

Chester Board of Finance

Minutes of Regular Meeting: January 20, 2022

Call to Order: Zoom Meeting called to order at 7:03 pm by Chairman Rick Nygard. Seated, in addition to Nygard were Virginia Carmany, John O'Hare, Andrew Gardner, Michael Jordan – seated for Michael Joplin, and William Bernhart. Present but not seated were alternate members Steve Cline and Deb Vilcheck. Also in attendance were First Selectwoman Charlene Janecek and Account Manager Peter Evankow.

*Audience of Citizens: No comments

New Business:

- Election of Vice Chair of Board of Finance
 - Chairman Nygard proposed a motion for nomination and election for Vice Chairman and submitted John O'Hare for the Position
 - With no other nominations, the motion was moved by Virginia Carmany and seconded by Bill Bernhart
 - Motion was approved unanimously
- Approval of regular meeting schedule for Board of Finance for 2022
 - Chairman Nygard proposed adding the joint meeting with the Board of Selectman for budget preparation
 - Member Carmany moved that the revised list be accepted
 - Motion seconded by Andrew Gardner
 - Motion approved unanimously
 - During discussion, Member Carmany asked if the BOS and BOF could be jointly responsible for the cost of preparing meeting minutes and if Suzanne might be available to prepare some of the meeting minutes
 - Charlene said she would inquire and let Chair Nygard/BOF know

Continued Business

- American Rescue Plan Act (ARPA)
 - First Selectwoman Janacek stated that she wanted to establish a new footing for the process of evaluating proposals and distributing ARPA funds after the 12/15 town meeting
 - She stated that the BOS had two priorities from the tabled projects proposed at the 12/15 town meeting
 - The first are the technology upgrades to the Meeting House to better accommodate town meetings and other large gatherings there
 - The second are the funds requested by the WPCA for repairs to the downtown sewer system
 - She added that category buckets did not have to be used to earmark ARPA funds going forward
 - John O'Hare stated that projects tabled at the 12/15 town meeting did not have to come back to a future town meeting agenda

- A discussion ensued as to whether a tabled proposal – if it did come back – needed to come back verbatim or could be amended based on received input at the town meeting
- It was suggested a legal opinion be secured on this question
- A discussion now ensued on ARPA proposal consideration and disbursement process going forward
- Chairman Nygard suggested all members attempt to read through the Treasury Department overview of its recently published guidance on ARPA Relief Fund disbursement
- He also suggested it would be productive to schedule soon a joint BOF and BOS Meeting to reach consensus on a clear path forward on process
- The First Selectwoman indicated she wants the BOS priorities to go to town meeting very soon
- With the exception of the BOS priority projects, it was proposed that a task force consisting of residents, at least two BOF members and others be established to accept and analyze ARPA project proposals
- This would be a deliberate process including the three additional tabled projects from 12/15 town meeting and others
- In addition to creation of this task force, there would be informational public hearings and town meeting approval for all projects
- Chairman Nygard stated that he would like to focus on the BOS priorities – Meeting House tech upgrades and WPCA funds
- Virginia Carmany stated that additional bids will be needed for Meeting House
- First Selectwoman Janecek agreed
- Virginia Carmany summarized that there should be scheduled a joint BOS and BOF meeting to discuss the two BOS priorities, the broader process and a town public hearing prior to any town vote and all other projects would fall under the task force, public hearing, and town meeting process previously discussed
- Preparation of meeting minutes
 - Administrative member Deb Vilcheck agreed to take minutes for the February BOF Meeting
 - Chairman Nygard thanked Member Bill Bernhart for his work and letter proposing an organizational path forward regarding ARPA – the letter is attached at the end of the meeting minutes.
- Areas of Responsibility of BOF Members
 - Chairman Nygard stated that all members of BOF had previously indicated a willingness to be part of various sub committees assigned to specific areas

Reports

- Monthly Financial
 - Peter Evankow spoke to details of monthly financials
 - Decreased income and increased expenses left a \$20k operating shortfall for YTD Jan
 - He proceeded to highlight other details of the monthly written report DUI revenue and expenses net each other out

