

TOWN OF CHESTER
BOARD OF SELECTMEN

December 5, 2018
Minutes

PRESENT: Arne Jonynas; Heather Chase; Ben Whalen; Dan Cote; Lee Gustafson;
David Pisha

VISITORS: Matt Wilson; Dan Cook; Richard Cloud; Wanda Purdy; Gary King; Derek
Suursoo; Graham Kennedy

The meeting was called to order at 6:30 p.m. by Chairman Jonynas.

1. APPROVAL OF MINUTES:

A motion was made by Lee Gustafson to approve the minutes of the November 28, 2018 Selectboard meeting. Seconded by Heather Chase. The motion passed.

2. CITIZEN'S COMMENTS:

Frederick Greenwell stated that he is concerned that the agenda item is listed as a Tax Abatement Concern where it should be listed as a Grant List concern. Arne Jonynas stated that this will be discussed during the next agenda item.

3. TAX ABATEMENT CONCERN:

Arne Jonynas stated that this was brought up at the last meeting. He stated that at that time, the Board agreed that they would seek an opinion from the town's attorney. Arne Jonynas stated that they have heard from the attorney, who has indicated that the Selectboard has no authority on this matter. Should Mr. Greenwell wish to pursue the matter further, he will need to proceed with a Rule 74 Petition through the Superior Court.

Frederick Greenwell read a letter indicating that the Lister's have agreed that they will be reviewing the property and making an adjustment in 2019. This letter also provided a history of the assessment of the subject property. Arne Jonynas noted to Mr. Greenwell that the Selectboard simply does not have the authority to make changes to a valuation. The only corrections that can be made are scribes' errors.

4. EMS BUILDING PRESENTATION:

Lee Gustafson presented the work performed to date by the EMS/Town Garage Building Committee. The Powerpoint is attached to these minutes. Lee Gustafson began by introducing the committee members.

Lee Gustafson explained the key issues with the current highway building. These primary issues are code compliance as well as expensive equipment needing to be stored outside because there isn't enough room. The State Fire Marshall is requiring that the building be brought up to code within a reasonable amount of time.

The recommendation of the Building Committee is to first construct a new facility to house Fire, Ambulance and police. Once moved, the Highway Garage will be upgraded to meet code.

Lee Gustafson explained that the Depot Street property as well as the Pleasant Street property were both reviewed as possible locations for the new building. The best and least expensive solution appears to be the construction of a new building at the Pleasant Street site to house Emergency Services and leave the Highway Garage at the Depot Street location. Lee Gustafson stated that they are working with Russell Construction to develop some preliminary designs.

The cost for the new EMS building is approximately \$175-250 per square foot x 14000 square feet equals between \$2.5 and \$3.5 million which is about .05 cents on the tax rate for a 30 year bond. The Town Garage Building is approximately \$70.00 per square foot x 7200 square feet equals approximately \$500,000 which is about .005 cents on the tax rate.

Lee Gustafson explained that the Building Committee is needing the Selectboard to approve \$46,000 to Russell Construction for the preparation of detailed drawings which can then be used to create a construction estimate to bring before the voters. Lee Gustafson stated that the money could come from the Cyprus Minerals Fund which is managed by the Trustee of Public Funds.

Arne Jonynas questioned the maintenance of the new building. Lee Gustafson stated that maintenance has not been calculated to date. However, with the new energy upgrades and efficiency, the costs should not be too high. Arne Jonynas also questioned if the town will be involved in the site work. Lee Gustafson stated that Graham Kennedy feels that the town could do most of the site work. Arne Jonynas emphasized that if the buildings are not build/rehabbed, the State will be coming in to require code improvements. Lee Gustafson noted that the new building would be designed to be a 50 year building as well as the improvements to the Town Garage. This would not require that a new building be constructed in 50 years, just that it would be time to perhaps do some upgrades and renovations.

