

THESE MINUTES ARE SUBJECT TO APPROVAL AT THE NEXT BOARD OF
FINANCE MEETING

REGULAR MEETING
BOARD OF FINANCE
March 20, 2008

The Regular Meeting of the Chester Board of Finance was called to order at 7:36 p.m. by Jennifer Wislocki. Those in attendance included Kim Just, Virginia Carmany, Jennifer Wislocki, Rick Morrow, and Ed Meahan (seated for Chris Johnson).

APPROVAL OF MINUTES

The tape recorder was turned off while BOF minutes reviewed the minutes. The tape player was turned back on at 7:45 p.m.

Jennifer Wislocki moved to approve the meeting minutes from the February 21, 2008 meeting, with corrections. Rick Morrow seconded the motion. The motion passed.

Comments/Correction: Kim Just commented on developing a policy for the capital budget. Tom Marsh reported that a BOS held an intervening budget meeting and this topic was discussed. A copy of the Proposed Capital Policy was included in the BOF packet. Also, regarding the POCD, hopefully, a Public Hearing will be held in mid June.

Page 2 – under Monthly Financials – Note that it was determined that the monthly financials received were inaccurate for the associated time period. Tom Marsh clarified/reported that due to software changes, the percentages shown in the report differed from what was previously reported using the old software. He added that what was reported in the minutes was accurate.

Page 2 and 3 – under Capital Budget – Note that Jennifer Wislocki requested historical back up for all of the projects. However, Tom suggested that Jennifer may have requested these documents at a different meeting than the one being discussed presently (2/21/08 BOF meeting). Tom does however, have these documents for this evening's meeting.

Please note that there was not a voting quorum present this evening. These minutes were tabled until the next meeting.

REPORTS

First Selectman's Report

Tom Marsh addressed the issue of the availability of documentation. He reported that an e-mail was recently sent including the agenda, the minutes, the tax collector's report, and the monthly financials. Not included were the revenue and expense documents. The e-

mail stated that these documents would be available for review on the web site. Board members commented that they did not receive this e-mail. Martin commented that that e-mail was sent to the Board of Selectmen however, Tom continued that it was sent to the BOF as well. Tom discussed an additional e-mail regarding a review of the RFP for the Auditor's Contract. He did not receive any comments. He continued that the town has been unable to transfer the BOF minutes electronically.

Tom reported that the intention is to put the updated budget on the web site and an electronic copy of additional documents would be sent to board members. Members could request hard copies. However, due to e-mail problems, many members are not receiving these documents. Jennifer asked how members would prefer to receive information. Kim responded that she prefers receiving things electronically and continued that the revenue and expense report is currently on-line. Other members reported that they prefer to receive hard copies. Martin reported that he is not aware of any regulation or by-law stating how documents are to be received.

The Board discussed the contents of the packets and the necessity of receiving hard copies certain documents.

Tom reported that a receipt of delivery on e-mails can be established and the town will investigate the e-mail/computer problems. Board members were directed to e-mail Tom regarding how they prefer to receive their packet.

Tom Marsh distributed information on the nuisance weed removal on Cedar Lake. The Cedar Lake Advisory Commission reviewed the bids received. They recommended that the town use Aquatic Control Technology. This is the same company that completed the work previously. A copy of their bid and analysis was submitted. One issue discussed was determining who would pay for what services. The Cedar Lake Advisory Board and the Conservation Commission determined the parameters of the project. However, they decided to let the BOF determine how to pay for the project. Tom reported on two aspects of the project:

1. Doing the weeds around the boat launch.
2. Going down the western side of the lake (900 by 100 ft. area)
 - a. Do the homeowners living in this area pay for this service
 - b. Does the town pay for this service?

Tom continued that the BOS recommends that the town pay for this service as the entire town has access to the lake and benefits from the lake. This project is also being completed to maintain the health of the lake. Tom added that they suggest the town pay for the service at this time, but not necessarily in future years. It is expected that this project will be done every two years. Additional areas (swimming/beach) would be discussed as well. The BOS also discussed a policy on a property owner's desire for additional services in front on their property.

