

THESE MINUTES ARE SUBJECT TO APPROVAL AT THE NEXT BOF MEETING

TOWN OF CHESTER, CONNECTICUT  
BOARD OF FINANCE  
REGULAR MEETING  
Thursday, April 15, 2021  
Via ZOOM

CALL TO ORDER

Chairman Carmany called the meeting to order at 7:03 p.m. In attendance included: Chairman Carmany, John O’Hare, Rick Nygard, Jennifer Rannestad, Jon Joslow and Richard Strauss; in attendance but not seated: Andrew Gardner and Michael Joplin.

Also, in attendance, First Selectwoman Gister, Selectwoman Janecek, Peter Evankow, Finance, Scott Mills, Tree Warden, Chief Grzybowski.

APPROVAL OF MINUTES

Jennifer Rannestad a motion to approve the 3/18/21 BOF minutes, as amended. John O’Hare seconded the motion. The motion passed with Rick Nygard abstaining from the vote.

Clarification: page two, replace: “Jon Joslow expressed concern with the appraisal process and the need for a strategy to address inaccurate valuations done at the last Revaluation (currently entering into the last year). Lauren will follow-up with Attorney Bennet relative to any potential liability on the last Reval company for inaccurate valuations” with:

“Lauren reported that there were several commercial property owners at various stages of challenging their property valuation. Jon Joslow expressed concern with the financial risks of potential inaccurate valuations and/or if other communities were experiencing this problem. He expressed the need for a strategy to address either scenario because either is a known risk. Lauren will follow-up with Attorney Bennet.”

AUDIENCE OF CITIZENS – None.

NEW BUSINESS

Main Street Project – Final Report

Lauren “screen shared” documentation relative to the Main Street project. Highlights of the report include:

- Timeline of the Main Street project with LOTCIP Grant
- As of March 2021, punch list work was on-going
  - One small item still outstanding
- Over the life of the Main Street Project III, \$295,247 has been expended from the Main Street Capital line item.
  - Including costs associated with the grant application, engineering, town attorney, test pits, grant review, inspections and void work.

- From the start of the project until 3/18/21, another \$145,646, including \$15,000 to support the Merchants was expended. Also included:
  - Non-participating items; i.e., improved steel backed guardrail, change order, inspection of non-participating items, shop drawings
  - Road work expansions (not part of the project)
  - Remaining authorized funds total \$48,260; part of which is for construction administration, retainage (not yet paid out) and some unbilled non-participating items
- The estimated balance of the Main Street Project is between \$20,000 and \$30,000 and does not include the necessary masonry work to the downtown walls.

Six LOTCIP Grant fund installments, totaling \$1,638,600 were paid to Colonna from June 2020 to January 2021. There was \$163,860 in Contingency and \$163,860 in Incidentals. The entire Contingency was not spent. Most of the Incidental money was spent.

Lauren also reported:

- Street light outlets were added to the project
- Savings totaled \$28,000 but police and traffic costs went over budget
- 3 Change Order were realized
- Unexpected items: sub-surface conditions (Lori Warner Studio), redesign of stairs (French Hen), additional storm pipe (1 Maple Street), COVID delays, new utility pole, sewer pipe repair.
- Two more payment applications anticipated – one for the remaining unbilled items totaling 1% to 2% of retainage (\$120,000 to \$130,000) and coming from the LOTCIP grant.
  - Final retainage will be held until after all plantings are established (in addition, there is a one-year warranty on the plantings).
- Signage adjustments, as requested by the police, are on-going, a manhole cover needs to be replaced.

The BOF commended the Main Street Committee for a job well done.

## REPORTS

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

Virginia reported:

- Tax Collection – Peter and Madaline have indicated that tax collection is “on track”.
- Education
  - R4 audit was in the newspaper
    - Comments on weaknesses
    - Will still need to put funds aside for Capital deficit
    - Anticipate \$100,000 surplus from R4 and Supervision District

### Monthly Financials

Annual Budget Status Report – included in BOF packet

- Anticipated Revenue surplus has increased to \$291,831 and the expected reduced expenditures add \$142,104 to the surplus
  - Not included in the report – CES, at this time, has an approximate \$130,000 surplus (note that there are still several months until the end of the school year).

- Risks
  - Grand List - some items in court now and not for public information
    - May be appropriate to retain the \$200,000 “cushion” in Revenue
  - Winthrop Road property- need to determine if a Phase I or Phase II Environmental Study is necessary. Gister indicated this has been delayed – perhaps til next year.
- NRCS – Permitting requirements may delay the project and there is a “window” in which to do work. Gister also indicated that the work may not take place until next spring.

A copy of the Covid-19 Revenue and Expenses spreadsheet was “screen shared”. The document continues to be updated as appropriate.

A copy of the Revenue/Expenses report was included in the BOF packet. Lauren outlined the protocol for Resident State Trooper replacement. An interim Trooper will be assigned to Chester until the permanent replacement is hired (Chester has no control over the Trooper or pay scale of Trooper permanently assigned to Chester). The figures budgeted for Trooper replacement is appropriate and includes salary, benefits and fringe (car, uniforms, etc.).

