

Chester Joint Board of Selectmen Board of Finance

Minutes of Regular Meeting March 17, 2022

Present for Board of Selectmen: Charlene Janecek

Present for Board of Finance: John O'Hare, Rick Nygard, Bill Bernhart, Andrew Gardner, Michael Joplin, Virginia Carmany; Steve Cline and Deborah Vilcheck

Call to Order: Hybrid In-Person and Zoom Meeting called to order at 7:20 by Co-Chair Board of Finance John O'Hare. First Selectwoman Charlene Janecek called the Board of Selectmen Meeting. Where there was no quorum, Charlene could not participate as Board of Selectmen but did participate as part of the Board of Finance Meeting.

Seated in addition to John O'Hare, Chairman Rick Nygard, Andrew Gardner, Virginia Carmany, Bill Bernhart and Michael Joplin

Audience of Citizens. No comments.

John O'Hare led the review of the budget adjustments.

Virginia noted we're short \$73,000 before adding capital requests.

Open Space - \$50,000 Requested

Discussion – There is nothing in that account now. The conversation commission has requested \$50,000 for the past five or seven years to have money set aside in case they want to purchase open space. Those requests had not been approved. The last time it was funded was when Tom Marsh was Selectman and at that time it was approved to move the funds to offset something else in capital or operating that needed to be spent. Open space hasn't been funded since then.

The request is a very small part of the overall budget, however, setting aside \$50,000 over the next four years is only going to amount to \$200,000 and that wouldn't be enough to buy land. The Town is already 60% State Forest. That doesn't mean we shouldn't invest in open space. Someday we may regret not having open space near the village. Right now, there is no open space near the village.

Cedar Lake - \$8,000 Requested

Discussion – This is a normal request for weed pulling that's done every two years. We've been funding it forever and it allows us to keep the budget flat.

Town Hall Computer Replacement - \$13,000 Requested

Discussion - This is CTComp work. The numbers are an adjustment to the \$21,000 that was already in the budget. The adjustments seem reasonable.

22/23 \$21,000 dropped to \$13,000
23/24 \$22,000 increases to \$22,750
24/25 \$23,000 increases to \$26,500
25/26 \$23,000 increases to \$26,500
26/27 \$23,000 increases to \$26,500

Revaluation - \$11,000 Requested

Discussion – This is normal, it's fine.

Financial Software – All Zeros

Discussion – We had discussed putting aside \$60,000 but we should get Peter Evankow's view on either upgrading the financial software or looking for someone to support Peter to do some of the financial analysis that would be more free-lance oriented. We can put in a placeholder of \$20,000 for three years and discuss it with Peter when he returns on the 28th.

Main Street Project - \$10,000 Requested

Discussion - The committee has \$25,000 that has not been spent and is now asking for \$10,000 for each of the next four years. The money is potentially for the North Main Street sidewalk to the Meeting House which is part of the master plan. (Another part of the master plan is the West Mainstreet sidewalk by the Historical Society.) North Main Street water main was fixed and the road temporarily paved. There is engineering work that has to be done first.

Michael Joplin will look at what was the original cost estimate.

The project is eligible for a STEAP grant (as is the West Main Street sidewalk by the Historical Society). We would have to contribute part of the cost. There is a match. \$25,000 could cover the engineering. It's steep on both sides of the road and would be a difficult build. It would not qualify for ARPA this year but ARPA is a great idea for next year. Also, we have a WIFI project, and another STEAP grant of \$95,000 sitting in house that may not be moving forward that maybe could be transitioned over unless we're planning on doing the WIFI project.

Ed Meehan and Susan Wright are working on the WIFI project. Unfortunately, Ed could not be at the meeting tonight to report on it. If we are doing the WIFI project, we have to have operating expenses to add into our budget for next year.

Energy Efficient Projects - \$7,500 Already in Budget

Discussion - This is street lights, not electric car charging stations. There is a grant for EV charging stations.

Road/Sidewalk/Bridge Repairs - \$300,000 Already in Budget

Discussion - This has been in the budget for twenty years and the costs keep moving up. There is \$106,732 authorized for the remainder of this year. We prefunded capital with \$200,000.