The cost to do both sections is \$13,760.00. There is currently \$18,560.00 in the Capital Budget to cover these expenses.

Tom reported that it would not be healthy for the lake if too much weed removal was done. Tom continued that the level of expertise on the Commission is high and these people really are knowledgeable on the amount of weeds to be removed.

Tom reported that the dredgings from this project are taken to the dock and composted.

Tom reported that this issue will eventually have to go to a town meeting for a vote.

Martin Heft reported that the last time this project was done; the cost was shared by the home owners as the town did not have the funding.

Kim Just commented that the entire lake benefits the entire town and the town should pay for the project.

Virginia Carmany reported that she prefers being consistent with what was done previously; the town paying for areas of public access and the home owners pay for the work adjacent to their property. She suggested a third alternate which was a fund raiser at the town beach or an increase in the beach rates to cover weed control costs.

An additional board member was concerned with setting a precedent; we cannot change the process year after year.

Jennifer added that as the lake is a town asset, she leans towards having the town pay for the weed removal.

Tom reported that there is another meeting scheduled for April 1st to discuss the issue. He continued that no board had a unanimous position on the funding of the project.

Martin Heft added that the web site has a link to the Cedar Lake Management Plan. This plan was voted on by the town residents at a town meeting. He continued that this plan does include weed control. He recommends BOF members reviewing this document.

Martin reported that the town does receive boat registration funds from the state in the amount of \$25,000.00. They suggest that we use these funds for weed removal.

This topic will be added to the next BOF agenda.

Tax Collector's Report

The Tax Collector's Report was included in the Board's packet. Kim commented on the subprime crisis as it may pertain to the town of Chester (i.e. revaluation). Tom reported that some of the waterfront properties that had a significant spike in value at the last

revaluation may see a decrease in value this time. Also, starter homes may see an increase in percentage.

Bruce Watrous reported that the revaluation is a redistribution of funds. The issues will be the percentages, based on the market. He felt that the majority of Chester will be unaffected by what is happening throughout the country.

Tom reported that he had discussions with Joyce (tax collector). He continued that we are currently at 100% collected.

Kim Just questioned the possibility of a tax relief program for seniors on a fixed income. The BOS responded that this was done in Chester several years ago and reported on the process.

Monthly Financials

The monthly financials were included in the Board's packet.

Tom Marsh reported on a number of line items that will be in a negative position; such as heating oil for buildings and fuel oil for trucks. Also, some line items will show a surplus. Over the next few weeks, these line items will be identified and requests for transfers will be established. Preliminary year end projections will be established and distributed to BOF members as soon as possible.

Tom reported that the issue with the disputed bridge bill is still on-going. He was unable to comment further.

AUDIENCE OF CITIZENS

None.

BUSINESS

Consideration and Approval of Bills

The following was moved and seconded:

Engineering Contingency: Balance in account after transfer below is \$ 5,020.26
Please transfer \$ 84.75 from the Board of Finance Engineering Contingency to the following line item:

10-05-63-1065-265 General Engineering
Nathan L. Jacobson & Associates, Inc. (Main St. Reconstruction)
\$ 84.75

The motion passed.

The following was moved and seconded:

Legal Contingency: Balance in account after transfer below \$ 7,029.25
Please transfer \$ 2,392.00 from the Board of Finance Legal Contingency line item to the following line items:

10-05-63-1105-270	<u>General Legal</u>		
	Gould, Larson, Bennet, Wells & McDonnell, P.C. (Decarlo & Doll)		
	\$ 96.00		
	Gould, Larson, Bennet, Wells & McDonnell, P.C. (General)		
	<u>\$ 80.00</u>		
			Total General Legal
	\$ 176.00		
10-05-63-1105-380	<u>Planning and Zoning</u>		
	Dzialo, Picket & Allen PC (Schaefer MV Junk)		
	\$ 600.00		
	Dzialo, Picket & Allen PC (Johnson MV Junk)		
	\$ 950.00		
	Dzialo, Picket & Allen PC (Maniere/161 Middlesex Ave)		
	\$ 405.00		
	Dzialo, Picket & Allen PC (Mendeloski/20 Turkey Hill Rd)		
	\$ 216.00		
	Dzialo, Picket & Allen PC (ZEO Misc.)		
	<u>\$ 45.00</u>		
			Total Planning and Zoning
	\$2,216.00		

The motion passed.

