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**TOWN OF CHESTER**  
**SELECTBOARD MEETING**

**January 4, Minutes**

**Board Members Present:** Arne Jonynas and Lee Gustafson at Town Hall; and Leigh Dakin via Zoom. Absent: Ben Whalen and Heather Chase.

**Staff Present:** Julie Hance, Town Manager, at Town Hall; and Susan Bailey, Recording Secretary, via Zoom.

**Visitors Present:** Bill Lindsay, The Vermont Journal, and Shirley Barrett at Town Hall; and SAPA TV, Tim Roper, Robert Nied, John Velit, and Chester Telegraph via Zoom.

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**Call to Order**

Chair Arne Jonynas called the meeting to order at 6:30 p.m. with the pledge of allegiance. He welcomed everyone to the meeting. He noted there were only three members in attendance, so a unanimous vote was needed to approve anything on the agenda.

**Agenda Item 2, Approve minutes from the December 21, 2022, Selectboard Meeting**

Lee moved and Leigh seconded a motion to approve the December 21<sup>st</sup> minutes. Lee had a change on page 2, line 44. He thought the number should have been 189 days rather than 160 days. Julie said 186 days would be half. They agreed 160 days should be 186 days. A vote was taken, and the minutes were approved, as amended.

**Agenda Item 3, Citizens' Comments/Answers from Previous Meeting**

Arne asked for any citizens' comments and there were none.

**Agenda Item 3, Old Business**

Report given by the Town Manager:

Short-term rentals:

Preston and Hugh are reviewing the 3 proposals Preston had received from short-term rental monitoring companies. Julie will get together with them to select the one they feel is best and she will report back to the board.

Jeffrey Barn

In response to the conversation started by Peter Hudkins at a recent meeting, Julie pulled out the most recent assessment from 2018 along with a note from Lillian Willis at the time. She could put it on a future agenda if they wanted to discuss the next steps.

Solar Farm Valuation

Julie received another update from Gammal and they expected to complete the valuation by January 26<sup>th</sup>. If the appraised value is a number the town can afford, negotiations could begin.

**Agenda Item 4, Trustee of Public Funds**

Shirley Barrett, a member of the Trustee of Public Funds, was present. Aaron Perry is the other member. Arne noted there are usually three members but there was a vacancy. Arne introduced

1 Shirley and hoped she could explain how it all worked. Shirley said the trustees hold funds donated  
2 by individuals or a company to the town to be held in trust for use in that specific fund. Each fund  
3 is specifically worded to be donated to whatever cause they set the fund up for. Mostly it was  
4 school funds, poor funds, and cemetery funds.

5 Arne stated the reason for the meeting was they were requesting funds for the cemetery: \$8,000  
6 for tree work and a tractor purchased with the capital plan for \$15,000, both in 2022; \$8,000 for  
7 tree maintenance in 2023, \$16,000 for expansion to the cemetery shed, and \$5,000 for survey work  
8 for the Pleasant View Cemetery. They were requesting it largely due to high-cost increases since  
9 COVID began. Shirley questioned why they were asking for \$8,000 and \$15,000 since they were  
10 budgeted in 2022 and already paid for. Arne said they should have asked last year but thought it  
11 would help with this year's budget to help alleviate the increase to the taxpayers.

12 Lee asked if Shirley had a listing of the three funds, their balances, and where the money came  
13 from. She did. He asked if there were policies in place regarding investment income and where it  
14 went. Shirley said it automatically went into the fund. Lee wondered if it was restricted to the use  
15 the fund was established for and Shirley said it was. Lee asked where that policy was set forth and  
16 if it was written. Shirley said it was specific to the person who made the donation and Julie offered  
17 that a binder existed listing each bequest and its purpose. The investment income was set up to go  
18 into each fund and not a general fund. Lee asked if she had the value of each fund and Shirley said  
19 she would be meeting next week with the bank who would provide that information for 2022. Lee  
20 asked for a rough estimate. In January the beginning market value was \$926,000 and the ending  
21 in June was \$772,000. He assumed it was around \$700,000 to \$800,000 at present. Shirley said it  
22 was down a couple hundred thousand from the last information she received but she hadn't  
23 received the last quarter yet. Arne said the third quarter had a market value of \$731,000 and it had  
24 been a hard year. Shirley said everyone had lost money this year. Lee asked if there was any plan  
25 the trustees had for the funds and wondered what the goal was. Shirley said it was to preserve the  
26 funds for future, immediate, or emergency use. Lee asked what determined each use. Shirley said  
27 each fund had a specific goal and if someone came to them, they would consider if the need was  
28 legitimate and disburse funds. Lee wondered how they determined a legitimate need and if the  
29 town's request fell into that category. Shirley would discuss it with Aaron at the meeting. She  
30 understood the tree maintenance, shed, and survey work but was hesitant about money that had  
31 already been spent. She said the fund wasn't there to provide extra funds for the town but the  
32 cemetery itself. Lee pointed out that the cemetery uses a tractor for its maintenance. She said if it  
33 was in 2023's budget it would be more legitimate than asking for it after it was spent. She said it  
34 wasn't just public funds that could be tapped anytime they wanted. Lee pointed out they were  
35 Trustees of Public Funds. Shirley agreed they were public funds. Lee didn't mean to quibble but  
36 found it frustrating that they were funds specifically for upkeep of the cemeteries and because the  
37 expenses were already paid for, they weren't willing to grant the town's request. Shirley noted that  
38 she didn't say they wouldn't pay for it, only that she had reservations about the two items. Lee  
39 said he has to explain they have to raise taxes to pay for the deficit and part of the deficit is the  
40 \$15,000 they paid for a tractor for use in the cemeteries while they have \$731,000 sitting in the  
41 fund, some of which is allocated for cemetery use. He wondered how he would explain to the  
42 taxpayers that the Trustees of Public Funds weren't willing to give up \$15,000 to pay for the  
43 tractor. He understood they had a process and wondered in the future if they needed something  
44 else, did they need to ask ahead of time before they spent it for the town's benefit. She agreed.

