

THESE MINUTES ARE SUBJECT TO APPROVAL AT THE NEXT BOF MEETING

TOWN OF CHESTER, CONNECTICUT  
BOARD OF FINANCE  
REGULAR MEETING  
Thursday, December 17, 2020  
Via ZOOM

CALL TO ORDER

Chairman Carmany called the meeting to order at 7:34 p.m. In attendance included: Chairman Carmany, Richard Strauss, Rick Nygard, Jon Joslow, John O’Hare, (seated for Jennifer Rannestad), Andrew Gardner (seated for Greg Merola), and Jennifer Rannestad (arrived at 7:40, not seated).

Also in attendance, Peter Evankow, Business Manager, Lauren Gister, First Selectwoman, Charlene Janecek, Selectwoman, Lol and Charlene Feron, John Lavy, Chairman P&Z, Susan Wright, and Bettie Perreault,

APPROVAL OF MINUTES

Rick Nygard made a motion to approve the 12/19/20 BOF minutes. John O’Hare seconded the motion. The motion passed unanimously.

AUDIENCE OF CITIZENS – None.

NEW BUSINESS

Presentation: Outdoor Classroom at CES

Plans for a proposed open air meeting space at CES were “screen shared”.

Lol Fearon outlined the parameters, including WIFI, of the proposed open air meeting space/classroom to be installed/built at the rear of the Chester Elementary School (just outside of the main entrance toward the back of the school abutting the nature trail and rain water garden). Ms. Cassie Archer, Architect, developed the plans “pro bono”. The intention is to use the structure not only as a classroom but also for the community; i.e. book clubs, Rotary club meetings, Park & Rec., Scout meetings etc. Note that a custodian is on site in the evenings and the constables routinely visit the school facilities after hours.

Mr. Fearon reported that CES has been recognized for its innovative approaches to learning and was recently named the #1 Elementary School in Middlesex County and has received various other distinctions throughout the State. The proposed outdoor classroom will further distinguish CES as a leader in innovation.

The project will be funded (approximately \$70,000) via donations and to date, they have reached 69% of their fundraising goals. If approved, the proposed timeline for the project includes continued fundraising through winter with a spring/summer construction timeframe. The Middlesex Community Foundation is the fiduciary for the project and the Chester Leadership Fund has donated funds for the project.

Mr. Fearon has and will discuss this proposal with the BOE, PTO and other appropriate entities; i.e. P&Z. One goal of P&Z’s POCD is to be a responsible steward of the environment. This project would facilitate

that goal. All appropriate permits will be requested prior to the start of any project. Mr. Fearon is currently collecting information on the potential on-going budgetary impacts; i.e. maintenance, electricity. Any operating costs would be worked into the school's operating budget. It is not anticipated that the Town's insurance/liability costs would increase as a result of the space. He continued that leaves and debris may have to be removed from the roof of the structure 2 times per year.

Mr. Fearon was available to respond to questions/comments posed by BOF members.

Andrew Gardener made a motion to endorse the open air meeting space project at CES as presented. John O'Hare seconded the motion. The motion passed with Jon Joslow abstaining from the vote.

#### Suspension List - vote

Virginia reported that the proposed Suspension List, developed by Madaline Meyer, Tax Collector, was distributed to BOF members.

John O'Hare made a motion to accept the Suspense List provided by Madaline Meyer dated 12/15/20 as presented in the amount of \$3,251.80. Rick Nygard seconded the motion. The motion passed unanimously.

Note that the majority of the items on the Suspense List are outstanding motor vehicle bills.

#### Recognition of Extraordinary Election efforts - vote

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.

Virginia read the following excerpt from a memorandum dated 12/15/20 submitted by First Selectman Gister:

1. To recognize the unprecedented and extraordinary efforts of Election Staff to prepare for the Primary and General Elections in the face of COVID restrictions, new initiatives from the Secretary of the State, and in the interest of voter security, access to the polls, and protection of the health and welfare of all Chester residents in their efforts to vote safely. What they accomplished during this period resembled an additional job (hundreds of additional hours), and their efforts enabled the town to avoid hiring a consultant or additional staff member to fulfill this need. Based on their regular pay equated to hourly rates, and the amount of additional effort needed, the amounts requested are as follows: Town Clerk \$1,200.00, Registrars (2) \$800.00, and 2<sup>nd</sup> Selectman \$400.00.

