

THESE MINUTES ARE SUBJECT TO APPROVAL AT THE NEXT BOF MEETING

TOWN OF CHESTER, CONNECTICUT
BOARD OF FINANCE
REGULAR MEETING
Thursday, April 16, 2020
Via ZOOM

CALL TO ORDER

Chairman Carmany called the meeting to order at 7:34 a.m. In attendance included Chairman Carmany, Rick Nygard, Jennifer Rannestad, John Joslow, Greg Merola, Richard Strauss, BOF members in attendance but not seated: John O’Hare, Andrew Gardner, Michael Joplin. Also in attendance: First Selectwoman Gister, Selectwoman Janecek, Peter Evankow, Finance Manager, Chief Grzybowski and several audience members.

APPROVAL OF MINUTES

Jennifer Rannestad made a motion to approve the minutes from the 1/16/20 BOF meeting as amended. Rick Nygard seconded the motion. The motion passed unanimously (with Jennifer Rannestad abstaining from the vote).

Amendment - Page 4 – Discussion regarding the Guest House – should read: Jon Joslow requested additional information on the tax status for the Guest House and Masonicare. Lauren responded and Mr. Joslow expressed concern regarding the taxation of the for-profit component of the business of the Guest House.

Also, note that John O’Hare was present at the 1/16/20 meeting.

Jennifer Rannestad made a motion to approve the minutes from the 2/13/20 BOF meeting as amended. Greg Merola seconded the motion. The motion passed unanimously.

Amendment – Page 3 – “Discussion regarding communications of the Chester BOF members on positions relating to public issues”

Should read: The Board had a discussion of a recent article in the CT Examiner regarding Regional District 4 in which included information provided to the reporter by Virginia Carmany. The article implied that Virginia had a negative view of the recent work done by Superintendent of Schools and the R4 BOE. It resulted in a letter from Superintendent White to Virginia reflecting his concern that the article did not accurately reflect progress that has been made and could have a negative effect on the work that he and the R4 BOE are doing. Virginia responded in writing, indicating that the quotes in the article were (1) taken out of context from an interview that was informal and lasted more than 30 minutes and (2) did not include positive statements she had made about Superintendent White and the R4 BOE.

Members of the BOF expressed their support for the work that the R4 Superintendent and BOE over the past year. The First Selectwoman and the Fire Chief both cited examples of where they had been quoted out of context and had “learned their lessons the hard way”. BOF members agreed that public officials are often quoted out of context and need to be aware of this risk.

REPORTS

Monthly Financial Review

Monthly Financial reports were included in the BOF packet.

Virginia reported that the tax collection rate is currently at 101.03% and includes approximately \$170,000 from Masioncare.

In response to John Joslow's concerns regarding revenue from the State, Lauren reported that she anticipates TAR and Grants for Municipal Aid funds within the next 7 days (for the current year).

Forecast

A copy of the Forecast/Risk and Opportunity Document, developed by Peter Evankow was included in the Board packet and discussed. The report indicates that approximately \$81,000 more than anticipated will be collected in Revenue and Expenses will total approximately \$217,000 less than anticipated. Increases in the General Fund – Approved Expenses portion of the report were discussed extensively. Lauren clarified several items. No items in the report are Covid-19 related, with the exception of the Chester Hose Company figures.

Lauren confirmed that the State Legislature voted to approve state bonding for the next fiscal year's TAR and Municipal Grants.

Lauren reported that all Covid-19 costs are being tracked for potential reimbursement. At this time, Covid-19 costs will not cause the budget to go over on a particular line item and are not reflected on the report being discussed.

The report reflects that approximately \$300,000 is surplus will be realized.

First Selectwoman's Report

Lauren reported the following:

- Covid-19 – to date, we have 5 deaths in Chester, and approximately 25 to 30 individuals tested positive for the virus. Several of the "positives" are employees at Aaron Manor and their "count" was moved to the town in which they reside. The Health District reports 88 individuals positive for the virus however, social distancing is working.
- Work on the Main Street Project will begin on 4/20/20 with contractors preparing (survey work and "call before you dig") to begin the drainage by the flagpole and filling in of the voids. The plan calls for work to begin at 7:30 a.m. and go until 5:00 p.m., Monday through Friday. Lauren will ask contractors to work on Saturdays since many businesses are now closed.
 - Jacobson will provide Construction Administration and Inspections for the project (they were the only firm to respond to the RFP).
 - Ed Meehan will be Municipal Administrator for the project.
- The Town, facilitated by Rosie Binninger, has been reaching out to residents in need; the Chester Food Pantry has been putting grab and go bags together for resident pick-up, gift cards have also been available, etc. Donations can be dropped off at Town Hall. The Rotary Club has donated Adam's gift cards.

