

THESE MINUTES ARE SUBJECT TO APPROVAL AT THE NEXT MEETING

BOARD OF FINANCE

REGULAR MEETING

February 15, 2007

The regular meeting of the Board of Finance was called to order by Kim Just at 7:35 p.m.

Those in attendance included: Kim Just, Bill Ziegler, Virginia Carmany, Chris Johnson, seated for Jennifer Wislocki is David Clark, seated for Mike Smith is Dave Clark.

Also in attendance were Ron Nossek, Kostin, Ruffkiss and Co. and First Selectman Tom Marsh, Martin Heft, James Grzybowski

MINUTES

On a motion made and duly seconded, it was unanimously voted to approve the meeting minutes for the special meeting dated January 18, 2007.

Corrections: Page 2 – 7th paragraph – should read She saw nothing in the report...

Page 2 - 9th paragraph – change and to an. Also, ...Liz has developed a policy that has gone to the BOF but has not been adopted.

Page 3 – There was some discussion regarding drains and curbs on some streets/roads.
Add: There was some discussion as to the cost of roads and what should be in or out of the budget.

AUDIT REPORT

The audit report was presented to the BOF by Ron Nossek from Kostin, Ruffkiss and Co.

The BOF members received a copy of the audit report for their perusal.

Tom Marsh reported that the receipt of the audit documents was inconvenient (December). Ron reported on the process involved and with the recent changes to this process, a delay resulted. He also reported on personnel issues/changes at their offices.

Tom Marsh reported that he was disappointed with the additional fee of \$4,700 due to issues at the regional school offices. He was disappointed that the town was not notified that there would be additional costs.

Tom also reported on the Capital Budget and how projects are funded. He referenced page 42 of the audit report which pertains to the Bridge Construction Grant.

The BOF explained the process of capturing all of the capital construction in the Capital Improvement Fund. By doing so, you would not draw down revenue from the Capital Grant from the State but draw down the Capital Improvement Fund.

It was reported that once the public vote adopts the capital budget, the items in the capital budget do not require an additional vote in order to expend the funds. It was however also reported that the town's legal council has the opposite opinion of such an issue.

Bill Ziegler asked Ron about the educational structure in the town. He reported that it appears that there is money being carried from year to year. Bill's impression was that we were not allowed to do this unless there was a capital account established. Bill was speaking of \$25,000 the BOE has in an undesignated fund.

Ron reported that he is not familiar with the situation but his understanding of the statutes as they pertain to regional school districts, does not allow for such a scenario. He reported that regional school districts are required to designate whatever surplus they have and use it in the next budget.

There was also discussion regarding any possible surplus or shortfall (school's budget) at the end of the year.

The BOF thanked Ron for his presentation.

AUDIENCE OF CITIZENS

None.

FIRST SELECTMAN'S REPORT

Tom Marsh reported that 99% of the 98.5% of the budgeted revenue has been received. He reported that the tax collector is confident that we will make our number.

Tom reported that the BOS voted to accept a settlement of \$37,500 on the prevailing wage issue with the town hall construction. A check is expected.

Tom reported that he met with representatives from the water company. He reported that there has been a rate increase on water charges. In addition to that, the water dept. did an assessment of the water lines and hydrants in the town. As a result, we have significantly more lines than they had on their "books". Therefore, we will have a 50% increase (approx. \$19,000) in our fire service water charges. Also, this is effective starting last month and will have an impact in this year's budget.

It was reported that there are several hydrants that are not useful as they do not have adequate water flow.

Tom reported on the possibility of the Board of Fire Commissioners investigating this issue.

Tom encouraged the BOF to look at the new website. The kick off date is 2/21/07. He reported there is a budget section on the website. He reported that budget updates will be posted at Chesterct.org.

TAX COLLECTOR'S REPORT

Kim reported that the report shows 97% collected.

MONTHLY FINANCIALS

The Accounts by Department Division Summary was included in the BOF packet. The BOF briefly discussed same.

CONSIDERATION AND APPROVAL OF BILLS

Engineering Contingency: Balance in account after transfer below is \$ 11,324.32
Please transfer \$ 539.00 from the Board of Finance Engineering Contingency to the following line items:

1-00-05-63-1065-444 Roads
Nathan L. Jacobson & Associates, Inc. (Dock Road)
\$ 539.00

On a motion made and duly seconded, the above was approved unanimously.

BUDGET

The capital and revenue portions of the budget were reviewed and discussed by the BOF.

There was discussion on when the BOE budget would be presented to the BOF.

Tom reported that the BOS will hold their regular meeting on Tuesday, February 20, 2007 and he invited the BOF to attend as they will be discussing the budget at this meeting.

Some topics of discussion included:

The use of the LOCIF Grant

The Grand list and back taxes

Interest

Education Tuition – this includes money the town collects in tuition for people living out of town choosing to send their children to Chester Elementary School

Police Outside Contractor

Conveyance Taxes

Open Space

Vehicles – dump truck, fire truck, ambulance and police cruiser

Cedar Lake Nuisance Funding

School Road Sidewalk Repairs – included in the roads budget

HVAC and roof at school

Virginia requested last year's capital budget along with the 05-06 budget and actuals. Tom reported that this information will be available on the web.

Bill reported that he feels the BOF does need to take some action regarding the Supervision District meeting and their budget (the \$25,000 discussed previously). Bill reported that at the Supervision District meeting, there was \$25,000 "in the bank". He reported that they are accruing this money and not returning it to the towns and that there is no process for visibility. Bill feels this is inappropriate. Bill also discussed the 35 hour per week employee at the Region 4 offices and the \$10,000 stipend to Bruce Glowac. He feels these issues need to be addressed before the Supervision District budget is voted upon. It was reported that Supervision District will meet on February 26, 2007 for the vote.

OTHER

No other business.

ADJOURNMENT

On a motion made and duly seconded, it was unanimously voted to adjourn the meeting.

Respectfully Submitted,

Suzanne Helchowski