

THESE MINUTES ARE SUBJECT TO APPROVAL AT THE NEXT BOF MEETING

TOWN OF CHESTER, CONNECTICUT  
BOARD OF FINANCE  
REGULAR MEETING

Thursday, November 19, 2020  
Via ZOOM

CALL TO ORDER

Chairman Carmany called the meeting to order at 7:32 p.m. In attendance included: Chairman Carmany, Rick Nygard, Richard Strauss, Jennifer Rannestad, Jon Joslow, John O’Hare (seated for Greg Merola), Mike Joplin,(not seated), Andrew Gardner, (not seated), First Selectwoman Gister, Selectwoman Janecek, Jamie Grzybowski, Fire Chief, Peter Evankow, Business Manager, and Susan Wright.

APPROVAL OF MINUTES

Jennifer Rannestad made a motion to approve the 10/15/20 BOF minutes as amended. Rick Nygard seconded the motion. The motion passed unanimously.

Note – John O’Hare was not seated for Greg Merola as reported.

Page 1 – spelling – “Madaline” not “Madeline” as reported.

Page 2 – bottom – note \$62,000 is an RFP for security at JW, not “spent” as reported.

AUDIENCE OF CITIZENS – None.

NEW BUSINESS

2021 BOF Meetings and Calendar Discussion

In past years, the BOF has met on the 3<sup>rd</sup> Thursday of each month @ 7:30 p.m. The consensus of the Board was to begin BOF meetings at 7 p.m. in 2021. The BOF will vote on the 2021 meeting schedule at the December meeting.

WIFI STEAP Grant and \$10,000 Match

As previously reported, the Town received a STEAP Grant (reimbursement grant) to facilitate a downtown wifi project/installation. The parameters of the project are still being developed and may need to be adjusted depending on on-going maintenance costs. A \$10,000 match is required from the Town. An RFP will be developed to facilitate the WIFI installation on to the streetlights and to determine on-going costs; i.e. maintenance, associated with same. Mike Jordan has contacted Comcast to determine variables that may affect on-going costs associated with the WIFI.

The BOF discussed the capacity of the proposed system and whether or not it could facilitate both residents and merchants. The potential to “limit” usage by time was discussed. In addition, some users, both merchants and the general public, may prefer to have a more secure WIFI connection vs. a public WIFI; in which case, they would be responsible for paying for their own private WIFI.

Jon Joslow made a motion to approve the \$10,000 match, from the BOF Contingency, to the \$77,000 STEAP Grant to facilitate the installation of WIFI in downtown Chester. Richard Strauss seconded the motion. The motion passed unanimously.

### Additional \$50,000 Request for Trees

Virginia read the following memo from Lauren dated 11/17/20 as follows:

“The BOS and BOF have previously discussed funding necessary to address dying and dead trees throughout Chester. Currently, approximately \$20,000 worth of tree work is required in two of our cemeteries. Safety is of the utmost concern and there are additional trees throughout the Town in need of attention. I have been negotiating with Eversource to potentially address some of these trees and the Tree Warden has requested additional funds necessary to remove dangerous trees not covered by Eversource for this fiscal year in the amount of \$50,000. At the meeting of 10/28/20, the BOS approved a motion to forward to the BOF for further action, a Special Appropriation request in the amount of \$50,000 for tree maintenance and removal. Note that said special appropriation would normally require Town Meeting approval. Due to the Pandemic, and per Executive Order, if necessary, the BOF may act in lieu of Town Meeting. Thank you. Lauren”

Jennifer Rannestad made a motion to approve the \$50,000 request as presented above. Richard Strauss seconded the motion. Discussion followed:

It was suggested that the Town, from a risk perspective, consult with the Town Attorney relative to potential liability on the Town for damage/injury resulting from a tree that was identified but not removed. Lauren reported that the Tree Warden continuously re-prioritizes the tree work and addresses the most dangerous trees first.

There is approximately \$20,000 remaining in the original \$70,000 tree budget. Lauren reported that during last year’s budget cycle, the Tree Warden requested approximately \$120,000 for tree maintenance. After BOF and BOS consideration, \$70,000 was budgeted with the understanding that the Tree Warden may request additional funding as necessary.

