

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

REGULAR MEETING
BOARD OF FINANCE
April 17, 2008

The Regular Meeting of the Chester Board of Finance was called to order at 7:40 p.m. by Jennifer Wislocki. Those in attendance included Kim Just, Virginia Carmany, Jennifer Wislocki, Rick Morrow, Rich Nankee was seated for Chris Johnson and Tom Marsh.

Approval of Minutes

March 20, 2008

Kim Just moved to approve the March 20, 2008 minutes, with corrections. Rick Morrow seconded the motion. Discussion followed.

Corrections:

Page 1 under Approval of Minutes – should read: “The tape recorder was turned off while BOF members reviewed the minutes”.

Note – Kim Just moved to approve the meeting minutes from the February 21, 2008 meeting. Rick Morrow seconded the motion. The motion did not pass as it was tabled.

Page 3 – Under Tax Collector’s Report – should read: “Kim commented on the subprime crisis as it may pertain to the town of Chester (i.e. revaluation and tax collection).

Page 9 – Under Auditor Contract – change the word contract to RFP.

The motion passed unanimously.

Please note that the February 21, 2008 meeting minutes will still be tabled due to the fact that there was not a voting quorum present this evening.

April 1, 2008

Kim Just moved to approve the April 1, 2008 minutes. The motion was seconded. All were in favor of the motion.

First Selectman’s Report

Tom Marsh reported on the Healthcare Package and premium increase. He requested a review of the Point of Service Plan which was the plan in place until this past year. He also requested a review of the HSA Plan. Both of these plans are available to employees

and 100% have signed up for the HSA Plan. Tom questioned how much of the increase was due to rate increase vs. a shift in banding of the population. Tom was informed that the Point of Service Plan (one of our options) went up 21.5%; of that, 18.4% was rate increases. For the HSA Plan, the rate increase was 23%; 16% of that was the rate increase. Tom continued that there will be 5 age banding increases this year, next year there will be none and in 2010 there will be 3, 2011 there will be 3, and 2012 none.

Essentially, there is \$85,000 less for the premiums under the current plan vs. if we had stayed with the previous plan. This includes the 100% deductible.

Tax Collector's Report

The Tax Collector's Report was included in the Board Packet. Jennifer reported that we are currently 99% collected. She continued that she is in receipt of the Suspense List. The total to suspend is \$7,338.23. The Tax Collector is asking for approval to "write this amount off". If this amount is written off, it will not be included in the back tax collection calculations. However, the liens on the property will remain.

Kim Just moved to approve Suspense List as presented by the Tax Collector. The motion was seconded and passed unanimously.

Tom clarified the Tax Collector's Report. We are at 100% of overall collections. We are at 99% of the Grand List. He continued that new warrants have been issued, personal property (\$8,500), real estate (\$160,000), and there is an additional property at \$100,000. He reported that we can expect to collect ½ of these warrants.

Monthly Financials

The BOF reviewed the Monthly Financial reports provided.

Audience of Citizens

No comments made.

Consideration and Approval of Bills

The following was moved and seconded:

Engineering Contingency: Balance in account after transfer below is \$ 2,582.46
Please transfer \$ 2,437.80 from the Board of Finance Engineering Contingency to the following line items:

10-05-63-1065-195 Dams
 Nathan L. Jacobson & Associates, Inc. (Upper Pond & Schriber Park)
 \$ 495.90

10-05-63-1065-265 General Engineering

Nathan L. Jacobson & Associates, Inc. (Main St. Reconstruction)
\$ 1,941.90

The motion passed.

The following was moved and seconded:

Legal Contingency: Balance in account after transfer below \$ 6,413.25
Please transfer \$ 616.00 from the Board of Finance Legal Contingency line item to the following line item:

10-05-63-1105-380	<u>Planning and Zoning</u>	
	Dzialo, Picket & Allen PC (Schaefer MV Junk)	
	\$ 210.00	
	Dzialo, Picket & Allen PC (Maniere/161 Middlesex Ave)	
	\$ 195.00	
	Dzialo, Picket & Allen PC (Mendeloski/20 Turkey Hill Rd)	
	\$ 136.00	
	Dzialo, Picket & Allen PC (J&S Enterprise, LLC)	
	\$ 75.00	
		Total Planning and Zoning
	\$ 616.00	

The motion passed.

