

THESE MINUTES ARE SUBJECT TO APPROVAL AT THE NEXT BOF MEETING

TOWN OF CHESTER, CONNECTICUT  
BOARD OF FINANCE  
REGULAR MEETING  
Thursday, May 16, 2019  
Community Meeting Room  
Chester Town Hall

CALL TO ORDER

Vice Chairman Nygard called the meeting to order at 7:32 p.m. In attendance included: Vice Chairman Nygard, Richard Strauss (seated for Dave Cohen), John O'Hare (seated for Jon Joslow), Michael Joplin (seated for Jennifer Rannestad), First Selectwoman Gister, Selectman Grzybowski, and Susan Wright.

APPROVAL OF MINUTES

*Michael Joplin made a motion to approve the minutes from the April 18, 2019 BOF meeting. Richard Strauss seconded the motion. The motion passed unanimously.*

NEW BUSINESS

Consideration to engage PFK O'Connor Davies for 2018/19 Audit

Rick Nygard reported that the State requires that towns identify the firm that performs the Town's audit. Notification to the State on same is due 6/1/19. The BOF has been satisfied with the services of PFK O'Connor Davies. PFK O'Connor has been the Town's auditor for several years (at least 7) and rotates the staff member performing the audit.

It was suggested that the BOF develop a policy to go out to bid for auditing services every five years. Parameters of the RFP may include rotation of the auditor within the firm chosen to perform the audit.

*John O'Hare made a motion to accept PFK O'Connor Davies for the 2018/19 Audit at \$32,400.00 (2.92% increase). Richard Strauss seconded the motion. The motion passed unanimously.*

Lauren Gister reported Attorney Bennett reviewed the PFK O'Connor Davies contract regarding the cafeteria audit. Attorney Bennett reported that, per State Statute, the appropriate party to sign the contract is the First Selectwoman. After discussion with Virginia Carmany regarding Attorney Bennett's recommendation, Virginia signed the contract as BOF Chairman.

BOF members agreed that contracts should be signed by the First Selectwoman and suggested that the Policy Manual include the protocol relative to contracts.

Review 2019/20 Budget - in consideration of potential budget failing

After discussion by the BOF at the 5/8 BOF meeting (after the Public Hearing on the budget), the BOF determined that it was not appropriate, at that time, to make any cuts to the proposed budget. Chester's share of the R4 budget represents the largest increase and because the R4 budget has passed, no changes may be made to it. Lauren reported that she has discussed with Peter Evankow, Finance Manager, possible cuts to the budget in the event of its failure at Town Meeting.

A spreadsheet developed by Peter outlining various levels of budget cuts and the budget increase as a result of same was distributed to BOF members; for example, a \$200,000 cut to the budget would result in a 4.46% increase.

Lauren reported on several options on the Revenue side of the budget as follows:

1. The current budget presumes we will lose income from Masonicare. The final determination of the tax status for Masonicare is unknown and will be determined by the courts. The current budget reflects a loss of 2/3 of the tax revenue. Savings may be realized if we assumed a 1/3 "hit" instead of 2/3. Also, if the Town is unsuccessful in court, the court usually orders a gradual step down; however, the court could also decide to grant Masonicare a retro-active tax-exempt status.
2. The use of the Unassigned Fund Balance to "buy down" the budget. Peter and Lauren both agreed that this is the last option that should be considered.
3. Savings could be realized if the tax collection rate is adjusted to 99%.

Options on the Expenditure side of the budget included:

1. BOF Contingency – the Contingency is currently at \$80,000. To date, approximately \$2,500 has been expended. The account is usually used at the end of the fiscal year for items like snow removal, etc. Lauren reported that there may expenses not budgeted including a trailer located at the Liberty Street property and the Skyview property (possible environmental needs). At this time, these costs are unknown.
2. Remaining funds from the P&Z legal budget.
3. Possible savings realized in the Medical Insurance line
4. Adjusting the State Trooper costs to 90% - what the State will charge is currently unknown but budgeted at 95%.
5. If cuts are needed, it was agreed that CES should be asked to at least match the Town's cuts (\$70,000 to \$75,000).

Lauren distributed documentation developed by Attorney Bennett outlining the municipal budget process including the re-starting the BOF hearings and Town Meetings in the event that the budget fails.

## REPORTS

### Monthly Financials

Monthly financials were included in the BOF packet.

The timing of the receipt of FEMA funds relative to the September floods was discussed. FEMA funds will probably not be received in this fiscal year and may be delayed for several years. A portion (\$200,000) of the FEMA funds will also need to be used to reimburse the Capital Roads line.

### First Selectwoman's Report

As requested at the Public Hearing, Region 4 provided clarification on the total additional from Supervision District in the amount of \$244,000.00. An "interpretation" of same developed by Lauren was distributed to the BOF and discussed at length.

The importance of BOF participation in the Supervision District Budget early in the process (August) was discussed. The BOF discussed their on-going concerns regarding transparency in the school's budget and the difficulty in reading and understanding reports provided by the Administration.

Lauren reported that some of the information, particularly regarding school enrollment, in an e-mail developed by Virginia Carmany was incorrect and will be discussed at a future meeting. The protocol used by the Administration to determine enrollment was discussed. The BOF requested that they be copied on the enrollment figures as soon as the figures are reported to the State (in October).

Lauren distributed copies of the Call to the May 29, 2019 Town Meeting. The timing of publication of the notice necessitated it being sent to the paper before the document could be reviewed by the BOF.

Main Street Project – The BOF discussed the possibility of losses to the Main Street Merchants during construction project and resulting from the issues relative to the sills. However, major benefits will be realized as a result of the project. Lauren continues to work with Jeff Pfaffinger, State DOT, regarding the Main Street Project.

#### OPEN ITEMS IN OLD BUSINESS

Strategic Plan – Lauren is working on the project with h Malone and McBroom.

Policy and Procedures Manual – currently being reviewed by the BOS.

Main Street Project – The Committee meets on Tuesday, May 21, 2019. The goal is to get the 100% construction documents to the State by September/October.

#### AUDIENCE OF CITIZENS

Ms. Wright suggested that BOE meetings be video-taped/recorded to assure transparency. She reported that to initiate change, she hoped that the budget fails. After her review of the CES budget, she reported that she was able to find \$100,000 in cuts to the CES budget. Ms. Wright also requested that her name be placed in meeting minutes.

#### ADJOURNMENT

*John O’Hare made a motion to adjourn the meeting at 9:17 p.m. Mike Joplin seconded the motion. The motion passed unanimously.*

Respectfully Submitted,

Suzanne Helchowski  
Clerk