- Virginia Carmany was asked to speak about the Chester Creek dredging project:
 - She indicated that project was nearly ready for an update report with a few remaining questions being researched
- Chairman Nygard inquired about Hose Company request for COVID testing funds.
 - Charlene responded that the request is pending
- Peter Evankow mentioned the \$2,000 earmarked for Town Clerk training had actually come in at \$2,343.75
- Virginia Carmany read into the record an email from Peter: “I have not balanced with the treasurer since 9/30/21. The financials are incorrect. They do not include bank transfers and all deposits, so the TB shows incorrect bank account balances. The revenue report doesn’t show all revenue received and the expenditure reports do not include all of Chester Elementary expenses.”
 - Chairman Nygard asked Peter if it was possible for him to work with the treasurer and First Selectwoman to correct those financials
 - Peter answered in the affirmative
- Chairman Nygard stated that tax collections appeared to be stable and asked if there were any additional comments on the financials
- None were forthcoming
- First Selectwoman’s Report
 - Charlene Janacek in her short tenure had discovered there were some town projects – grant collections, etc. - that needed to be immediately addressed
 - She is working diligently to catch up on items that needed to be continued or completed
 - Further, she indicated the need for the BOS and BOF to work together during the upcoming budget season and said the new Treasurer was doing the best he could to get acclimated
 - Charlene vowed to be accessible, engage in good communication, and said we should all work together
 - BOF Chairman Nygard thanked First Selectwoman Janacek for her comments
 - He said on behalf of the BOF that it was looking forward to working together with the BOS and welcomed good communication, transparency, and working together

Approval of Minutes

- Minutes for 12/16/21 prepared by BOF member Andrew Gardner
 - Virginia Carmany moved the minutes for 12/16 be approved
 - Andrew Gardner seconded the motion
 - Discussion – none
 - The motion was approved unanimously
- Minutes for special 12/28/21 meeting were read and summarized were to finalize town report dedication were moved by Virginia Carmany for approval
 - Member John O’Hare seconded
 - With no discussion the motion was unanimously approved

- Virginia Carmany reminded BOF members to abstain from voting on meeting minutes if they had not attended the specific meeting when those meeting's minutes were up for approval.
- Open Items
 - Updates
 - Virginia Carmany provided a report on the previous January 6 meeting of BoEd:
 - The audit was clean: no material weaknesses or other dings – really good, as well as only a \$18k capital deficit (which will be taken care of in the current budget) and no cafeteria deficit. Big congrats to Brian and all for getting the financials all cleaned up from nearly \$1 mil in deficits not that long ago and kudos for presenting the Audit in Jan, not May
 - The medical reserve is now at \$4mil+ and though I wanted to ask if that was way more than they needed, I refrained
 - The Athletic department made a large presentation and will be looking for some \$, as well for the grounds in capital
 - Chester will be receiving \$168k from a \$689k surplus in R4 (which LA Clymas hopes will offset any other increases needed for athletic support)
 - There is also an offer on the table to buy the Falls River property R4 is looking to sell – the meeting minutes are not yet posted so I do not know if it was approved to sell
 - R4 surplus is \$168k to Chester and Supervision surplus to Chester will be \$108.9: total \$276.9k
 - Supervision Preliminary budget per the paper includes \$143.3k increase to CES a 8.51% increase and \$2.49M to R4 which may mean approximately a \$500k increase to Chester
 - Virginia continued with a report on the tax collector's effort to identify the source and causes of an approximate 5 million dollar reduction in the Chester Grand List over 5 years:
 - Madeline Meyer, the tax collector, was able to find the following over several hours of intricate and labor intensive work:
 - The first category of losses in Fireman exemptions (\$183k)
 - Second category loss due to fire (\$1.045m)
 - Third category loss due to transfer to Chester Land Trust (\$160.5k)
 - Forth category of loss Tax Sale (\$246k)
 - First category of loss-adjustments (\$1.015m)
 - **Total: 2.7 M**
 - Peter Evankow stated that Hose Company tax abatements have been stable year to year
 - Rick Nygard offered that the next revaluation to adjust the grand list is in two years
 - BOF Michael Jordan asked if it was possible to have a reveal sooner than two years due to the uptick in the market
 - Chairman Nygard indicated that was not possible
 - Update on Chester's Audit Report
 - Rick Nygard stated that the audit report would be available at the end of the month
 - Peter was asked if an additional extension of time might be needed – he replied no

- Town Clerk app – nothing to report at this time
- Review "Financial & Accounting Policy and Procedures Manual" for any updates
 - Virginia Carmany and Peter Evankow indicated they had updates for incorporation once the project got started again
- Discussion – New Software for Enhanced Reporting
 - Nothing ready for this discussion yet