Gary King, abutter to the Town Garage, stated his concern regarding the appearance of the Town Garage Building. It is also located in the Village Center District and feels that it should be upgraded aesthetically to fit in to this area. David Pisha noted that there will be exterior renovations to the building as well. Gary King also asked that the committee think about other complimentary components that can be added to the greater vision, such as plantings, etc.

Wanda Purdy questioned what the State would require if the vote failed and what the difference in cost would be. Lee Gustafson stated that he is not sure what the State will require, just that we will be required to “bring the Town Garage up to code” and that there will have to be “significant upgrades needed if the 3 departments stay in one building”. He further stated that the committee is trying to be more proactive about the issues. The primary issues are code compliance, not taking care of equipment, safety for employees, etc. Wanda Purdy expressed her concerns about the tax rate and asked the Selectboard to be kind when it comes to spending money and consider who is paying the bill.

Derek Suursoo stated that this building is a large item that has been discussed for years. He expressed his concerns about other projects that the town is looking at and discussed priorities. Lee Gustafson stated that most of these projects are grant funded and not directly from the tax base. He also mentioned that a large portion of the tax bill is not the town which needs to be considered as well. The Selectboard talked about spending growth in general. Arne Jonynas encouraged anybody interested to reach out to Board members with any questions.

Ben Whalen stated that 15 years ago there was not the unity of department heads as there is this time. He also stated that the Highway Department is expanding their equipment but the space to keep the equipment is not available. The Board has been discussing this issue for years and this has been continually kicked down the road. The time has come to actually solve the problem. Ben Whalen also noted that several years ago the cost was \$9 million. All of these years later, the cost is still almost half of what it was in the past.

Heather Chase stated that she is not prepared to spend the Cypress Minerals money quite yet. She would like more information on where this money came from and how it can be spent, as well as the Board’s authority with regards to spending this money. David Pisha provided some background on the Cypress Minerals money. These were mineral rights that were sold. The Selectboard of the time chose to invest the money with the Trustees of Public Funds to keep it protected. David Pisha stated that the current value is approximately \$185,000. Arne Jonynas suggested that this be a warned agenda item for further discussion. Lee Gustafson stated that he would like this to be an agenda item as well, but stated that the Board cannot wait too long as there is a timeline to be followed. Heather Chase questioned if there are other ideas to fund this project.

The Board discussed the timeline. Lee Gustafson will check with Russell Construction about the timeline they need.

The Board continued the discussion relative to gathering voter input on the Cypress Minerals expenditure. It was agreed that this will be an agenda item on the next meeting - Cypress Minerals will be the first agenda item and the second item will be the expenditure of the \$46,000. Discussion ensued regarding the purpose of the \$46,000. Lee Gustafson clarified that the closer we get to a design, the less amount of contingency is needed. The Board agreed to hold a meeting on Tuesday, December 11 at 6:30.

Derek Suursoo asked the town's policy on spending down savings account. He mentioned that the town shouldn't plan to spend down the entire amount. Heather Chase stated that even if the policies do not discuss it, the town should be mindful of not spending down accounts to a zero balance.

5. FUND BALANCE POLICY DISCUSSION:

David Pisha stated that the model policy goes back to a VLCT handbook published several years ago. The Policy would allow setting aside money for emergency expenses in the future.

Heather Chase remembered that Ron Smith had suggested a 3 month budget balance which would be about \$250-\$300,000. Lee Gustafson questioned the average surplus over the past several years. The Board discussed possible uses for the money which are primarily emergency type situations such as a truck breakdown, storm, etc. Arne Jonynas questioned the guidelines of expending.

Heather Chase stated that she would like language stating that the fund cannot exceed 25% of the annual budget. Lee Gustafson stated that he likes the wording about 50% of the surplus going back to offset the taxes. The Board discussed that this percentage could be changed. Derek Suursoo cautioned the Board about how much they have in savings.