Andrew Gardner made a motion to approve the request for additional funds as presented at \$3,200.00. John O'Hare seconded the motion. The motion passed unanimously.

Virginia reported on two potential sources of this funding including:

- Finance Contingency
- Town Clerk's and Registrar budgets
  - Any overages in these accounts would be "trued up" at the end of the fiscal year.

Lauren reported that no precedent is being set; the staff did not request additional payment. The duties they performed were unprecedented. These individuals worked 7 days per week for several weeks to

facilitate the mandated demands of the election. Had these individuals not worked additional hours, the Town would have had to hire staff to fulfill the election requirements.

The consensus of the BOF was to fund this request from the Town Clerk's and Registrar budgets.

John O'Hare made a motion to fund the additional payments to the Town Clerk, Registrars and Charlene Janecek out of the departments; i.e. Town Clerk, Selectman and Registrar. End of year transfers will be made as necessary. Rick Nygard seconded the motion. The motion passed with Richard Strauss and Jon Joslow voting "nay" preferring the funds to have been transferred from Finance Contingency.

#### Transfers of funds for LED lights - vote

Lauren reported that the first bill(s) have been received from Eversource relative to the LED project at the Firehouse and Town Hall projects.

John O'Hare made a motion to transfer the amount of \$1,777.16 from Line Item 10-03-42-1040-220 to Line Item 10-05-59-1115-389 LED Lighting Project to provide appropriate tracking for 0% loan payments for Chester Hose Company portion of the project. Rick Nygard seconded the motion. The motion passed unanimously.

Rick Nygard made a motion to transfer the amount of \$2,271.29 from Line Item 10-02-36-1080-220 to Line Item 10-05-59-1115-389 LED Lighting Project to provide appropriate tracking for 0% loan payments for Chester Town Hall portion of the project. John O'Hare seconded the motion. The motion passed unanimously.

#### 2021 BOF Meetings and Joint Budget Meetings Calendar - vote

A copy of the proposed 2021 meeting calendar was included in the BOF packet.

Rick Nygard made a motion to approve the 2021 Calendar as follows: 1/21/21, 2/4/21, 2/11/21, 2/18/21, 2/24/21, 3/10/21, 3/18/21, 4/7/21, 4/15/21, 4/29/21, 5/20/21, 5/19/21, 6/17/21, 7/15/21, 8/19/21, 9/16/21, 10/21/21, 11/18/21 and 12/16/21. Andrew Gardner seconded the motion. The motion passed unanimously.

Virginia reported that the above dates allow for adequate time between meetings, hearing notices etc. and for possible follow-up on budgetary items; i.e. BOE items. In addition, there are 3 to 4 weeks at the end of the process in the event that additional meetings are necessary. A copy of the BOE's budget calendar will be forwarded to BOF members as well as information on what specific department budgets will be discussed at what BOF meeting.

#### ADDITIONAL ITEM FOR DISCUSSION

Rick Nygard made a motion to add to the agenda, under "New Business" the resignation submitted by Greg Merola and the subsequent membership opening, R. Andrew Gardner seconded the motion. The motion passed unanimously.

Virginia reported that Greg forwarded a letter of resignation from the BOF dated 12/16/20, effective immediately. She suggested that John O’Hare, alternate BOF member, be named a full member of the BOF.

Andrew Gardner made a motion to name John O’Hare, R, as full member of the BOF. Rick Nygard seconded the motion. The motion passed unanimously.

Virginia reported that the BOF will have an alternate vacancy when John O’Hare submits his letter of resignation as an alternate and is sworn in as a full member of the BOF.

#### Review of Capital – 10 year Plan

Jon Joslow stressed the importance updating the Plan (no items in years 27, 28, 29 and 30) and of focusing on the “big picture” in terms of a Capital Plan. In addition, the Plan does not include specific detailed funding for bridges, roads and dams. The spreadsheet also lacks sources of funding for projects.

Lauren reported that costs for some items in the 10 year plan are not yet available. Also the report needs to be updated to reflect items that have been purchased; i.e. mower, hook lift. Costs estimates have been included for boiler and a/c units. It is uncertain when these units will be replaced (depends on when they break). Some items are not yet included on the Town Owned Building schedule.

