

THESE MINUTES ARE SUBJECT TO APPROVAL AT THE NEXT BOF MEETING

TOWN OF CHESTER, CONNECTICUT
BOARD OF FINANCE
REGULAR MEETING
Thursday, June 20, 2019
Community Meeting Room
Chester Town Hall

CALL TO ORDER

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

Protocol for BOF members non-attendance at meetings was discussed. Lauren reported that one BOF member is not interested in running in the Fall.

APPROVAL OF MINUTES

Charlie Park made a motion to approve the minutes from the May 8, 2019 BOF meeting. Mike Joplin seconded the motion. The motion passed unanimously.

Richard Strauss made a motion to approve the minutes from the May 16, 2019 BOF meeting as amended. Charlie Park seconded the motion. The motion passed unanimously.

Note: Spelling: Attorney Bennet (one "t").

Clarification: Page 2 (top)– add "rather than a 6.2% increase" after"in a 4.46% increase."

Clarification: Page 2 (top) – first #3 – add the word "utilized" after "rate".

Clarification: Page 2 (top) – second #1 – add the word "be" after "may".

On a motion made and duly seconded, it was unanimously voted to approve the minutes from the May 29, 2019 BOF meeting.

Charlie Park made a motion to approve the minutes from the June 4, 2019 BOF meeting as amended. Rick Nygard seconded the motion. The motion passed unanimously.

Correction: Replace first paragraph with: "The Board discussed a draft letter prepared by Carmany which dealt with several financial and reporting issues related to Region 4. The consensus of the Board was to revise the letter to address only the immediate concern of a possible agenda item to be taken up at the June 6, 2019 Region 4 meeting. The other specific issues identified in the draft letter would be considered for sending at a later date."

Second paragraph: note that the motion was seconded by Nygard.

NEW BUSINESS

Review of 2019/20 Budget

A budget comparison sheet, developed by Virginia, was distributed and discussed. Items of interest included:

- Fluctuations in General Fund and Capital from year to year.

Capital

Virginia distributed a portion of the “Capital Plan – Town Owned Buildings Property Report” and expressed concern regarding the funds for the floor in Meeting House (front hallway vs. entire floor). Virginia reported that the entire floor was to be replaced as discussed at the Town Meeting that “released” the funds. Lauren reported that the entire floor was not replaced because it was determined that the project would be more complex than anticipated and \$67,000 would not be sufficient to complete the project. Also, finding an appropriate timeline to complete such a project is difficult as the Meeting House is scheduled for much of the year. The determination of the exact parameters/costs of the project to replace the entire floor are on-going. Lauren continued that a portion of the funds was for the furnace and insulation project that was completed for approx. \$5,000 leaving a balance of \$62,000 to be used toward the full floor replacement.

Lauren reported that the “scheduling” of the replacement of the Town’s computer operating system was updated because the system will not be supported after January 2020.

Virginia reported that the BOF is the appropriate “body” to determine the order of Capital projects. She reported that the BOF did not spend adequate time reviewing the Capital.

Lauren explained that the “Capital Plan – Town Owned Buildings Property Report” outlines the changes to the Capital, specifically at the Meeting House, in detail.

Virginia expressed concern that the Meeting House floor project will not be done until 2021. Lauren responded that is due to the Fire House floor project being moved up for safety purposes. Lauren continued that changes to Capital were made so that the Capital Budget would not be increased to \$750,000.00.

Funding for work at the War Memorial was discussed. Lauren reported that there are funds, \$7,500, for the War Memorial. The status of the War Memorial project was discussed (the project is not yet completed).

Virginia expressed disappointment in the Capital budget process and the timing of projects.

Carmany suggested that some of the \$447k surplus realized this year could be used to move forward without impacting other projects. Additionally, this year’s Capital included additional funds for the project. Lauren indicated that the Fire House Floor had been moved forward due to needed repair, which had bumped the Meeting House Floor project.

Lauren will look into getting the meeting house floor replacement into the 2019/20 year as there will be enough funds to cover it.