6. DRAFT BUDGET REVIEW:

General Government: David Pisha stated that revenues are not up. Penalties and interest have been reduced to a more reasonable number. Expenses are up \$7,493. Record Restoration and training were decreased. Health premiums and computer services have increased. Cil Mathews confirmed that Worker's Compensation could be reduced by \$10,000. Arne Jonynas questioned the Lister's expenses which are up due to the reappraisal.

Police: Revenues are up \$13,000. Expenses are up due to medical insurance, computer services and a server replacement. Ben Whalen asked if the increase in court fees is realistic. Richard Cloud stated that leaving as is would be best. It may come in higher but may not. Derek Suursoo questioned the ski revenue and ski expense lines do not balance – the ski expense is higher than revenue. The same question exists for other payroll with revenue exceeding expense. David Pisha will check with Cil Mathews.

Richard Cloud stated that the equipment line is up due to the radar signs which are \$4,000 each and he is adding 3 new signs. Arne Jonynas questioned and Richard Cloud confirmed that these could be eliminated in this budget. Richard Cloud stated that the server is required.

Lee Gustafson stated that a citizen asked the threshold of project expense before a bid is required. The Board discussed the bidding process and agreed that this policy should be reviewed in the future.

Fire: Arne Jonynas questioned the salary line and why it is not expended. Matt Wilson stated that trainings are paid monthly. The drills and calls pay out annually in December. The firefighters prefer the annual payment at the end of the year. Derek Suursoo questioned if the Andover Income has been increased. David Pisha stated that he will contact Andover regarding this increase. Arne Jonynas stated that Andover's contribution should be reviewed if a new building is constructed. Discussion ensued.

Arne Jonynas questioned the equipment line. Matt Wilson stated that he increased the line 3% which he feels is standard. He also stated that there has been stuff not delivered so has not yet been paid. These include valves, shirts, etc. Heather Chase questioned what is expected to be purchased next year. Matt Wilson stated that hoods are being replaced at a much higher cost, gloves are needing to be replaced, boots, general replacement of saws, poisonous gas meter. Matt Wilson stated that he is anticipating speaking to the company that houses this gas to ask for them to pay for the meter. The Board discussed the cost of fire equipment.

Matt Wilson stated that the vehicle expense is over budget because of work needed for the rescue truck. He requested that the vehicle maintenance line be increased by \$1000 due to damage that was done during the storm. He further stated that he spent money out of the foam line for turnout gear that is needed. David Pisha stated that expenses stay within their categories. Derek Suursoo questioned that funds cannot be moved between line items without Selectboard approval. Ben Whalen questioned if we are moving money. David Pisha stated that expenses are paid out of the correct lines.

Matt Wilson answered questions regarding physicals. He stated that Chester Family Medicine was the Fire Departments designated provider which closed this year. Matt Wilson learned that they are now required to use the Occupational Therapist at Charlestown Family Medicine. He also stated that Chester charged \$95.00 per person. Charlestown is now charging \$295 per firefighter.

Heather Chase questioned if there is a line that could be reduced. Matt Wilson stated that he could reduce foam if absolutely needed. Matt Wilson stated that the training line is under budget at this time. This is because there is one person out who was not able to do the training. He is hoping that this line not be cut.

Ambulance: David Pisha stated that revenues are flat. Administrative Assistant has low expenses because she was just recently hired. This is the same with medical expenses. Fuel and Medicare taxes are up as well. There could be an impact with the clinic closing this coming year. Ben Whalen questioned the new uniforms at \$350 which seems low. Dan Cook stated that the shirts have been paid through the equipment line.

Derek Suursoo questioned the bad debt line. David Pisha stated that this is an auditor's number, not actual money going out the door. Ron Smith has stated that once a debt reaches a certain age it is deemed uncollectable and needs to be written off. It has no actual monetary effect on the bottom line.

Public Works: David Pisha stated that Public Works is showing a small deficit at this moment. December may show something different. The Board acknowledged that this has been a tough winter so far. Expenses are showing a decrease in medical insurance. Telephone and contracted services are up. The Bond Plan Transfer is down with Capital Plan Transfer being increased. David Pisha is eliminating the transfer to the Bond Plan. He further stated that he has not yet decided what to do with the gasoline/diesel line since costs are fluctuating.