Rick Nygard stressed the importance of retaining an adequate reserve as the State is “tapping into” the “Rainy Day Fund” (General Fund Surplus) and will face significant funding issues.

The BOF discussed sources for the \$50,000 request including the use of unspent funds from other Capital projects; i.e. the Meeting House Floor and Maple Street Parking Lot projects. Lauren reported that the Maple Street Parking lot project is not yet complete (lighting still needs to be installed) and she recommended that the BOF not use funds from that line at this time.

Peter updated the Board on the process to move funds including Town Meeting approval. However, due to the Pandemic, the BOF may act as a Town Meeting.

Jon Joslow suggested that the BOF consider a closer look at Capital expenses to formulate an overall Capital Plan. Any remaining funds in Capital projects should be utilized for other Capital projects that may have been deferred. Lauren responded that while no Capital projects were “deferred” there are some risks to high expense items such as furnaces, air conditioning units and the roof. These projects were put off for 3 or more years and it is unknown when/if these units will break down requiring immediate use of capital funds.

The consensus of the Board was to use the \$35,000 remaining in the Meeting House Floor account for the tree work.

Jennifer Rannestad and Richard Strauss rescinded the above motion.

Jon Joslow made a motion to approve the request from the Tree Warden for an appropriation in the amount of \$35,000 from the Town Buildings Repair Code Compliance line in the Capital Budget (Meeting House floor) and transfer \$35,000 to the Tree Removal line in the Capital Budget and to release \$35,000 from for the expenditure for trees. Jennifer Rannestad seconded the motion. The motion passed unanimously.

The BOF will revisit the discussion on trees as funds are spent and as other projects with in Capital are finished and any surpluses are potentially available. BoF will also review capital to ensure the needs for the Town’s infrastructure are being met.

#### Covid Reporting Discussion – actual and budget

Virginia reported that the Budget Status Report/actuals indicate both expenses and savings related to Covid-19.

The process for tracking Covid expenses was discussed. There is a line item under the Selectman’s budget entitled “Long Term Recovery” used to track Covid. Items in this line include:

- Upgraded Porta Potty – not reimbursable
- Line striper – not reimbursable
- Others items are reimbursable through FEMA (75%)
  - FEMA continuously changed what was and was not covered; i.e. they did not cover Plexiglas, face masks, IT
- To date, \$9,000 has been incurred by the Hose Co. and Ambulance (staffing)
- Reimbursement will also be requested through the State’s relief fund.
- Lost revenue due to the Pandemic includes Park & Rec camps, Meeting House rentals

Lauren will develop a “central” spreadsheet for tracking Covid items. This document will be used during the budget process.

Lauren reported that due to the “booming” real estate market, conveyance tax has increased; however, the Town is not realizing as much on interest as rates are low. This indicates that Covid is impacting the Town’s finances in a myriad of ways: revenue and expenses, increases and decreases.

The financial impact of Covid-19 on the school system has not yet been established. The Superintendent has reported some savings along with additional expenses. For example, when the schools were shut down in March, they were still required to honor the contract with the bus company (at least 80%) even though the children were learning remotely. The schools did receive funds from the State to cover some Covid related expenses.

#### Main Street Project Financials Update

Lauren reported:

- Remainder of the trees have been planted
  - Scott Mills has been contacted to address the “low hanging” branches.
- Belgium Block work continues

- Handrails at the Chester Wall Stairs are in and will be installed
- Lauren will develop a report; including a budget status of the project and spreadsheet regarding change orders; i.e. extension of Spring and Maple Streets (being paid out of Capital, \$57,000)
- Contingency is in “good shape”
- Maple Street parking area lighting is not part of the Main Street project

## REPORTS

### Tax Collection and Revenue, Education and State of the State - Updates

Virginia provided several documents for review:

- The attachment marked “Relevant Info” included:
  - Grand List 4 year analysis – the new Grand List will be finalized in January 2021
  - Revenue Analysis for last 6 years at a summary and detail level
  - Wall Street Journal article with valuable information regarding CT
  - Any questions should be forwarded to Virginia.
- Revenue – Tax Collection for 1<sup>st</sup> Qtr. Virginia updated Revenue Analysis
  - Includes data that was outstanding last month – Peter’s numbers and Madaline’s numbers are now “in sync”
  - Tax collection and revenue remain excellent
    - Two tax sales
    -

### Monthly Financials

- Monthly financial reports were included in the BOF packet

The Board briefly discussed the status of the Skyview property. The property has not sold yet. It is not anticipated that the Town will “profit” on any sale. Funding for potential mitigation of the property was inadvertently placed in the General Fund budget and not Capital. Lauren is investigating if the Phase I assessment done on the property many years ago is still viable. In any case, a Phase II study will be necessary to determine the extent of contamination.