Maple Street Parking Lot & Walkway - \$1,965 Remaining in Budget

Discussion – That will be moved out of the account eventually. John O'Hare commented about the brick wall in front of Chesterfields. The Town owns that and bricks are falling out onto the sidewalk. That fix is going to take more than \$1,985.

North Quarter Park/Playground - \$22,500 Already in Budget

Discussion – They have \$10,000 left over from last year that hasn't been spent. This request is related to a request to release that \$10,000 that Liz Netsch will be bringing to BOS next week. Initially, the money was requested for signage. That was not approved. Then it was to start the boardwalk. The \$22,500 is for the boardwalk and the requests to inland wetlands and state permits are in the process. Maybe the \$10,000 is for engineering drawings to get the permits and then they've got almost \$70,000 to build the boardwalk but the total cost will be way more than that.

There's been two site walks. There is a lot of interest in Town supporting the boardwalk project. \$32,500 should get you through the permitting and engineering process. Construction is another question. While it is true that it makes no sense getting engineering and permits if you can't pay for the project, you have to have a clear cost of construction first. Liz and Randy have put together a construction list. Michael Joplin has known Randy for over 20 years and believes his estimated costs can be trusted to be reasonable. The project has possibilities, so when we get real numbers, because we're talking about a \$200,000 project, the question then becomes is that how the town wants to spend its money. There has been a lot of talk about fundraising for the project. It will be a real plus for the Town.

Bill Bernhart will investigate whether the boardwalk project is a second year ARPA candidate if the Town spends some money on the feasibility and costs.

Virginia - Right now I'm still looking at the \$913,000 versus the \$550,000 from last year where we're still taking some money out. We can pre-fund some capital again but I'm still keeping my options open for things that can either be pushed out or taking out. Having heard from everyone I feel more confident that this is a project that should stay as it is right now with \$22,500 for the next three years.

Tree Removal - \$70,000 Already in Budget

Discussion - Can any of this money come out of the budget now. The account is out of money, and we just had a tree come down on Kings Highway.

Town Buildings/Repair/Code Compliance - \$65,000 Already in Budget

Discussion – We have \$107,881 left over this year and \$104,489 is supposed to come out this year for the Meeting House, the Town Hall Roof and the tax office which has already been spent so looking at page 3 of 7 that has all been earmarked and there is not enough money to cover the requests on page 1 of 7 because it goes short \$45,588 if we did the projects on page 3.

Rick – What are the relative priorities of these various items?

Virginia – it's interesting they've been put in now to be spent 100% in the following year. It's not really what capital is supposed to be used for in terms of spreading things out so they don't spike in a given year but that didn't happen.

Charlene and Peter need to figure out what needs to happen and smooth that out. The \$65,000 should be \$110,000 if you need to do all the work next year.

Imbedded in that number is also the library request of \$37,980 for lighting (which may include switching to LEDs for energy savings), a fence and plantings. They have revenue from the Gwendolen Orton Jones Trust fbo Chester Public Library that they've been using to the tune of \$15,000 to \$40,000 and they have chosen to use that money for various projects and not come to the Town in the past. The Town has an obligation to maintain the building and the parking lot, etc.

The Trustees of the Jones Trust have discretion over the principal of over \$500,000 but revenue is paid out to the Library Board of Trustees.

We should be able to spread out the Library projects one project at a time.

Firehouse – Ambulance Replacement - \$25,000 Already in Budget

Discussion – Referring to page 5 of 7 and looking at the ending balance row, the least amount in any of these years is \$206,473. It looks like we have \$200,000 more in this account than we need and may be overtaxing.

Fire Chief James Gryzbowski responded. That isn't necessarily so. Looking at just the engines and pumpers, he's estimating \$650,000 for 24/25 but the cost is getting closer to \$720,000 based on costs we cannot control. Then the next piece of equipment is the Pierce pumper in 2032/33 that is estimated to cost between \$700 and \$850,000. This purchase appears in James' information as he budgets farther out. When I did these numbers it looked good until everything went sideways with the world. We had two different vendors come in and even did it with the Middlesex County fire chiefs. They're estimating in for years just an engine will probably cost almost a million. I'm fighting it because I don't believe it because at some point people are going to say "no" for an engine. Right now, I'm looking at closer to a \$720,000 truck when we start formulating the bids next year.