The following was moved and seconded:

Highway

Transfer:

- At the First Selectman's request, please transfer \$5,222.68

From:	10-05-63-1160-585	Board of Finance – Winter Maintenance Contingency
To:	10-02-30-1160-104	Highway – Winter Maintenance – Overtime Payroll
	\$ 439.23	
To:	10-02-30-1160-455	Highway – Winter Maintenance – Sand/Salt
	\$4,783.45	

The motion passed.

There was some discussion regarding the process used to authorize the work done by the Engineering Company. Tom clarified that any work done by the Engineering Company is authorized through him. The most recent payments to the Engineering Company are for the STEAP Grant application.

Cedar Lake Weed Removal

Tom reported that the BOS recommends doing the entire portion of the lake as recommended by the Cedar Lake Advisory Board. The Cedar Lake Advisory Board recommends two sections (boat launch and west side of the lake) at a total cost of

\$13,760.00. The BOF will determine how much of the project will be paid for by the town. Tom reported that the line item in the budget for this project is approximately \$18,000.00.

Board members stated that many citizens feel that homeowners should pay for the portion of this project in front of their house as they receive the benefit. However, to maintain the health of the entire lake, these areas should be completed. Tom stated that the homeowner is not allowed to restrict your access to the water.

A woman stated that the priority should be for the public land. This would be the town beach area on Cedar Lake Road. The public beaches were not done at the time of the last project. This woman reported on the dangers of the weeds in this area as a day camp does operate in the area.

Virginia Carmany moved that for weed removal on Cedar Lake in the public areas as identified in previous discussions including the town beach on Cedar Lake Road, the boat launch and Pelletier Park on West Main Street be addressed first for any costs. Virginia Carmany withdrew the motion.

Rich Nankee made a motion to have the homeowners pay for the weed eradication in front of their property. This motion was not seconded.

Tom suggested allocating a “not to exceed” \$14,000 with town beach and boat launch properties taking priority.

Rick Morrow made a motion to allocate the funds to do weed removal in the three public areas (Pelletier Park, Chester Town Beach and the boat launch), not to exceed \$13,000. Rich Nankee seconded the motion. Discussion followed.

Tom Marsh reported that there are people in town that never use the beach and have no concern for same. These people kayak and canoe in the lake. He continued that there is the safety aspect of the project. Tom reported that if we have a resource (the lake), some fish, canoe etc. and this resource needs to be maintained.

Since this project needs to be completed every two years, there was discussion about moving the project from the Capital Budget into the Operating Budget.

Tom reported that at two previous town meetings, the town has voted to appropriate money for this project. No money is being put into this project this year. The money is already in the Capital Budget. The Conservation Commission and the Cedar Lake Advisory Board have done a report indicating why and how weed removal is to be done at the lake. This report is on the website. They are the bodies that determine the policy. When they finished their work, they were “hung up” on the property in front of homes. Tom indicated to them that it was up to the Board of Finance to determine how much is spent on the project.

A BOF member stated that the BOF has the responsibility to determine what a good expenditure of the town's money is.

Tom continued that he feels the BOF does not have the responsibility to determine what area needs to be done. They have the responsibility to determine a certain amount of town money should be used for the project. A board member argued that the BOF has the purview to determine what areas would be funded. Tom disagreed. He felt that the Conservation Commission and the Cedar Lake Advisory Board should determine what areas are to be completed.

The motion passed unanimously.

The next step is to put this item on the Call for the Town Meeting.