Lauren reported that 3% is added for inflation (for some items). Lauren commented that increases in the school budgets have affected Capital in an attempt to “balance” the budget.

Peter commented that he uses the figures provided by Department Heads to develop the report; he was unsure if inflation is added to those cost estimates. Virginia recommended that footnotes be added to reflect inflation as appropriate.

Fire Department – Truck Replacement – the 29/30 year is “short” \$1.5 million; as part of the Capital discussion, a determination of when those items will be purchased needs to be established (perhaps outside of the 10 year plan). Virginia suggested that additional years be added to the report.

Jon Joslow commented that if 1/10 of the expected costs are not budgeted beginning in 2022, bonding may be required to purchase the fire vehicles.

Peter commented that it is difficult to accurately predict needs 15 years out and that perhaps regionalization may come into play; it may not be prudent to tax residents for projects that are so far in the future.

Virginia commented that it would be difficult for her personally to add \$50,000 to \$75,000 to the budget now (during this difficult time) to offset the ‘shortfall’ in dollars associated with projected purchases out 10 plus years in order to make those line items whole.

Rick Nygard expressed concern that the operations and needs of the school system seem to take priority over infrastructure projects throughout the town.

Andrew Gardner commented that interest rates are low at the current time. Virginia replied that now is not the time to make a decision on bonding for a purchase out 10 years and it is unknown what the rates will be in future years.

Lauren reported that roads, dams and bridges are included in the report and she is waiting for information from the Town Engineers relative to bridges and dams. New requirements require more frequent and costly inspections.

Jon Joslow offered his assistance in the development of a “total picture” of Capital. The consensus of the BOF was to have a “philosophical” discussion relative to Capital and bonding at a future meeting.

## REPORTS

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

Monthly financial reports were included in the BOF packet as follows:

Virginia reported that the Governor has issued another Executive Order, 9R, for Tax Referrals from January 2021 to April 2021. Lauren reviewed the Executive Order and outlined the provisions of same; i.e., extension of the tax due date and/or decrease in interest charges. The Town chose the longer grace period.

The Town must again choose which option they prefer or, if the Town does not choose, the State will presume the Town wishes to continue with the option they previously chose. Lauren reviewed the options with the Tax Collector and she recommended a repeat of the longer grace period (system already in place). Madaline reported that in the past year, there were not too many tax delinquencies.

Lauren requested BOF input on the options.

Peter commented that since we are now closer to the end of fiscal year, it may be appropriate to offer the lower interest rate.

In an effort to assist residents as much as possible, Jennifer Rannestad suggested that the Town offer both options and let the tax payer decide which option is best for their particular circumstance.

Virginia reported that this is somewhat of a cash flow issue and from a cash flow perspective with a \$3 million surplus, the Town can “cover” it.

Peter agreed that cash flow is not at issue but for budgeting purposes, it is important to know what we’ve received.

Lauren reported that Madaline will continue to provide regular updates that will be tracked via a spreadsheet.

The consensus of the BOF was to offer both options to residents.

Virginia provided an update on the school system:

The New England School Development Council presented findings at the Dec. 1 Joint Meeting (full presentation is on the R4 website).

Student Headcount will be declining over the next 10 years:

Total decline 200 students at 13% decline

Chester will decline 42 students or 11%

Deep River will decline 122 students or 24%

Essex will decline 35 students or 6%

R4 has had the Athletic facilities assessment and Master Plan presented: costs range from a low of \$4.4M to \$5.3M before grants or other funding reduces the cost.

A study for the JWMS secured entry project was presented and costs range from \$200k to \$1M .

Kristine Martineau has moved on to the Westbrook as the new Superintendent and R4 will post the position in the spring.

Brian has stated 'on-going difficulty in our districts filling long term position vacancies as well as covering staffing absences from day to day., though he hasn't reached a staffing shortage necessitating school closures.'

Robert Grissom has been appointed new Finance Director Dec. 16<sup>th</sup>. He has a Master of Accounting from Tulane and a Master or Business Admin. from Kellogg school of Management at Northwestern University. He has most recently served as Manager, Financial Planning and Analysis for Pratt and Whitney.