Virginia – in the short term we holding almost \$700,000 a year for the 24/25 buy. If you go out even farther in the future, we're holding closer to a \$1M for a buy that's off our charts. My question is, Does it make sense to hold a 6 or 7% tax increase in a fund for the future when maybe we should be bonding for these big pieces. Just looking at 2031/32, we'll have \$832,473 saved up."

James – Looking at my information, in 2032/33 we have four pieces of apparatus that need to be purchased. Bonding is great if you want to do that, however, if you bond for those trucks,

down the road you're going to have to do the same thing. We've been talking about bonding for the past couple of years. It may be an option if that's what you want to do. I'm just giving you the estimated costs to make it out to 2040. If my projections are correct with costs going up, you're actually going to be down to about \$90,000 in that account after 2024/25. Part of it is our own fault in taking such good care of our equipment. This pump is 36 years old and it's recommended replacement is every twenty years but we pushed it because we care about the Town and we all pay taxes. I can't control the costs and it's very frustrating.

Virginia – The other thing with our spreadsheet, not James', is there is for 21/22 \$45,606 when that money has already been spent, earmarked. My point is you don't need to spend \$46,000 because it is already out as part of the \$90,000 for the boat. That is the delta that hasn't been invoiced yet but it is part of the \$90,000 that has already been approved.

James – I pulled the entire \$90,000 out of my information.

John O'Hare – Hypothetically, if we bond and not put in the \$75,000 and take out that \$617,000 soon, you will have changed the tax situation substantially but you would still have a bond payment over ten years. Let's say that's the \$75,000 but in the meantime, you have \$700,000 and maybe knock off a mil.

James – I would fight vehemently taking the money this year unless you're going to guarantee me that in 24/25, you're going to go out and bond.

Virginia – We've already put aside the \$650,000, so it doesn't make sense to take that money out now but immediately after 24/25 we go out and bond.

Rich Nygard – What we really need is a ten-year capital financial plan for the hose company. It will be a mix of saving and bonding – not all of one or the other but the idea is how you can best levy and equitable tax over time on the citizens so we're not going way high or way low. I think the combination of saving and bonding will probably take us where we want to go.

John – When we talk about bonding, we'll probably talk about other projects as well.

Andrew Gardner - Bonding for the Hose Company projects alone would not make sense but on the other hand, once we start talking about bonding, we'll be using everything else as an excuse for bonding just to make it cost effective. The cost of bonding over the last six months has probably tripled, at least the rate we've been paying the middlemen and the eventual buyers of the bonds. Just something to think about.

Virginia – I agree with Rick and Andrew. The question is the use of capital items and the costs in the same time period. We're starting to save for stuff that's not happening for 12 years and the taxpayers are paying for it now and for some taxpayers who are not going to be utilizing that equipment in 12 years necessarily so to align the periods I think bonding is useful for that. It also needs to be offset by how much it's going to cost associated with bonding feasibility. If the costs go up too much then we're doing it the right way now.

Andrew – The other thing to consider is do we, even though there is no interest rate environment, we've heard about shopping around for the best interest rates. The other side with bonding is that we are taking advantage of the best rates we can from the State funds we can get but also even at some point buying other bonds and what we're doing for the cash management if we do just sit with \$800,000 to a million dollars on the books. If we're not going to bond, we can't just wait another decade for interest rates to go up to where we're falling further behind the inflationary costs of the fire trucks. We should remember to look at it both ways.

Ambulance Replacement - \$130,000 Purchase in 25/26

James – that will be refurbishing the ambulance at a cost of \$130,000. The refurbish will be putting on a new cabin chassis which saves a good \$150,000. That ambulance has 100,000 miles on it now.