The following was moved and seconded:

Highway

Transfer:

- At the First Selectman's request, please transfer \$13,597

From:	10-05-63-1160-585	Board of Finance – Winter Maintenance Contingency	
To:	10-02-30-1160-104	Highway – Winter Maintenance – Overtime Payroll	
	\$ 1,308		
To:	10-02-30-1160-365	Highway – Winter Maintenance – Outside Contractor	\$11,028
To:	10-02-30-1160-455	Highway – Winter Maintenance – Sand/Salt	\$ 1,261

The motion passed.

Region 4 Budget Report

Richard Strauss and Lynne Pease were present to review the Region 4 BOE budget. They distributed information pertaining to same. Tom reported that the hand outs were delivered to the town hall this afternoon.

Richard Strauss reported on the process needed to address the deficit in the cafeteria fund from last year. This is a \$20,000 deficit in the cafeteria fund which will be offset by additional revenue that will be received. The towns will be receiving approximately \$80,000 from a 1995 building project. In the past, these dollars would have been shown as a reduction in billings to the towns in the following year. The region is now undertaking a rigorous process to have annual accountability to the towns. He added that surpluses will no longer be used to reduce the following year's budget. These surplus funds are put back into the town's general fund.

Richard continued that this same discipline is being used with Supervision District as well. For the year ending June 30, 2007, Supervision District ran a deficit of approximately \$12,000.00. This was due to the fact that we were not paying for workers compensation for employees. This was uncovered during an audit. Since the audit had not been closed yet, the costs were incurred from that year's budget.

Richard continued that the region was able to cover a substantial deficit last year and had a surplus on the operating budget at the end of the year.

Richard reported that the financial reporting in the cafeteria is delayed. However, the financial manager of the district, Garth Sawyer, will now be scrutinizing the cafeteria accounts. This will allow for more accurate and current information.

The issues that contributed to the cafeteria deficit included the type of food that is now allowed to be sold. Superintendent Caron is interested in re-organizing cafeteria operations throughout the district by establishing a Director of Cafeteria position. However, this added expense was taken out of the budget.

Richard reviewed the budget with the BOF and invited them to attend any budget hearing and/or meeting. Richard reported that the net budget increase is 4.73%.

Richard reported that Chester's share of the region 4 budget is up .47%. He reported that that the board of education is interested in using a 3 year rolling ADM average in determining the costs to a particular town. However, this may require state legislation.

Specific items in the Region 4 budget discussed were the additional English teacher and the in-school suspension position. The in school suspension position is an unfunded state mandate.

Richard reported that the region is closing out the building project. There is still temporary financing for several million dollars. We have been advised that we cannot go to permanent financing until the project is audited by the state. There is some principal pay down above what we were planning that may be required. We do not anticipate an

impact in this budget, but there may be an impact next spring. Richard continued that the Interim Financial Team identified a waiver of the state's allocation. This resulted in the region receiving an additional \$7.3 million dollars from the state. This will reduce our final financing of permanent debt.

The Board briefly discussed the sinking fund; specifically for the fields. Also discussed was deferred maintenance; specifically the replacement of windows at John Winthrop. It was reported that this project would not have been reimbursable during the recent construction project. Richard continued that because of the deficits uncovered, this project was not completed. However, the project is still intended.

The process for determining teacher's salaries was discussed. District wide regionalization issues were also discussed briefly.

The Board thanked Richard and Lynne for their presentation.

Tom Marsh reported that the interaction he has with Garth Sawyer and Kim Caron far exceeds interaction with the previous Region 4 Administration.