#### First Selectwoman’s Report

Lauren reported:

- Covid-19 – Chester no longer in the red or orange level; now at lowest level (gray). A large percentage of Chester residents are vaccinated and the vaccine is becoming more and more available.
- Dredging - As previously discussed, funds were released to pay for site restoration as a result of dredging. The permit received in April from the Army Corps of Engineers called for work to be completed by March 31; to accommodate spawning fish, the Harbor Commission’s request for an extension was denied. In addition, the Bond Commission meets this week to determine the status of the grant for dredging. It is anticipated that the dredging project will commence in the Fall – September to October.
  - Virginia suggested that the BOF rescind the motion for funds released for site work. Lauren reported that funds will still be necessary for the town’s portion of the project and she suggested the BOF take no further action until more information is available and at that point revote on the project.
- Working on the logistics for an in-person Town Meeting.

John O’Hare made a motion to add to the agenda a discussion and vote on the Town’s Health Insurance policy and to address possible Capital transfers for tree work. Rick Nygard seconded the motion. The motion passed unanimously.

#### Health Insurance

Information relative to the Town’s Health Insurance and the State’s Health Insurance Partnership Plan was distributed to BOF members and discussed at length. Savings can be realized if the Town switches to

the State's plan. Lauren outlined the parameters of the Union contract relative to health insurance; i.e., retaining the employee contribution at 5% and 15% (for one employee) for 3 of the next 5-year Union contract. She recommends that the Town participate in the State's Partnership for insurance. Deep River and Essex have been part of the State's health insurance plan since last year and have been pleased with it.

Virginia Carmany made a motion, contingent upon the Union approval to move forward with the State's Plan for FY 21/22, the BOF will commit to retain the employee contribution to premium at 5% and 15% (for one employee) for current employees for 3 of the next 5-year Union Contract. Jennifer Rannestad seconded the motion. The motion passed unanimously.

#### Transfers – Capital - Tree Work

As previously discussed, the Tree Warden requested a total of \$50,000 for tree removal. The BOF approved \$35,000 with the anticipation of funds being available as the Maple Street project and the Main Street project were completed. The amount of \$5,682 is available in Assigned, \$18,291 is available in the Main Street Project and \$11,985 is available in the Maple Street parking lot project.

Virginia Carmany made a motion to transfer \$5,000 from Assigned and \$10,000 from the Maple Street Parking Lot Project to the Tree Removal Account line to increase the Tree Removal Account by \$15,000. Rick Nygard seconded the motion. Discussion followed.

Virginia requested confirmation that these funds will be used for tree removal and not beautification projects. She also stressed the importance of "posting" appropriate notices on trees to be removed/pruned, etc. Scott Mills, Tree Warden, outlined the protocol for "posting" trees and updated the BOF on trees that require a crane for removal. In addition, the work done at the Meeting House is a Public Works project and not a Tree Warden project. Scott outlined the recent work done at the Meeting House. Lauren requested that any inquiries relative to trees/landscaping, etc. be forwarded to the First Selectwoman's office.

Vote on motion. The motion passed unanimously.

#### Budget/2021-22

The "Reconciliation" reported, developed by Peter Evankow, was "screen shared". As previously discussed, the BOF has consistently assigned \$200,000 to the Assigned Fund balance for the last 6 years. Virginia and Peter reviewed the history of the use of surplus since 2008 and the amount used and the tax collection rate history which increased from 94% to approximately 98.75%. Virginia recommended that the \$200,000 "revenue cushion" remain in the budget in these volatile times (Masonicare status). Changes can be made accordingly if assessments, grand list, etc. changes. At the last BOF meeting, the BOF discussed keeping the \$200,000 in Revenue, putting \$100,000 in Capital from surplus and making a new appropriation of \$100,000 to pre-fund Capital for a total of \$400,000 and a 3.07% tax increase.

Richard Strauss recommended that the BOF should budget for what we believe the Revenues and Expenditures will be and requested that an analysis be done to provide the impact of the use of the Unassigned Fund Balance on bond ratings. He preferred "living within the budget" and going to Town Meeting for an additional appropriation if funds are needed for unanticipated needs. In addition, the BOF has \$75,000 in Contingency to be used if necessary. Richard did not favor using the fund balance for operation purposes.

The consensus of the BOF was to leave the \$200,000 in the budget in revenue and discuss further during next year's budget process. The possibility of increasing the collection rate from 98.75% to fill the gap between anticipated tax collection and actual collections would reduce some of the surplus that is generated each year due to this variance.

Impact of Federal American Rescue Plan and ESSRF

The Federal government will issue guidance mid-May and it is expected that the State will provide guidance thereafter.

OPEN ITEMS IN OLD BUSINESS

Education Update – Recommendations to Management – report is on the Superintendent's desk and will be forwarded ASAP.

AUDIENCE OF CITIZENS – None.

ADJOURNMENT

Rick Nygard made a motion to adjourn the meeting at 9:00 p.m. John O'Hare. seconded the motion. The motion passed unanimously.

Respectfully Submitted,

Suzanne Helchowski  
Recording Clerk