Audience of Citizens

- Susan Wright asked about the WPCA funds requested from the ARPA funds at the 12/15 town meeting
 - Her question was that beyond the current lump sum request by WPCA, shouldn't charges to served property owners increase to avoid a future request
 - Virginia Carmany stated that a previous surplus had been spent on other needed repairs to the sewer system by WPCA and that there was a benefit to all residents that the downtown properties served by the sewer be subsidized if necessary
 - John O'Hare suggested a more transparent accounting process for the WPCA
- Susan Wright asked about the downtown WiFi project and mentioned a 12/20 news article stating that the system would be in place by summer 2021 and that a STEAP grant had been awarded to fund the project.
 - First Selectwoman Janacek stated that the award had been granted but paperwork necessary for grant money distribution had just recently been filed to allow funding
- Julie Ann Divas stated that BOF research material like member Bill Bernhart's letter (previously referenced) should have been an attachment to the agenda
 - She also said that she didn't believe that BOF had to go into executive session to discuss personnel hires, rather only existing personnel matters

Adjourn

- With no further business, Chair Rick Nygard entertained a motion to adjourn
 - John O'Hare made a motion to adjourn
 - Virginia Carmany seconded
 - Motion passed unanimously; Meeting adjourned 8:16pm

Respectively submitted,

Steve Cline with corrections by Virginia Carmany and Richard Nygard

Attachments (Please note that the meeting schedules referenced below were revised since the January 20 meeting)

- Letter of William Bernhart:

The Updated Proposal:

Recommend to the Board of Selectmen that they establish a small adhoc committee for developing ARPA project proposals. This committee could consist of a Selectperson, key town

employees, Board of Finance member(s), and key representatives of the Chester Community. The committee would be responsible for developing proposals for spending the total amount of ARPA funding received/to be received that are consistent with government guidelines. They would establish the process for soliciting, qualifying, and developing proposals.

The committee would need to do a number of things:

- Understand the ARPA guidelines such as the Final Rule Summary and applicable sections of the Final Rule - ALL
- Research and/or speak to neighboring/similar towns to see how they are proceeding to implement their ARPA plans
- Work with key stakeholders in Chester and the region to understand community needs
 - Reach out to contacts applicable to the Government Services category (Lost Public Sector Revenue)
 - Reach out to Rosie Bininger and Kimberley McGrath for more info on what they see as social service needs
 - Identify and reach out to contacts that can provide insight to needs in the other categories of use as described in the Final Rule
 - Public Health Emergency
 - Negative Economic Impacts
 - Public Sector Capacity
 - Capital Expenditures
- Establish a means of soliciting community ideas and proposals
 - Develop educational framework to assist in the submission of viable suggestions
 - Idea and proposal submission process
 - Application process for requesting use of funds by impacted individuals, businesses, etc.
- Make notes on the primary desired use, possible use (infrastructure), and other potential uses per the documents provided
- Attend RiverCog meetings or review RiverCog meeting minutes for more info,
- Confirm that the BoF has no role or if it has a role based on what other towns are doing, determine what that might be (especially since the Attorney Mednick has written two conflicting/different opinions),
- Establish a process for evaluating proposals and moving them forward to the Board of Selectmen and Town Meeting
- Establish a Chester communication process for the above.
- Assess the bigger issues around rising expenditures and a flat revenue stream and the need to carefully consider the use of these funds.

Our Board of Finance ARPA group could provide leadership, expertise, and some of the leg work of reaching out to understand ARPA and the needs of Chester stakeholders. It depends on how much time individuals are willing to dedicate to the job. I haven't been through the budgeting process so I don't know how this would play out during what I assume is an intense period.

I think this is an opportunity to address some of the underlying concerns expressed at the town meeting and could be a win-win for all.

- Figure out how to procedurally deal with the 5 ARPA proposals that were tabled at the Town Meeting. These can't be modified. They would have to be voted on. Develop alternate proposals as appropriate and the process for dealing with them in the context of the 5 tabled proposals. How would a town meeting be structured to do this?

From Virginia Carmany (with some minor edits):

Regarding the motions to Table - perhaps there are other considerations besides making a motion *to take from the table* due to moving on to other business during the Town meeting. Since there was no motion *to suspend the rules to allow the introduction of another main motion*. Based on *Robert's Rules for Dummies* and legal advice might be warranted. First, the items happened at a Town Meeting and not within the normal categories of a meeting, so this might have other issues or concerns. Motions that are tabled do not have to be brought back from the table ever. There are times when you can not *take from the table*. One category is: When a motion has just been laid on the table expressly to allow consideration of another motion.

- Fiscal Year 2022-2023 Budget Preparation Schedule – Revised
- Chester BOF schedule of regular BOF and joint BOF/BOS Meetings for 2022 at Town Hall – Revised: Jan 20, Feb. 10, Feb. 17, Feb. 23, Mar. 9, Mar. 17, Apr. 6, Apr. 21, May 3, May 19, June 16, July 21, Aug. 18, Sept. 15, Oct. 20, Nov. 17 and Dec 15

Meeting minutes prepared and submitted by Steve Cline and minor corrections by R. Nygard and V. Carmany