Capital Budget Review

The BOF reviewed the Capital Budget 2008/09 documents. This review included:

- Capital Budget 2008/09 shows the current balances in various line items.
- Fiscal 08/09 shows the current recommended funding for this year and subsequent years.
 - \$16,000 – revaluation
 - \$75,000 – pay loader
 - \$12,000 – dump truck
 - \$45,000 – ambulance replacement
 - \$92,000 – pumper truck
 - \$20,000 – hvac
- The Capital Budget Planning Sheet was reviewed

Tom Marsh reported that Martin Heft provided planning sheets from 2005/06 which reflected replacing the pay loader in 2012. He continued that the pay loader is currently in “OK” shape (some transmission work has been done). He suggested allocating the replacement costs of the pay loader over 4 years as opposed to 2 years. Bruce Watrous cautioned against stretching another 5 or 6 years out of the current pay loader. The BOF discussed allocating \$50,000 for this item over 3 years.

Regarding the \$92,000 shown for a pumper truck, Tom reported that there was discussion about leasing the vehicle vs. purchasing same. Peter spoke to the town of Lyme regarding the situation. They recently leased a truck at 2.9% over the years and then purchased the truck for \$1 at the end of the lease. Tom continued that when Chester investigated, the finance figures were higher than 2.9%. Tom felt that the “default” is the fund the vehicle as if you are going to purchase it.

A board member suggested sharing equipment, such as the pumper truck, with other towns. He continued that often many towns respond to fire calls. Jamie Grzybowski

reported that a consolidation with other towns was discussed in the past and was rejected. Tom continued that we do have mutual aid agreement with other towns and we do take into consideration the types of vehicles other towns own. Jamie continued that the equipment does vary from town to town and the equipment we own, best serves our town's needs.

The Capital Planning Packet also contained information regarding the dam project. The bids for this project are being opened on April 27, 2008. Tom is confident that the funding in place is adequate.

The Public Works building was discussed. The 05/06 sheets showed adding an additional bay onto the shed to provide additional storage space. Tom reported that there is still a need for additional storage space. He has directed John to assess the storage needs. John does not feel an additional bay on the existing building would be beneficial. Tom continued that money should be maintained in the line item.

Tom reported that Main Street will need to be reconstructed. The STEAP Grant will give us full funding for the project, when the time arrives to do the work. This is dependent on the DEP's schedule and the sewer project. Tom intends to re-submit the STEAP Grant application at the appropriate time. Tom continued that money needs to remain in this account; however he does not advocate adding to the amount at this time.

The BOF briefly discussed the possibility of purchasing voting machines.

The Capital Improvement Plan template was included in the board packet and parameters for placing items in the Capital Budget were discussed.

Tom Marsh suggested adding the road expenditures to the Capital Budget. While there is no financial gain in doing so, we should have money in the operating budget paying for signs, top soil etc., but the roads become an asset of the town that is depreciated. The BOF agreed that the roads should be put into the capital budget.

Kim Just made a motion to move the road construction budget from operating to capital. Kim amended the motion to move the road repair/construction from operating to capital. The motion was seconded. The motion passed unanimously.

The Budget Adjustments for Fiscal Year 2008/09 was distributed and discussed. This sheet included the General Fund Expenditure Budget and the Capital Fund Expenditure Budget.

The Budget Comparison Sheet was discussed. The sheets reflects a -\$894,402.00 in the Difference between Revenue and Expenditure Budget. Tom reported that 1 mil equals approx. \$430,000. Therefore, this shortfall is approximately a 2 mil increase in taxes. One percent of the fund balance equals \$115,000.00. The fund balance is 1.698 million dollars or 14.76%. The proposed town operating budget excluding the impact from the roads is up less than 1%. Over the last 3 years, the general government, including the

roads, is up 1.8%. The capital budget is down 56% and the CHES budget is up 14.85% and region 4 is up 16.4%. The region 4 budget is scheduled for vote on May 6, 2008.

Tom continued that we are \$894,000 short. Not paving Hoophole Hill road would save \$96,000.00. Tom reported that residents on the road do not want it paved and the DEP is doing logging at the end of the road and their trucks could cause damage to the road. Tom continued that there is approx. \$60,000 in the capital budget that can be reallocated.