45 Leigh asked why the expansion of the cemetery shed was needed. Julie said they have outgrown

1 it and equipment is being stored outside. Leigh asked about the survey work for Pleasant View on  
2 High Street. Julie explained all the cemeteries are almost full. There is no more room at Brookside  
3 so Pleasant View would be the next option for expansion. Julie and Deb Daniels had met this  
4 summer with Jeff Sheldon, the Cemetery Sexton at the time, and identified an area they believed  
5 the next survey work should take place. She anticipated it would take place in 2023. Leigh didn't  
6 have issues with it and was glad they were doing it if it was needed and that they had the public  
7 funds available. Arne said the cemetery funds were very specific about what they could use it for  
8 and was why they were requesting monies that had been spent. If they don't get the extra funds,  
9 there will be a deficit and that will be passed onto the taxpayers. They hadn't made many requests  
10 over the years, even when they could have. Arne didn't think the intent of those who donated  
11 towards the funds was just to grow money. Arne asked for examples over the years of where the  
12 money had gone. Shirley said she hadn't been on that long. Julie said the survey work was done  
13 years ago in Brookside. Shirley said they had given to Chester Townscape. Chester Townscape  
14 also came to them for a sign to the cemetery which they had approved. It would list all the  
15 cemeteries in town. Arne asked Shirley how long she had been a trustee and she thought it was 8  
16 or 9 years. Shirley said some of the school funds had been used and closed. Arne asked if there  
17 were any funds that were there and they didn't know the use. Shirley said they knew all the uses.  
18 The funds had grown because the economy had been great but now, they have lost money. Arne  
19 explained the town hasn't made many requests but it has been a difficult two years and they don't  
20 want to push it onto the taxpayers when there are funds and it's cemetery related. He agreed with  
21 Shirley that they had spent the money. He said if they don't recoup it, they will have to recoup it  
22 with a tax increase and they were already looking at 3 or 4 cents this year which was reasonable  
23 considering inflation was at 8 or 9 percent, fuel had skyrocketed, materials for road had increased  
24 40, 50, and 60 percent. The fact they were able to keep the increase down to 3 or 4 cents without  
25 losing services was remarkable.

26 Julie noted that the town had gone through some ARPA funds and was using some of the fund  
27 balance in the capital plan to offset transfers. The town is using some of its own fund balances and  
28 has looked at many things. Arne realized the trustees needed to meet and look at their funds first.  
29 He appreciated Shirley attending the meeting.

30 Lee asked for a breakdown of the funds. He had heard Cyprus Minerals mentioned. Julie said that  
31 was part of the fund. Shirley said it was set up by the Selectboard to put money aside years ago  
32 and was essentially the board's decision to withdraw any of those funds. Julie said M&T Bank  
33 would be there on Monday and she would get the information. Shirley added that there were 10  
34 funds. The meeting is on Monday at 11:00 a.m. at the Town Hall and is a public meeting. The  
35 request will be discussed at that time.

36 Arne thanked Shirley and noted they were looking for a third person to be on the Trustee of Public  
37 Funds. Arne thought Lee's questions were important ones regarding the funds. Arne didn't want  
38 to set a precedent that every time something came up that they asked for money.