REPORTS

Monthly Financials

Monthly financials were included in the BOF packet and includes:

- Tax Collection rate of 101.22%. We budget at 98%.
- Surplus – indicates \$447,000 as opposed to the anticipated \$241,000.
 - Virginia suggested using funds to “move up” the Meeting House floor project. The BOF will consider, at a future meeting, utilizing \$20,000 to \$30,000 for the Meeting House floor. An RFP will be needed to determine the costs of the project.
 - Lauren suggested additional projects be considered as well (environmental investigation on the Skyview property). The Town will have access to the property in the next 2 weeks as the eviction process has been completed.
- The anticipated surplus and Cafeteria fund at CES were discussed. Continuing concerns with the school’s reporting was discussed. Virginia reported that their deficit for 17/18 should not impact our 18/19. She anticipates the school addressing it in 19/20.
- The “Risks and Opportunities” report indicates a potential \$428,765 FEMA reimbursement for 19/20. The timing of the reimbursement is unknown. Lauren reported on the protocols, timelines and process for reimbursements.
- ECS 19/20 possibly “at risk” if a mid-year cut is done at the State.
- Masonicare – status remains pending.
- 19/20 Hose Co. Grant application has been submitted. Word on any award is expected in August/September.
- Brownfield Grant Application – Skyview and Open Space Grant – application not yet submitted. Research on projects is on-going.
- \$101,000 taken from Roads Capital – Liberty Street Bridge reimbursement, when received, will go back into the Roads Capital.
 - An inventory of Town trees is currently being completed.
- Lauren reported on the Natural Resources Conservation Services projects in the streams relative to the storm damage. The amount indicated is the Town’s portion. These are all soft numbers as the full extent of the damage and needed remediation is researched.

Lauren reported that the DUI Grant is on the Revenue and Expenditure side of the report; the grant is 100% reimbursable but we did not use the entire amount.

First Selectwoman’s Report

Lauren reported:

- As of June 3rd, the Town owns the Skyview property. Some of the prior owner’s property remains on site. Lawyers executed the judgment and the owner was given until the end of June to remove his property. If the property is not removed, the Town owns it and will have to dispose of same. As previously reported, environmental studies will be necessary on the property to determine if any interested party would purchase the property. The possibility of a Brownfield Grant for the property was discussed.

OPEN ITEMS IN OLD BUSINESS

Status of POCD/Strategic Plan – Lauren reported that Milone and McBroom forwarded documents relative to the project. The contract called for their assistance in developing criteria for evaluating projects for the Strategic Plan. To date, they have not been paid for that work. Virginia suggested eliminating that portion of the project from the contract. Lauren commented that by agreement this can be done; however, they could hold us to the contract. Lauren will follow-up with Milone and McBroom next week.

Policy and Procedures Manual – On June 12, the BOS approved the Manual. BOS “wordsmithing” changes will be forwarded to Virginia for inclusion. The BOF discussed the distribution of the document (Tax Collector, First Selectman’s Office, BOF website). As a public document, it will be available as requested.

Virginia reported that the BOS approved the Policy Manual with the provision that it would apply only to future projects and not be retroactive to projects already approved or in design. The “phases” of the Main Street Project were discussed. Virginia reported that the majority of funding for the project will come from the State. It is not anticipated that bonding and/or tax increases will be necessary for the project. If either is needed however, BOS, BOF and Town Meeting approval would be necessary.

Main Street Project – Lauren reported that members of the BOS and Main Street Committee have talked individually to Merchants regarding their concerns/questions. They will continue to do so. The “voids” will be inspected by engineers and other appropriate individuals next week. The Town’s potential “liability” for the voids will be determined after additional inspection by engineers. The Water Main replacement is anticipated in mid-Fall.

Lauren is working with RiverCOG relative to the Bond Commission meeting and LOTCIP funding for the Main Street project.

At the June 12 BOS meeting, the BOS voted to approve Plan B (no granite strips) and move forward with the final design. The Main Street Committee continues to work with Jacobson to complete the design ASAP to facilitate the project in a timely manner.

Region 4 and CES Reporting Improvements: Analysis

A report developed by Jon Joslow was distributed and discussed; including comments/draft letter provided by Richard Strauss. It was agreed the letter will be rearranged and sent and will include as agreed from BoF and BoS in the body of the letter.