### Education

Virginia reported on new information from Superintendent of Schools which included:

- Teacher contracts will increase by 2.5%
- R4 ADM – Chester’s allocation will be going down and Supervision will be going up
- Several requests for additional information have been made including:
  - Detail of the usage allocations from Supervisions District and the impact to Chester in addition to the 3 and 4 way ADM splits
  - Information regarding impacts of Covid on staffing, transportation and other contracts
- The NESDEC demographic study will be released at the Dec Joint BOE meeting
- Cafeteria
  - Multi-year cumulative deficit was \$366k
  - Transfer from surplus of \$220k reduced it and \$146K in cash was used to reduce to \$0
  - Unclear why the Audit report indicated a \$26k surplus while this deficit was growing with the 2019/20 year having added \$54k to this deficit

- Capital deficit remains at \$140k
- Medical Reserve is current at \$1.6M

John O'Hare commended Richard Strauss and Virginia for their due diligence relative to the Region 4 and CES finances.

The Board briefly discussed the resignation of the school's Business Manager (in the position for less than 1 year). The Assistant Business Manager remains on staff and will facilitate the work of the office until a replacement is hired. Due to the Pandemic, "temps" are not available to assist.

#### State of the State

Virginia and Rick Nygard attended the 10/27/20 CCM webinar with the CT Office of the Treasurer, Shawn Wooden and staff. In addition the Wall Street Journal article distributed by Virginia included valuable information regarding the State of Connecticut vis a vis finances. Rick Nygard commented that it will take many years for the state to "recover" from Covid 19.

#### FIRST SELECTWOMAN'S REPORT

Lauren reported the following:

- Covid-19 Update
  - There are more than 200 testing sites throughout the State.
  - Chester's Covid cases are increasing at a faster rate than in the spring
  - Schools are currently "remote"
  - Concerns relative to Thanksgiving gatherings/travelling
  - Vaccine – when available and approved, the first to receive it will be First Responders and most vulnerable.
  - Restaurants – indoor dining must be vacated by 10 p.m.

Lauren reported on the herculean efforts of the Town Clerk, Registrars and Moderator with regard to the recent election. Beginning late summer, these individuals sometimes worked 7 days per week to facilitate the absentee ballots and continued changes in protocols per the Secretary of State's office.

Lauren recommended that these individuals be compensated for these duties that were well beyond their job descriptions. Lauren will develop a draft recommendation for BOS and BOF consideration. Said draft will recognize the unprecedented efforts of the Town Clerk, Registrars and Moderator.

#### OPEN ITEMS IN OLD BUSINESS

##### Update on Chester's Audit Report – Recommendations to Management

##### Town Clerk App, Retirement Board and Asset Life Adjustments

Virginia noted due to Conveyance Taxes and Town Clerk fees, the Clerk's office has approximately \$80,000 "passing through" the office. Lauren reported that progress on the previously discussed app to facilitate Town Clerk fees has been delayed due to the Pandemic and recent election.

Asset Life Adjustment –Peter forwarded the updated Asset Life schedule to the Auditor for review and is awaiting a response. The Pandemic and working remotely has slowed the process.

Retirement Board – Andrew reported that the Board is making progress toward the goal of having the investment management take on fiduciary responsibilities and getting the policy statement approved.

Annual Report - Dedication

The BOF discussed a recommendation forwarded to the BOF from the BOS relative to the dedication of the Annual Report. BOF members agreed to dedicate the Annual Report as recommended by the BOS.

AUDIENCE OF CITIZENS - None.

ADJOURNMENT

John O'Hare made a motion to adjourn the meeting at 9:56 p.m. Rick Nygard seconded the motion. The motion passed unanimously.

Respectfully Submitted,

Suzanne Helchowski  
Recording Clerk