

TOWN OF CHESTER, CONNECTICUT
BOARD OF FINANCE
REGULAR MEETING
Thursday, November 17, 2022
Community Room
Chester Town Hall

Call to Order

Chairman O'Hare called the meeting to order at 7:07pm. In attendance included: John O'Hare, Deb Vilcheck, Steve Cline, Roger Lebreque (seated for Michael Joplin), John Chillock (seated for Bill Bernhart) and First Selectwoman Charlene Janecek and Selectman Ed Meehan.

Approval of Minutes – 10/20/22

John O'Hare made a motion to approve the minutes from the 10/20/22 meeting as presented. John Chillock seconded the motion. The motion passed unanimously.

First Selectwoman's Report

Charlene reported:

- Public works will probably go over budget this year. None of the trucks passed DOT inspection. We've had to do a lot of work on the trucks. Measures have been put in place to prevent this situation from happening again. Public works will be getting a computer monitor, keyboard and a laptop. Public works will be able to do scheduling and place orders without having to come to Town Offices. Next year they'll get a printer and will be hooked up properly. No idea of how far over budget at this point. The capital budget needs to be adjusted, as well.
- We're going to need additional funding for the generator. BOS will request \$19,283.50 ARPA funding for that since we used ARPA for the other part of it. This will go to a Town Meeting.
- We would like to be able to extend the sewer line up North Main Street while we redo North Main Street. We will get a STEAP grant to redo North Main Street but that will not include extending the sewer line. We've asked Jacobson's to look into what the cost might be. They're guessing it will be about \$140,000. An ARPA funds request may be made to cover the cost of extending the sewer line. We have about \$390,000 left in our ARPA funding. It's a road project, it qualifies. Charlene will submit a formal request when she has better numbers.
- In the process of moving Honeycone to 9 Water Street, they tested the water and found that it has Aphase in it which is a firefighting solvent. The Dept of Health is involved and now the Town has to test the water all the properties on Water Street. Hopefully, it's only 9 Water Street. Should they find there are high quantities of Aphase in that water it will force the water company to extend a water line down that road which will probably be a \$150,000 cost to the Town just to lay the water line. There would be additional cost to connect 20 Water Street to the water line as that property is owned by the Town. Charlene does not know where the chemical came from but knows our fire department has the foam because of the airport but has never used it.

- Eversource has a project up Kings Highway and down Goose Hill where they are cutting trees within 100 ft. of the power line and the property owners have agreed to it. If the property owners said, “no”, then those trees would not be cut. Four or five homeowners said, “no”, some homeowners said, “you can cut this tree but not that tree”. A majority of the property owners have agreed. Five houses have been done so far. It’s barren but in the Spring Eversource is coming back and planting smaller trees—semi-mature dogwood, pear, red maple. The homeowners can pick what they want from possibly nine different trees to have planted in their yards. The work stopped for a week and now is continuing. The power line on Kings Highway and Goose Hill is a feeder line. If a tree comes down here, it affects 857 homes and our elementary school.

Annual Report Dedication

Rick Nygard wrote the dedication. Deb Vilcheck moved to accept the Annual Report Dedication to Virginia Carmany as it has been presented. Steve Cline seconded. The motion passed unanimously.

Jon Joslow (Long Term Plan) Chester Governance Study Committee (CGSC)

Discussion: The CGSC wants to be sure there is continuity in town government, and they’re doing an in-depth study. Discussed volunteer positions and time commitments, how in the 80’s there was cooperation,” let’s do the best thing we can for the Town of Chester” and how being in the public sector is not like that now.

Financial Reports

Discussed reports prepared by Peter Evankow and included in the packet for BOF review.

STEAP Grant Match – North Main Street Rehab Project

Ed Meehan reported. The Town applied for a STEAP (Small Town Economic Assistance Program) back in August, 2022. This is Phase 4 of the Main Street Master Plan which was adopted in 2013. The first phase was Laurel Hill to Middlesex Avenue, the second phase was the reconstruction of the Main Street Bridge, Phase 3 was from Laurel Hill to the bridge which we just finished and Phase 4 is North Main Street from the Package Store up to Great Brook Bridge which is just about 620 ft before the Norma Terris Theater. Ed prepared the STEAP grant application, Jeff Jacobson as the Town Engineer prepared the concept budget which was included in the grant application and in September the Town got approval for \$500,000. The criteria in the STEAP grant is the Town needs to put up at least 20% to get considered and more to be given priority. A real good plan of town preservation and development or a master plan like we have for the town center gets a better score. The Town got its award letter in September and now we have to come up with our local match. The local match we put in the grant application was \$150,000 which equals about 23% of the \$642,000 cost estimate for the reconstruction of the road. The reconstruction includes granite curbing, complete new storm drainage system, new pavement, new sidewalks, proper ADA requirements. There is no decorative street lighting or landscaping other than what is disturbed along the edge of yards. The reason we bring this forward now is the money at the state level was available and a year and a half ago the Connecticut Water Company finished their main service line from Goose Hill to the intersection of Main Street and town center.