Virginia reported that the Chester BOF requested that the Region 4 BOE not approve the transfer of \$200,000 from this year to cover the \$199,000 deficit in Capital from prior year. The BOE honored this request and voted to return the 2018 surplus to the Towns in lieu of offsetting the Cafeteria deficit or the Revenue Account deficit.

V. Carmany, R. Strauss, R. Nygard, M. Joplin, J. Rannestad, L. Gister and S. Wright attended the meeting. The deficits from the 17/18 year at Region 4 as well as the on-going issues with general fiscal oversight of the Region 4 budget (including Supervision District) and responses from the Administration/BOE on same were discussed.

Virginia reported that part of the discussions included the process needed to implement protocols the BOF would like to see changed; however, the BOF has little “leverage” to facilitate said changes. Virginia suggested that the Chester BOS and BOF should work together on these issues.

Jamie reported that when the letter was being developed, it was agreed that Chester should reach out to the Deep River and Essex Boards of Finance to speak to Region 4 with “one voice”. Virginia will follow-up on same with the Essex and Deep River Boards of Finance in the next month.

Virginia reported that the “disconnects” at the BOE/Administration level need to be identified and addressed. Virginia updated the Board on the past bonding projects done at the schools, audit reports and State reimbursements of same. The school Construction Account may not have been audited. The BOF speculated on the process regarding the genesis of the Capital Account, Sinking Fund, etc. Details of the process and audit of same remain unknown/unclear. Virginia reported that the “Construction Bank Account” needs to be examined as funds were moved in this account to purchase the Mislick property. The BOF expressed concern that the school’s methodology to allocate and account for deficits seems to have changed from year to year. Additional clarification on deficits is needed; especially since the BOE has reported surpluses while at the same time realizing deficits.

Virginia reported that the BOE did not distribute their audit report until late April/early May. OPM requires that the municipal audit be completed and recorded within six months. Virginia will follow-up with OPM regarding the school’s requirements.

Virginia expressed concern that Kim Allen would be selecting the individual that will oversee and check the work. Lauren will follow-up as it appeared to her that Kim would be making a recommendation only.

Virginia reported on her concerns regarding the Region 4 BOE Chairman’s lack of control at the recent BOE meeting and her lack of understanding of finances. Virginia provided a copy of Robert’s Rules to the Region 4 BOE. It was suggested that the new Superintendent of Schools meet with the Boards of Finance and Boards of Selectmen from Essex, Deep River and Chester to discuss their concerns.

Lauren reported that she discussed the deficit issues with Lon Seidman. He opined that the issue may be related to a previous issue with school construction reimbursements and that it clearly went back to years previous to Kim’s employment with Regions 4. Richard Strauss reported that Garth Sawyer attempted to organize the Munis system to facilitate accurate reporting.

Virginia reported that Region 4 never implemented the 2006 State Statute regarding Capital accounts. In addition, deficits were never addressed properly and their policy regarding returning entire surpluses to the Towns was not followed.

Virginia reported that she will attend a BOF meeting in Essex and Deep River prior to any special Chester BOF meeting to determine their position on Region 4.

It was reported that the Auditor has not been able to get a response from Kim Allen. Lauren indicated she would follow-up on this issue.

Chester’s representation on the Region 4 BOE and individual’s attendance record on same was discussed.

Virginia reported her research indicated that 5-year enrollment projections developed by “Prada” were somewhat accurate, however; John Stack reported that “Prada” had “done a horrible job”. Mr. Stack did not provide evidence to support this comment. Mr. Stack suggested that school Principals do the enrollment projects rather than an outside consultant. Virginia suggested that perhaps a hybrid scenario to develop enrollment projections may be appropriate.

The need of BOE members with finance backgrounds was discussed.

Lauren commented on the possibility of developing a Regional Education Board of Finance. Several towns in Connecticut have Regional Education Boards of Finance consisting of members of the BOE and members of the Boards of Finance from the towns. This separate Board has oversight of the finances of the Regional Board. Lauren has information, including by-laws, on these Regional Educational Boards of Finance. All Towns in the Region would need to “buy in” to the process. Lauren will forward information to Virginia.

