

THESE MINUTES ARE SUBJECT TO APPROVAL AT THE NEXT BOF MEETING

TOWN OF CHESTER, CONNECTICUT
BOARD OF FINANCE
REGULAR MEETING
Thursday, June 18, 2020
Via ZOOM

CALL TO ORDER

Chairman Carmany called the meeting to order at 7:30 p.m. In attendance included: Chairman Carmany, Rick Nygard, Jon Joslow, Richard Strauss, Greg Merola and Jennifer Rannestad. John O'Hare, Mike Joplin, and Andrew Gardner were present but not seated. Also, in attendance were Selectwoman Janecek and Peter Evankow, Business Manager.

APPROVAL OF MINUTES

5/21/20 – Rick Nygard made a motion to approve the minutes from the 5/21/20 BOF meeting. Richard Strauss seconded the motion. The motion passed unanimously.

Note: Page 3 – 2nd to last paragraph – change “ben” to “been”

5/27/20 – Jennifer Rannestad made a motion to approve the minutes from the 5/27/20 BOF meeting. Rick Nygard seconded the motion. The motion passed unanimously.

NEW BUSINESS

Year End and Budget Process Review

Richard Strauss suggested that a mutual understanding of the budget data, goals, and processes, budget requests to be re-visited, etc. prior to the start of the budget discussions will allow the BOF to more effectively and efficiently develop a town budget.

Policy Manual – Scrivener's Edits – Any Updates

Virginia reported that the edits to the Policy Manual have been incorporated into the document. BOF members had no further comments on same.

Update R4 Meeting

Virginia provided an update from the 6/17/20 BOE meeting as follows:

- Region 4 Surplus – currently estimated at \$575,000. The BOE intends to use \$106,000 to address the Capital Reserve Deficit leaving a \$132,700 balance to the deficit. They funded a \$27,000 Athletic Field Study and will use \$62,000 for Middle School Security Capital. The remaining approximate \$200,000 to \$350,000 will be returned to the towns.
- Due to the Covid crisis and the cancellation of many elective procedures, the Self-Funded Health Reserve claims have decreased. It is anticipated that these costs will increase as the State “re-opens” and elective procedures resume.
- Surplus funds are returned to the General Fund and can be used for the Fuel Tank Replacement project at CES.
- The BOE has scheduled additional meetings the week of 6/22/20.

- Because the Deep River BOF chose to not “give back” their portion of the surplus, funds will be returned to all of the towns (unless there is a unanimous agreement between the towns, the funds must be returned).
- The Region 4 attorneys are currently determining how the withdrawal of Deep River and Essex from the Health Insurance Program will be handled. When the original documents were developed, they did not include language on how to disengage from the program.
- The Athletic Field Study will include the Mislick Property and will be facilitated by the Building and Grounds Committee, including Lee Rankin. A comprehensive review of all aspects of the Athletics Department will be conducted by Region 4.

Jennifer Rannestad made a motion to add to the agenda the approval of PKF O’Connor Davies as Chester’s auditor for the next fiscal year. Rick Nygard seconded the motion. The motion passed unanimously.

This will be Chester’s 3rd year with Joseph Centafoni as Auditor and the town’s portion is \$20,000 (CES pays for their portion of the audit).

Rick Nygard made a motion to appoint PKF O’Connor Davies as Chester’s auditor for the next fiscal year. Jennifer Rannestad seconded the motion. The motion passed unanimously.

REPORTS

Monthly Financials

Monthly financial reports were included in the BOF packet.

- Tax Collection – currently 101.75% of budget collected (\$218,692.22 above budget collected).
- 2019-20 – Annual Budget Status Report as of 6/15 –shows an additional \$338,519 in revenue and \$61,670 in reduced expenses. Additional increases in CES and R4 surplus are expected.

FIRST SELECTWOMAN’S REPORT

Charlene reported that the tax bills are going out tomorrow, 6/19/20.

OPEN ITEMS IN OLD BUSINESS

5-10 Year Roads Projects and 5 Year Capital Budget

A 5-10 Year Roads Projects and 5 Year Capital Budget report was included in the BOF packet. Federal funds relative to the Liberty Street Bridge repair have been received. Additional information relative to the report will be discussed further at the next BOF meeting.

Revenue – Analysis, Tracking, Questions & Potential Actionable Events

Virginia thanked Jon Joslow for developing the spreadsheets that were distributed to the BOF. The reported includes revenue sources and expected timeline for receipt of funds.

Virginia and Madelyn are developing a report regarding the receipt of taxes; i.e. when taxes come in, what category of taxes, etc. This report will allow the BOF to see variances and track on a monthly basis. Virginia has created a mechanism to report on all Revenue for the Town so that can be monitored as well.

Virginia initiated a discuss to facilitate understanding of revenue in general and specific revenue items for the possible actions that might be required should revenue be reduced.

The first question to the Board was: Is there a direct relationship between any specific Revenue item(s) and Capital Projects or Operating Expenditures? As an example our Auditor links his Roads Capital with Town Road Aid. If aid is reduced, the town's roads schedule is reduced. BOF members had no comment on whether this strategy would be applicable to Chester.

The next question: At what level of reduced revenue is there an actual event; i.e. total, tax collection, state revenue? BOF had no comments.

A third question: If there is a reduction, of 2, 4, 7 or 10%, what are the next steps?

Richard Strauss said that there is a difference between deferred income, such as taxes that will be paid even if late, and lost income such as that which would result from reductions in State aid. The Town could use surplus funds or short-term borrowing to cover the former, which would be replaced. The latter, though would a permanent loss.

Due to technical difficulties, further discussion was tabled and a Special BOF meeting was scheduled for the following week.

AUDIENCE OF CITIZENS – None.

ADJOURNMENT

On a motion made and duly seconded, the meeting was adjourned.

Respectfully Submitted,

Suzanne Helchowski
Recording Clerk