NEW BUSINESS

Review of Revenue to determine Financial Events and Response

A copy of the Revenue Analysis/Significant Risk reported, developed by Chairman Carmany was included in the BOF packet and discussed.

The report lays out several scenarios, i.e. potential 2%, 4%, 7% and 10% reductions and the Town's ability to respond to same; understanding that there are many "unknown" factors i.e. unemployment rate. It was suggested that the BOF monitor the budget, in quarters, as the year unfolds, and adjust accordingly if/when certain benchmarks are not met in a timely manner. Options may include use of the Town's fund balance and/or Capital. The tax collection rate will be a determining factor in any response/action that is necessary. Approximately ½ of tax revenue is from bank escrow payments. Note that tax revenue is not necessarily lost if not paid on time, it will eventually be paid and the revenue would be restored.

The Board agreed that a contingency plan, in the event that revenue is not realized, is necessary.

OPEN ITEMS IN OLD BUSINESS

Tasks from January

Energy Efficient initiatives from E-Team – no additional information.

How are grant receipts reported – Grants received are "logged" by Liz and Peter makes the entries in the financial reports under State Revenue/General Government

How often is the Capital Non-recurring Expenditure Report updated – Peter responded that the Capital Non-recurring Expenditure Report is updated monthly and the 5 and 10-year CIP report is updated quarterly.

What is the status of the P&Z permits? What has been booked this year vs. budget – these figures are reflected in Revenue.

Status of Building Inspector – Two resumes were received for the position but due to the Covid-19 crisis, the BOS re-appointed Dick Leighton until 6/30/20 and anticipate hiring a part-time (12 hours per week) Building Official in the next month or so. RiverCOG is exploring the possibility of a shared Building Department/Land Use Department.

Roads Committee and priorities for budget – large projects postponed due to flood. Federal Highway reimbursement funds are expected. A copy of the report on upcoming road projects is available in the Selectwoman's office. A list of road projects will be developed for BOF review.

Deep River – taxes – Mislick property – it is not anticipated, at this time, that Deep River will ask the school for taxes relative to the Mislick property.

Richard Strauss reported that he drafted a proposal and process for the selection of individuals to be honored on the Town's Annual Report. This item will be reviewed by the BOS and BOF at future meeting(s).

R4/Supervision/CES– Items discussed included:

- The 18% increase in insurance in the school system was discussed. Lauren reported that this type of increase also occurs on the "town's side". Increases are related to claims and the size of the group (how much can the risk be spread out). Essex and Deep River are moving to the State's plan.
 - It was suggested that next year, the R4 District should pursue other options, including the State's plan, if possible, during the negotiation process. Also, it may be beneficial to perhaps get opinions from another broker.
 - The Superintendent has indicated an interest in "shopping" around for insurance.

- Note that it is the responsibility of the BOE, not the BOF to pursue insurance options for the school system. The BOF encouraged the BOE to pursue insurance options, brokers, etc.
- Virginia encouraged BOF members to submit concerns relative to the CES budget. The oil tank project was discussed.
 - The year end estimates for the school are not yet available. Unknowns relative to Covid-19 may have an affect on same.

AUDIENCE

Susan Wright commended the BOF on their work. She suggested, relative to the CES budget, that perhaps painting the floor and the purchase of teachers' desks may not be necessary at this time.

Mike Joplin explained the process for appropriate upkeep of the CES gym floor.

A gentleman thanked the BOF for the opportunity to participate in this evening's meeting.

Madelyn Meyer, Tax Collector, updated the BOF on the escrow accounts throughout the town. She expressed concern about the January 2021 tax collection rate.

ADJOURNMENT

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

Respectfully Submitted,

Suzanne Helchowski
Recording Clerk