The Board of Selectmen is asking the BOF to support the allocation of \$150,000 in our local match. The beauty of a STEAP grant is the \$500,000 is not what we have to spend first, this is a non-reimbursable grant. We go to town meeting, we demonstrate that we have our local match. Our local match would be spent on the soft costs--the engineering plan, the survey, the design, grant administration, project inspection. The \$642,000 would be for hardscape construction. All that has to be bid pursuant to state requirements. The administrating agency for these grants is the Department of Transportation. The project will take 11 months to complete. We can spend our local money first. We don't spend any of the state's grant money until the state approves the plans. What BOS would like to do is try to get this ready to take to town meeting so when the contract comes down from the DOT then we can say we have our local match in place, the First Selectwoman has been authorized to sign the contract, we send it back up to DOT, it goes to Office of Policy Management, it goes the Attorney General's Office, it's a 6-week process. Hopefully, we get a contract back by the end of January. Then Jacobson's office prepares the bid documents, 50% completion of the bid and plans are sent to DOT for their approval, they give their remarks, 70% design we would definitely sit down with any of the neighbors if there is any impact on their property and, if's a green light at that point, we get it to 90% design and get it ready for bidding. Ideally, we could probably get this out to bid maybe by the end of June. That's too late for this year's construction season. We may be able to get a good, qualified contractor to start in August if they have job openings and this is about a 120 day project to build. We would have to get construction buttoned up before paving plants close in November. Ideally, we would like to put finish coarse on it. Then the next question is: Could we get funding while we have this place dug up to put sanitary sewer in. We have a cost estimate on that from Jacobson. It's pretty straight forward. There are seven or eight properties that might hook in. The design cost doesn't go through the bridge because if we involve the bridge we involve the Army Corp of Engineers, Fish and Wildlife, Long Island Sound, Inland Wetlands and that would stop the project for at least a year. The design of the sanitary sewer set at a grade so we could do gravity flow all the way back from the other side of the bridge. There are rumors there is real estate interest in this area for some of the properties. There used to be a restaurant in this area, the Stage Door. Then there's always discussion in Town of economic development, culture/arts and what's going to happen to the Norma Terris Theater. If there was real serious interest in the Norma Terris, hopefully, get it back on the tax rolls, it could be worth designing a push through the bridge as a separate project. To spend the money on that now would jeopardize the STEAP grant. Reviewing Jacobson's estimate of the sewers: The sewers are the whole thing, the sewer line which is already partially up the street, it's all the tie in's to the laterals into the property. The property owners, if they wanted to tie in, they're not required to, the property owners would pay their contractor for the tie in. Under Water Pollution Control Authority, there's a \$2,000 application fee and then there's an assessment of benefit paid over 20 years. If we use ARPA money we would still get money back. We wouldn't get \$240,000 dollars back right away but over 20 years we get our money back because that's how the assessment of benefit works for the existing owners in the sewer area so new owners coming in would be treated the same way.

A couple things going on here. Opportunities to clean up the street. It's a vital street in town center—busy, walkable, a neighborhood area. Make it right in terms of environmental storm drainage and maybe some economic development. This presentation has been made to the neighbors already, and they all think it's wonderful.

The BOS is looking for BOF to come up with \$150,000 by either appropriating the money from the General Fund Balance which is approximately 25% of the current year revenue/expenditure budget, or borrowing from another Capital line item to be repaid at some later time.

Peter Evankow prepared a breakdown of the funding by appropriation from the general fund balance (Option 1) and of the funding by borrowing from another Capital line (Option 2).

Discussion: Appropriating the funds would be consistent with the Finance and Accounting Policies and Procedures Manual where funds in excess of 16.66% of budgeted expenditures may be used to “prefund capital projects and other onetime uses to avoid creating a gap in the subsequent fiscal year budget.”

John O’Hare pointed out that the \$240,000 for the sewer project proposed to be done while North Main is being upgraded would be funded with ARPA funds and it makes sense to get it done while the sidewalk work is being done.

Roger Lebreque asked about other capital projects, specifically where we were with the additional costs of the fire trucks. Richard Tsou of the Hose Company in the audience, the problem is the cost of fire trucks is increasing 25% year over year because of current supply lines, and to expect \$1MM firetrucks (a class A pumper) within the next two to three years. We just have to be prepared.