### 39 **Agenda Item 5, Chester Community Garden; License Agreement**

40 Arne asked if Cheryl and the group had been communicating with Julie. The questions Julie had  
41 sent to Jim she sent to Cheryl the same day and she also forwarded the response to Cheryl the same  
42 day she received it. Julie had included in their packet the timeline, guidelines, and procedures  
43 Cheryl Joy sent her. Julie thought it was what they were looking to adopt for their group. Arne  
44 hoped that if they didn't have any questions or concerns as a board, the process with Julie and

1 Cheryl Joy would go forward figuring out the details. Lee thought the ball was in the community  
2 garden's lap and they needed to come forward with the information requested. Lee didn't think  
3 they needed to micromanage their agreement. Julie didn't think that was ever anyone's attention.  
4 She thought they had their own attorney reviewing it. Arne said it was enough to satisfy some of  
5 what they requested. Lee agreed but wanted to see a final draft. He thought it was a good beginning.

6 Julie said they could make the number of days whatever they wanted. Lee agreed with the logic of  
7 30 days. The consensus was to leave it the way Jim had it worded. Arne thought if the group was  
8 concerned with the amount, they could revisit it. Julie would send them the final version to review.

9 Julie said Jeff thought there was a way they could make water accessible to them. Julie said Jeff  
10 was concerned about allowing the gardening there without the backup well in place but there was  
11 a guarantee that only organic materials would be used which meant cow manure could not be.  
12 There is also a secondary well in the works. Lee was concerned about someone drinking out of the  
13 garden hose and it was a concern Jim had because it was non-potable water. If people knew they  
14 were using non-potable water, he would be fine with it. Arne understood the legal ramifications  
15 but said he'd rather drink that than a lot of the bottled water sold. Julie suggested they have signage.  
16 Lee agreed with Arne about drinking the water. Lee questioned tail coverage and it was explained  
17 that it would apply after they shut down.

18 Julie said she and Jim had discussed number 4 about the rules. Just because they are the landlord,  
19 they should still know what was going on.

20 Arne thought it would be interesting to see what their attorney came up with. Julie would email  
21 Cheryl tomorrow. Leigh thought the work that had been done in preparation for the license was  
22 done nicely.

### 23 **Agenda Item 6, 2023 General Fund Budget Review**

24 Most of the final numbers were in. There would not be any more revenue. There could be some  
25 more expenses but not many. All anticipated costs are in, and all department heads have reviewed  
26 their budgets. Julie said currently, 2022 was ending with a surplus of a little over \$5,000.

27 Julie had set a little bit of a buffer given the unknowns for 2023 which set the increase at about  
28 \$150,000 equivalent of about 4 cents.

29 On page 3, under other income, Lee asked about the Poor Funds and Cypress Minerals and if it  
30 was coming out of the funds held by the Trustees of Public Funds. Julie said there was a percentage  
31 of either dividend or interest that is required from both funds to come to the general fund. It is  
32 allocated based on the previous year. It is based on the current fund balance and where the market  
33 is. Arne asked if it went specifically to something or the general fund. Julie said it goes to the  
34 general fund but there have been times such as earlier this year when a homeless man was living  
35 in town, and they used the poor funds on some very cold nights to put him in a hotel. Julie added  
36 that both the Motel in the Meadow and The Fullerton gave them very reasonable rates. There are  
37 times when families are displaced and she is notified by the police department and they put them  
38 up in a hotel for a couple of nights. That's what those funds are typically used for. Arne noted  
39 someone gave the town the money long ago that's still earning interest and it was a nice way to  
40 honor their intentions.

41 Lee asked if the Cypress Mineral Fund was set up to reserve some cash. Arne thought the Cyprus  
42 Minerals Fund was a settlement for mineral rights on land in Smokeshire. Julie said it happened in  
43 the 1990s and Leigh remembered it. Julie said they did some legal research a couple of years ago

1 about how to remove those funds. The legal opinion from Jim was that the money could be used  
2 at any point. Lee asked if it would make sense for the money to go into the reserve fund and reduce  
3 the amount they would be giving. Arne said it was a Selectboard decision on what happened. Lee  
4 asked if the \$851 from Cypress Minerals last year went to the General Fund and Julie agreed. Lee  
5 asked if there were any ramifications if it didn't hit the general fund and Julie said it would cut  
6 \$1,000 from the revenue for 2023. He asked if any money was being put in the reserve fund  
7 annually. Julie said not last year. If they ended with the \$5,000 surplus this year, she would propose  
8 it be added to the fund balance because they don't know what 2024 will bring. The money could  
9 be allocated to the reserve balance. Lee thought that should be considered and they should discuss  
10 how to use that money for the benefit of the taxpayer. He thought using it to buy the solar field  
11 would benefit the taxpayer. Arne agreed that would be worth discussing.