Virginia requested BOF support in attending BOE meetings (the next BOE meeting is in August). She suggested a letter to the new Superintendent outlining the concerns of the Chester BOF.

It was reported that regular reports, including enrollment, should be forwarded to the BOF when they are distributed to the BOE.

The status of taxes vs. PILOT relative to the Mislick property was briefly discussed. Lauren reported that the matter is between Deep River and the BOE. There are differing legal opinions regarding when taxes are no longer due on school owned property; when it is being used for educational purposes or when it is purchased by the school? Region 4 (including Chester) is currently paying taxes to Deep River for the property.

The Falls River property owned by the school was, at one time, contiguous property, owned by the school. The school gave permission for the road to be installed. The schools are currently considering selling this property. The 3 towns do not have “a say”, apart from the BOE, on the sale of the property. Virginia suggested that the potential selling of the property should be part of a Capital Plan and approved by all the towns. She continued that openness and transparency is necessary.

Lauren commented that it is a developable piece of property that has never been and, most likely, never will be used by the schools.

It was reported that it would not be unreasonable to expect that any funds realized from the sale of the Falls River property would be returned to the account that provided the money for the purchase of the Mislick property. Richard Strauss reported that the money was in that fund without being designated, as required by State Statute, for projects.

The next steps on addressing the concerns with the BOE were discussed and included:

- Attending BOF meetings in Deep River and Essex.
- Scheduling a Special BOF meeting for the 3 Towns.
- Follow-up with Martin Heft, OPM
- Forwarding to the BOE the letter that has already been developed. The BOF discussed the draft and suggested changes to same. The consensus of the Board was to send the letter. The letter will be from Virginia, on behalf of the BOF and BOS.
- Developing letter to the new Superintendent outlining concerns and inviting him to a BOF meeting.

AUDIENCE OF CITIZENS

Susan Wright commented that as a resident of Chester, she applauded the BOF for “stepping up to the plate” relative to the recent BOE meeting. She expressed concern that the First Selectwoman changed seats, away from the BOF, at the meeting. Giving the appearance of not supporting the BoF at the meeting. Lauren responded that due to her recent surgery, she was unable to sit for an extended period of time.

Ms. Wright continued that the First Selectwoman, as a paid representative of the Town, should have provided more support to the BOF at the meeting. She commented that perhaps the First Selectwoman is “too close” because her sister is a teacher. She continued that the BOS should be outraged about what is happening (Mislick property). BOF members are volunteers and the BOS are paid to do a job.

Ms. Wright has attended meetings for the past six months and has watched the BOE totally “diss” the BOF by not providing reports and information as requested. She has not seen any huge outrage from the BOS. Moving forward, we need individuals to speak up and have an opinion about what is happening in Town regardless if it is popular with people at the highest level (Superintendent). It is our money that is being wasted and our taxes are going up.

Ms. Wright reported that at the Town Meeting on the budget, individuals were not permitted to speak. People tried to go to the meeting but there was a lack of parking and it was raining; however, accommodations were made for kids. She hoped that the young people that attended that meeting would also attend other meetings. Ms. Wright commented that individuals have to decide to pay their taxes or buy necessary medications. She felt that these comments were not able to be relayed at the Town Meeting on the Budget. Sixty five percent of residents are older and the majority cannot afford the increase. Also, if the Board is going to engage the public (postcard), the dates for BOE meetings should be sent to the public with an explanation of the process. She requested an explanation of the status of the Mislick property via a sale of property and legal fees associated with the property.

Ms. Wright attended the meeting regarding the presentation of the Math Coach. As a result of discussions at that meeting, she has a distrust of the BOE.

Virginia reported that Lon Seidman, Essex BOE Chairman and Supervision District BOE Chairman, is interested in attending a BOF meeting (August or September) to discuss his efforts in lobbying at the State level and to discuss a committee on school cooperative agreements/regionalization.

ADJOURNMENT

Rick Nygard made a motion to adjourn the meeting. Richard Strauss seconded the motion. The motion passed unanimously.

Respectfully Submitted,

Suzanne Helchowski
Clerk