee is currently prioritizing projects.

Virginia recommended that a Finance Sub Committee be formed to address the significant issues that have been uncovered at the schools and a letter to the Administration be drafted. Virginia requested that BOF members interested in serving on such a sub-committee contact her as soon as possible. The importance of communication and collaboration with our neighboring towns regarding the school(s) budgets was discussed by the BOF. Virginia will contact appropriate representatives from Deep River and Essex regarding same.

The protocol used for school union negotiations was briefly discussed.

The BOF had continued discussion regarding the perceived "non compliance"; not necessarily intentional, vis a vis the Board of Education. It was suggested that perhaps the BOF, BOS and the

school's auditor could meet. Lauren suggested BOF attendance at the BOE meeting when the audit is being developed.

Oct. 1 Education Actual Headcounts for past 14 years

A copy of actual Education Headcount enrollment figures was distributed to the BOF. Virginia reported that the report does not reflect the "peak" of Chester's headcount (1996-2000 range). It does reveal the drop in headcount from peaks within these 14 years in the Elementary Schools to a current low. It appears there will be a shift in ADM as Elementary School headcount moves into Region 4 over the next few years which might create higher Region 4 Education costs to the Town of Chester. Virginia stressed the importance of receiving the head count request that the BOF asked for regarding the October numbers as well as the figures from the new analysis being developed by the consultant. There have been several requests for this information.

AUDIENCE OF CITIZENS

The audience member commented that she followed the issue regarding the school's purchase of property. As a taxpayer, she expressed concern over the lack of "push back" to the schools/BOE regarding their practices and lack of cooperation regarding providing requested information in a timely manner. She encouraged the BOF to pursue the current issues.

EXECUTIVE SESSION

*Charlie Park made a motion to go into Executive Session at 9:30 p.m. for the purpose of real estate negotiations. Dave Cohen seconded the motion. The motion passed unanimously.*

Regular Session Resumed at 10:42p.m

ADJOURNMENT

*Charlie Park made a motion to adjourn the meeting at 10:43 p.m. John O'Hare seconded the motion. The motion passed unanimously.*

Respectfully Submitted,

Suzanne Helchowski

Clerk

Reviewed by Virginia Carmany