John O’Hare requested a motion be made. John Chillock made a motion to approve the North Main Street Reconstruction STEAP Grant Requested Local Match of \$150,000 Town Funds, using Option 1 of BOS Memorandum Dated 11/17/22 (attached). Steve Cline seconded. The motion passed unanimously.

Budget Books

Discussion of books and schedule.

Old Business

John Chillock will follow up on status of the Town website later next week.

Audience of Citizens - None

Adjournment

On a motion made and duly seconded, the meeting was adjourned at 8:10pm.

Respectfully submitted,
Deborah Vilcheck

TO: CHESTER BOARD OF FINANCE

November 17,2022

**FROM: CHESTER BOARD OF SELECTMEN-CHARLENE JANECEK,
FIRST SELECTWOMAN**

**RE: NORTH MAIN STREET RECONSTRUCTION, STEAP GRANT -
REQUESTED LOCAL MATCH**

The BOS requests the BOF to recommend to Town Meeting the appropriation of \$150,000 to fund the Town's match for the \$500,000 STEAP (Small Town Economic Assistance Program) grant awarded by the Office of Policy (OPM) and Management to Chester, September 22,2022. This is not a reimbursable grant, once the project agreement is signed the \$500,000 grant is distributed to the municipality by OPM.

On August 10,2022, the BOS authorized application to OPM for STEAP grant funds to undertake Phase IV of the Main Street Master Plan, Reconstruction of North Main Street from its intersection with Water Street/Main Street to the Great Brook Bridge, approximately 620 feet.

STEAP grants are awarded to municipalities on the condition that local funds are committed to the project. Applications which commit to providing 20 percent or more receive higher scores and get funding priority. The North Main Street reconstruction project's design cost estimate is \$643,200, the Town's match for this project is 23 percent.

The STEAP grant funds will be used for construction expenditures "hard costs" as reviewed and approved by the administering agency, CONN. DOT.

The \$150,000 Town funds will be used for project "soft costs" such as, grant application preparation, surveying, project design and engineering, bidding, and grant administration.

CONN.DOT will issue the grant agreement contract to Chester in December. The completion of the agreement process with Conn.DOT, OPM and Attorney General takes 4 to 6 weeks. In the meantime, the appropriation of the Town funds by BOF and Town Meeting approval will facilitate project advancement for site surveying, and initiation of design documents. Further, upon receipt of the contract agreement and signing by the First Selectwoman the Town can verify our match funds are in place.

bosrequestbof111722

Funding

Estimated General Fund balance as of 6/30/2022 - \$3,967,125, which is 25.87% of the current year revenue/expenditure budget.

Per the adopted Finance and Accounting Policies and Procedures Manual – Fund Balance

- The town will maintain an unassigned fund balance between 10% and 16.66% of budgeted expenditures, with a goal of 12% of revenues (including what is assigned from fund balance) depending on the fiscal environment. If the unassigned fund balance goes over the established goal, it is possible to use such excess funds to prefund capital projects and other onetime uses, to avoid creating a gap in the subsequent fiscal year budget. If the fund balance goes below the 10% minimum, then the Board of Finance will replenish reserves during the budget process to minimum levels within 3 years.

The fund balance at 16.66% = \$2,554,956

Options for the \$150,000 funding -

Option 1 - Additional appropriation from the General Fund balance.

- To appropriate the sum of \$150,000 from the unassigned general fund balance, to Capital Non-Recurring line item # 10-05-62-1000-150, pending town meeting approval.
- To authorize the following Capital transfer, pending town meeting approval:

From	20-00-01-0000-007	Board of Selectmen – Assigned	\$150,000
To	20-00-31-0000-446	Infrastructure – Road/Sidewalk/Bridge Repairs	\$150,000

- To authorize the expenditure of \$150,000 from the Capital Fund – Road/Sidewalk/Bridge Repairs line item # 20-00-31-0000-446, pending town meeting approval.

Option 2 – borrow from another Capital line item and replace it later.

The only two line items it could come from:

- To authorize the following Capital transfer, pending town meeting approval:

From	20-00-30-0000-030	Highway – Highway Equipment	\$150,000
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Or

From	20-00-42-0000-062	Fire Protection – Apparatus Replacement	\$150,000
To	20-00-31-0000-446	Infrastructure – Road/Sidewalk/Bridge Repairs	\$150,000

- To authorize the expenditure of \$150,000 from the Capital Fund – Road/Sidewalk/Bridge Repairs line item # 20-00-31-0000-446, pending town meeting approval.