Equipment Purchases - \$45,000 Requested for 22/23

James – we do it every year just so everybody understand. That is for equipment that would blow the budget in severe mountains and valleys. It specifically purchased fire fighting gear. Scott packs (breathing apparatus), hose and extrication equipment. There is a lot of money still in the budget because a lot of stuff ordered has been delayed. Next July I'm planning to purchase 6 Scott packs. They each cost about \$1,000. You don't replace just one, you have to replace 4 and so that will cost a little over \$8,000. We save on Scott packs when we do groupings. Sets of gear had been ordered in August and we're expecting delivery the end of May. That will cost \$500 to \$700 a set.

Discussion concerning the parking lot. James would rather have all the other requests approved than the parking lot right now. He will look back to see when the parking lot was approved. It has all its approvals and has gone to public hearing where there was an affirmative reaction but no vote. It benefits the fire department. It also benefits the property owners in the village but are their taxes going up?

Public Works Trucks and Equipment -

Discussion - Referring to page 2 of 7, we're holding an extra \$125,000 between now and 27/28 and at the end of 31/32 the ending balance will be \$350,494. We're replacing vehicles. If there are other vehicles, they need to be added to the schedule so we know what's needed.

Town Buildings Repairs –

Discussion – We're short over the next three years because of the projects that were potentially added, then after that we're holding extra money without anything identified.

Virginia - With the fire department potentially holding \$200,000; it may be only \$50,000; and ambulance holding potentially \$34,000 extra so across the board each department has fairly significantly more money than they identified they need to spend so when you add the 10's, 20's, 50's you start to see something in the \$300,000 to \$400,000 range of extra.

We need to tighten it up. We're at 20% of our general fund balance when we only want to be at 16.6%. We have a lot of extra money in our budgets, in our capital and coming back to the Town in revenue, implying that we are overtaxing.

Take \$700,000 out of a million after the 16.6%, we have \$300,000 sitting in our general fund surplus above and beyond the 16.6% and we have the \$600,000 for Masonicare case that we may not lose and the extra \$300,000 in capital that we won't need in capital in the short term. Looking at how things are going we need to reflect on this and think about what we're going to do about it.

We're not going to increase our collection rate from 98.75% to 100% but actually usually we do get 100%. Madaline Mayer said we need to drop the revenue budget for back taxes and interest because it's too high. We need to change that number.

The school gave us back money this year, on the budget status report we have \$500,000 of extra revenue that we didn't expect and less than \$100,000 of additional expenses that we didn't expect so we're \$400,000 in the black. That's good, but is it too good.

Discussion regarding legal fees – Charlene will find out if we have enough in legal fees to get us through Masonicare and three other cases.

Virginia – we would like to see the legal fee number be robust so that we are protecting the Town as robustly as possible.

Gould, Larson is the firm representing the Town in Masonicare. John Bennett is retired. The court hearings keep getting postponed.

Rick Nygard – in the last couple of years we've used some funds from surplus, added to revenue which reduces the problem somewhat. We can put \$200,000 there. We have ways of financing some of this.

Police Body Cameras, Dash Cam's and IT Storage Components - \$124,000 Requested

John O'Hare – Had we done this a year and a half ago we would probably have come to a different conclusion but we don't have the time. The only change I would make to the CTComp proposal is that we eliminate the redaction at \$6,000. We don't need it. There is a slot for a DVD, The Telrepco representative said everybody is doing it this way. Telrepco is serving a majority of the resident trooper towns.

Charlene requests that BOF approve no more than \$83,000 for the IT storage so that we can move forward and be able to whittle it down.

Discussion – this cannot come out of capital unless the money comes from the fire department so it needs to come out of ARPA money.

Virginia made a motion to add to the agenda a special discussion on the components of the body cameras, dash cam and IT components so that we can discuss it and vote on it so the dollars can be part of the ARPA town meeting.

Bill seconded.

All in favor. No objections.

Virginia made a motion to approve no more than \$83,000 for IT storage component of body camera and dash cams of \$41,750 so that they can be approved at Town Meeting contingent upon the Board of Selectmen and ARPA Committee approval.

John seconded.

All in favor. No objections.

Audience of Citizens. No comments

Meeting adjourned at 9:23 pm.