Capital Budget Review

Tom Marsh distributed information regarding the Capital Budget. This information reflected increases vs. last year. Revenues are up 1.3%. The current expenditure budget, excluding capital, is up 1.78%. Changes include misc. grants, interest expense reductions and tuition reduction. Tom reviewed the additional expenses as well.

Tom reported that the operating budget is up \$64,000.00 or 1.78%.

Also included in the packet was information regarding the road resurfacing schedule, a reflection of the capital budget as submitted, the revaluation figures, and pay loader replacement costs as well as the replacement schedule.

Tom continued that Peter is currently investigating the lease vs. purchase option on vehicles. The board discussed the process used for determining when vehicles need to be replaced.

Dock Hill Bridge replacement was briefly discussed. Tom reported that the figures for this bridge were removed because the temporary bridge is in place. This bridge is expected to last for 15 years per Jacobson's review and a "permanent" bridge would cost well over \$1 million which would be bonded.

The BOF discussed money that is currently allocated for maintenance building issues. This issues include the possibility of a bay being added (the lawn mowers are currently being stored on the Fair Grounds), salt storage etc.

Additional capital items discussed briefly included ambulance replacement, HVAC at the school, pumper truck, roofing at school, and paving/sidewalk at school.

Virginia expressed concern while reviewing the 5 year projection. She was concerned about the spike in the 09/10 capital budget. Tom reported that this spike is due to the fire house expansion.

The historical figures in previous capital budgets were discussed.

Tom reported that as our end of the year position is determined, he feels we will not spend 100% of our budget. He anticipates more revenue than was budgeted for; therefore, not all of the \$252,000 will be needed from the fund balance. The future use and level of the fund balance was discussed briefly.

Tom reported that he recently received the estimate from Tilcon regarding the roads and school parking lot. The parameters of the school parking issues were discussed. He shared this information with the BOF. The school paving/parking plans will be taken to the BOE for their review, input and approval before coming back to the BOF. Although, the intent is to do the project over the upcoming summer months.

Fire Protection Budget Review

James Grzybowski distributed an updated fire budget. An additional cost to the budget is the fire commissions outside clerical costs. Highlights of their budget include:

Fire

- Maintenance expenses should go down as a new truck has been purchased.
- Fuel costs will be higher
- Gear costs have been lowered
- Certification and professional development costs were combined
- Radio maintenance was combined into equipment maintenance

Ambulance

- All items with the exception of gas/oil, (increased by \$500), have remained status quo

The cost per call was discussed briefly.

Payroll

James reported that this account has increased by \$11,000. There was a standard 3% increase for 6,084 hours. In the past several years, 936 hours were unfunded due to the fact that we generally return \$15,000.00 from the account. He projects 468 additional hours over last year – an increase of \$8,002.00.

The Board of Fire Commissioners recommended bringing this budget to the BOF. It represents a 4.97% increase in the budget over the previous year. If the BOF/BOS decided to not fund 936 hours, the increase would be 1.25%. However, James projects using \$8,000 more this year.

It was reported that each time we respond to an emergency, we receive revenue. By increasing hours, we can increase revenue. James' expectation is to turn in approximately \$130,000.00 in income by the end of June.

James reviewed ambulance usages, including a second ambulance, figures with the BOF.

Martin requested a copy of the collection report. James will provide same.

A vehicle replacement schedule was provided to the BOF.

The Fire House Expansion project was discussed. The committee, at this time, is soliciting an architect to provide solid figures. They will be prepared to present a plan next year.

Kim expressed appreciation for the fire company's willingness to re-evaluate their needs on several occasions.

The BOF thanked James for his presentation.

Auditor Contract

Tom Marsh will send a copy of the contract to BOF members.

Other Business

The next budget workshop is scheduled for April 1st and the Region 4 Public Hearing is April 3rd.

Kim Just reported on an e-mail received from Central Office. She reported that a meeting is scheduled at the Central Office on Monday. They have requested a representative from each town's BOF.

ADJOURN

On a motion duly made and seconded, the meeting was adjourned.

Respectfully Submitted,

Suzanne Helchowski