Virginia provided statistics from the Department of Labor relative to unemployment rates in Chester starting in 2006. Attached. She will forward this information, via email, to BOF members. Both the financial crisis of 2008 and Covid-19 have significantly increased unemployment. There was a high of 8.22% unemployment for Chester in July 2020 which came down to 4.15% in Oct. Virginia will continue to monitor these figures.

Virginia indicated that she and Lauren have worked on the Budget Calendar and letter to Boards and Commission Chairs for the upcoming Budget Process.

#### Monthly Financial Reports

Lauren provided an update on the airport property in reply to a question. If the Town were to offer the property for a greatly reduced price (to get it back on the tax rolls), a potential buyer would have to assume the risk of a costly environmental clean-up. Interested buyers were not willing to take that risk. The potential to utilize the Phase I study which is old and proceed directly to a Phase II study was discussed. Covid-19 has delayed the project and funding for an environmental study was in last year's operating budget. When not utilized, it was returned to the General Fund and was missed adding to the current budget. The timing of environmental studies, including test holes was discussed. Drilling test holes would be better facilitated in the spring. This item will be discussed further at a future meeting.

There was no other discussion regarding monthly financials.

#### First Selectwoman's Report

Covid -19 - Lauren reported that the CARES Act claim through the State was submitted for balance of money not covered by FEMA (\$28,000). The State changed the protocol for allocations. Instead of submitting receipts from 6/30 through 12/31, the State will be allocating funds per population. It is anticipated that funds will be released by 12/31.

It is anticipated that Chester will be reimbursed \$6,000 to \$7,000 from FEMA. Peter and Lauren will develop a status report on lost revenue, expenses, etc.

Conveyance taxes have increased considerably during the Pandemic; however, the Town has not realized interest due to low interest rates.

#### OPEN ITEMS IN OLD BUSINESS

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

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

Town Clerk App – no additional information.

Asset Life Adjustment – Peter has responded to the Auditors questions. There are no issues relative to Fixed Assets.

Retirement Board – The Board is waiting for revisions on the Policy Statement.

##### Main Street Project Financials Update

Lauren reported that the final change orders (minor items) have been signed. The additional work done under Capital; i.e., extension of Spring Street and Maple Ave., were not part of the grant for the Main Street Project at an estimated cost of \$60k. All unexpected items are well within the Contingency on the project.

Small Cities Grant - The Cherry Hill Rehabilitation Project is on-going and nearing completion. The HVAC work, site work, window replacement and siding work has been completed. The project will be complete in January. It is anticipated that significant energy savings will be realized due to energy improvements. In addition, residents are thrilled with the project.

#### AUDIENCE OF CITIZENS

John Lavy, P&Z Chairman reported that due to the resignation of Judy Brown, he and Bettie Perreault have been managing the Planning and Zoning Department; Mr. Lavy as acting ZEO and Bettie has been handling the clerical duties of the Department. The Planning and Zoning Commission formed a Search Committee to hire a new part-time ZEO. After research, it was determined that the most prudent course of action was to contract with CHA for ZEO responsibilities, including grant writing. Both Deep River and Essex currently are contracted with CHA for zoning work. The CHA proposal includes \$3,000 per month or \$18,000 until June 30, 2021. These funds are available in the current Planning and Zoning budget. Bettie has offered to continue with clerical services through the end of June. The Planning and Zoning Commission passed a motion recommending that CHA be employed on a temporary basis through the end of the fiscal year.

Lauren reported that in last year's budget, there was some discussion about hiring a consultant for Planning purposes and grant writing services. CHA offers both of these services. She continued that Deep River and Essex are thrilled with CHA's services.

No BOF action is necessary as no additional funds are necessary to facilitate the contract. Lauren will discuss the proposal further with Mr. Lavy.

Jon Joslow reported that as a neighboring property owner, he is very supportive of the outdoor classroom as presented at this evening's meeting. He stressed the importance of appropriate security

and lighting in the area. Mr. Joslow continued that the school's curriculum should take advantage of the opportunity.

Jon Joslow commented that as potential decreases in ADM at the schools may be realized, regionalization may become a need for small towns as it relates to Capital infrastructure projects and educational expenses.

ADJOURNMENT

Jon Joslow made a motion to adjourn the meeting at 10:03p.m. Rick Nygard seconded the motion. The motion passed unanimously.

Respectfully Submitted,

Suzanne Helchowski  
Recording Clerk