A Board member commented on the region 4 budget. Bruce Watrous reported that our census has affected Chester over the past several years. Tom reported that the town budget is extremely lean. He continued that the BOE works hard to prepare their budget. They have removed a teacher from their budget this year to bring their budget down. Tom reported that it would be extremely difficult to get significant money from the schools. In order to receive \$100,000 back from the region 4 budget, they have to cut \$300,000.00 (we are 1/3 of that budget). To get another \$100,000 from the CHES budget, several teachers would need to be cut. Managing the fund balance is critical. Tom suggests applying the fund balance to the Capital Budget going forward.

Jennifer polled the BOF to determine an acceptable mil increase. Kim reported that since everything has gone up, it is unreasonable to expect a 0 increase. Rich Nankee felt a ¼% to ½% would be acceptable and Virginia would like to see the budget stay as flat as possible. She continued that the school budget should remain flat as well. Rich replied that staff negotiation contracts have already been finished. Bruce Watrous suggested the BOF publicly stating how they feel about the Region 4 budget. If the Region 4 budget is voted down, it will need to be re-adjusted. Tom will relay the BOF's discussions with Kim Caron, Superintendent of Schools.

Virginia reported that she fears that next year's tax collection rate will be significantly lower. She also expressed concern over the increases in the operational budget over the past several years.

Tom reported that it is up to the BOS and the BOF to put the best budget forward; it is up to the town to accept it or not. The Board discussed the importance of citizens voting.

Moving forward, Tom reported that he will prepare numbers that do not include Hoophole Hill Road. Also, we still need a final determination from the BOE regarding the school parking lot. There is currently \$96,000 in the roads budget for this project. It appears it will actually cost about \$65,000.00. Tom will e-mail updated budget numbers reflecting the mentioned changes. Also, he will do actual to actual from previous years. Finally, at the next BOF meeting, Tom will present information regarding an organization that devises mechanisms for grants to send children to schools other than region 4 schools. More information regarding this program will follow.

Virginia reported on a possible \$50,000 reduction in the operating expense budget. She would like it noted that the operating expense budget "wish list" is also looked at with "a fine toothed comb". She expressed interest in obtaining solar panels for the town hall

roof as well as other ways to help with future expenses. Tom reported on the paring down of the wish list.

Jennifer reported that Martin Heft relayed concerns that we are no longer continuing our membership in CCM. Tom reported that we participate in other organizations that cater more to small towns. He continued that we've made requests of CCM for back up material and have not received adequate responses.

Tom reported that Chester contributed 25% more to the state's revenue over the last several years. However, we only get \$0.11 on the dollar back. Other area towns got considerably more money in the ECS reconfiguration. Chester was one of the bottom 10 towns when the wealth was redistributed. Tom reported that this message needs to be relayed to the citizens/residents.

Tom replied that a review of all of the positions was completed by the BOS. The Finance Manager was approved and the figure is in the budget. The Human Resources person was approved as well. Also, the Fire Marshall and Assessor were rejected. Tom reported that a full time Constable has been hired.

Auditor Contract

Tom reported on the option of extending the auditor's contract for several years. Additional aspects of the RFP include no additional billing unless approved by the First Selectman. Tom continued that Peter and Kim have provided comments on the previous document. We can make a decision on getting the document out to bid over the next few weeks or request them to extend the contract for several years. Kim reported that there is no real benefit to changing auditors unless you are dissatisfied with the service.

Meeting Dates

Workshop – Tuesday, April 29, 2008 – 7:30

Public Hearing – Thursday, May 15, 2008 – this is the date for the regularly scheduled BOF meeting.

An additional joint meeting/budget workshop of the BOF, BOS, BOE and Region 4 BOE will be scheduled and relayed via e-mail.

Tom suggested the BOF printing a factual statement explaining the progress of the town budget, the school budget and the region 4 budgets along with a projected mil rate increase. He will have the attorney review same before mailing to residents.

ADJOURN

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

Respectfully Submitted,

Suzanne Helchowski