Derek Suursoo questioned the ACT 250 line for the gravel project. He questioned if the \$1,000 will cover the expenses for 2019. David Pisha stated that how to fund the expenses for the gravel operation need to be discussed. Graham Kennedy discussed the pressing need for gravel and sand resources because the primary supplier has retired. The costs for the competitors are much higher than the town has been paying currently. David Pisha reported that the ACT 250 process and extraction process will take approximately 8-9 months. Once the application has been approve, the town will be ready to begin extraction.

Solid Waste: David Pisha stated that he spoke with Springfield who indicated that the expense for recycling is up to \$40,000. Derek Suursoo stated that this number is much lower than was expected. Lee Gustafson stated that there is a formula issue in this category. David Pisha stated that the Green Up Day expenses are up because of the dumpster and the tires.

Recreation: David Pisha stated that revenues are stable. Payroll and insurance are up slightly. Facility and Equipment repairs are down. Vehicle expenses are flat at \$4,000. The overall expenses are down \$4,000.

Parks and Cemeteries: David Pisha stated that revenues are flat. Insurance is up due to a family change. There are no other increases in the budget. Ben Whalen questioned the payroll line having no increase. David Pisha will check into this line.

Library: David Pisha stated that there are no changes as of yet. He reported that he has not heard from the library as of yet.

Town Hall: David Pisha stated that this budget is down somewhat.

Revitalization: David Pisha will include \$500 for the website. Otherwise, this budget is flat as well. Derek Suursoo questioned what is being done with the \$30,000 being budgeted for facility maintenance. David Pisha stated that the piers are being re-poured at Yosemite. There will also be some work done to the Yosemite to help straighten the building.

Derek Suursoo questioned the bottom line increase in the health insurance. David Pisha stated that the cost for the 11 months in 2018 has dipped to what it was in 2008. This includes the addition of 3 new employees since that time. David Pisha stated the total for

11 months is \$345,000. Heather Chase noted that this 10% of the total budget and feels that this is a very high number.

Capital Plan, Bond Plan: David Pisha stated that he needs to correct the excavator/loader lines which don't match. This plan shows an increase of \$10,000 from the General Fund to the Capital Plan. The Public Works transfer needs to be corrected as well. David Pisha stated that 2022 shows a small deficit. He is not concerned about this since most years there are savings in purchases. David Pisha also noted that there is an increase in contribution until 2022 when it begins to decrease.

David Pisha stated that he has added another Bond for 2019 for paving only. This will include paving Grafton Road as well as several in-town roads. In 2019, the town is eligible for a paving grant that will help to pay for Grafton Road paving. David Pisha explained the repayment of the Bond Plan over the next several years. Lee Gustafson asked David Pisha to add the EMS Building into the plan as well just in case it passes.

Derek Suursoo suggested that the language in the Bond Plan "General Fund Transfer" should be changed to say "Capital Plan Transfer".

Derek Suursoo questioned if the indebtedness on the Bond Plan shows on the Balance Sheet. David Pisha confirmed.

Lee Gustafson stated that one other item to mention regarding the EMS Building is that the new building will help save money on future equipment expenses because custom size vehicles will not be needed.

Derek Suursoo stated that he has not yet seen the grant fund expenses and questions how they fit into the budget. David Pisha stated that Julie Hance has this in a spreadsheet and he will provide this for the next meeting.

7. NEW BUSINESS/NEXT AGENDA:

The next agenda will include Cypress Minerals, approval of expending \$46,000 and Budget review.

8. ADJOURN:

A motion was made by Lee Gustafson to adjourn. Seconded by Ben Whalen. The motion passed. The meeting adjourned at 9:34 p.m.

Julie Hance
Secretary of the Select Board

Ben Whalen
Clerk of the Selectboard