12 There is a 5% cost of living raise included in the budget. Julie added that merit increases of 1 to 2  
13 percent are also given based on performance. Julie noted it did not include her salary as they set  
14 that in March. Lee agreed that the town employees are some of the best he's ever worked with.  
15 Leigh agreed. Lee said it's especially evident during a storm when they're out there working on  
16 the roads.

17 The budget is up \$159,000 and unless major cuts are made, that's where it was. Given what Julie  
18 had heard from other town managers struggling with their budgets, she thought 4 cents was a fair  
19 and reasonable increase. Department heads have been creative and are all taxpayers in Chester, so  
20 they understood keeping increases down.

21 Lee said they had requested \$52,000 from the Trustees of Public Funds and there may be some  
22 questions about the \$16,000. Julie said she wasn't sure they really needed to fight for the 2022  
23 expenses. It would be \$23,000 for the 2022 expenses. She said the money for 2023 wasn't budgeted  
24 so if they didn't give them the \$29,000, it would increase the budget by that amount. Julie thought  
25 getting the money for 2023 was critical. She added there are expenses coming up for the cemetery  
26 such as erosion issues that may be out of their scope and could be quite costly. Julie wondered if  
27 they should withdraw the request for the 2022 money. Lee said the erosion issue would help him  
28 to decide to withdraw the request. Arne agreed and suggested the request to withdraw be made at  
29 that meeting.

30 Lee wanted to know the actual policies. Julie said there weren't any. Lee wondered if they could  
31 request them to come up with some. Julie had an issue with some local elderly ladies paying their  
32 taxes and they went to the poor funds and there's no policy and it's very subjective to what they  
33 approve and don't approve. She said there haven't been many requests. Lee thought it was a recipe  
34 for disaster and a written policy would help everyone. Julie had suggested it and would again. She  
35 pointed out that they are elected officials and don't work for the board. Julie said they could offer  
36 them a suggestion but they wouldn't need to do it. Arne agreed that a guidance document would  
37 be helpful. Arne noted there was an opening for a trustee.

38 Julie said they need to purchase a dump truck this year and the ambulance which they had signed  
39 the contract for. She reminded them they had received the grant for the tanker and their match was  
40 \$37,000. Those are purchases that would be on the warning to approve for 2023. The first payment  
41 on them won't be until 2024. She said the revenue section included anything with the last payment  
42 for 2016 they are letting the capital plan fund balance pick it up. The only thing that will not be  
43 transferred is what is paying off the 2016 bond. It still left a healthy fund balance of around  
44 \$200,000 at the end of 2023. They anticipated a spike in 2024 so she didn't want to propose any

1 use of the fund balance in 2023 as it may be needed in '24 or '25.

2 Julie hasn't been projecting out expenses and would begin doing that in 2023 and developing a  
3 capital plan. They've been going year by year and needed to get back into a cycle of equipment  
4 replacement. They knew the ambulance expense would be coming and there are no grants out there  
5 and it was a big expense that she proposed would be funded over 10 years. She also proposed any  
6 items purchased in 2023 would be lumped with paving for 2023 and be one large bond. The rates  
7 for the bond bank are expected to be much less than local capital equipment notes. The one the  
8 board had just signed was for 4 ½ percent Lumping them into one bond would get them the best  
9 rate. Currently bond rates are at 3 ½ percent. If the rates drop below a certain percent, they  
10 automatically refinance them.

11 The 2023 bond is a \$400,000 request because this is the year to do the Andover Road which is in  
12 dire need. She hoped next year they would be eligible for paving grants and their match would be  
13 \$280,000. They have the match on the last section of Route 35. Julie had tried to get the state to  
14 take back the road but they wouldn't. There is a large culvert on Green Mountain Turnpike that  
15 has failed. They are being required to replace it with a small box culvert. They have received a  
16 grant for it and Chester's match is \$40,000. This would be the project where they would see if they  
17 could do it in-house. Naomi will do a design for them, and they will bring in a bridge guy who will  
18 meet with Kirby. If the guys are able to learn how to do them, it will be a long-term savings for  
19 the town. It is a small one that is not heavily traveled and there is another in and out to that area so  
20 it's a perfect place to experiment and try it. They will have engineers on standby if it fails. Julie  
21 said the Clean Water Act is now federal law which is what the mandated replacement falls under.  
22 Julie said they did the Advanced Systems Grant through FEMA which paid to hire Naomi to do a  
23 complete re-evaluation of Route 35 to see what was required. It opened them up for the next round  
24 of FEMA funding which Julie had applied for. This time around it's only a 5% match. If Chester  
25 receives it, they could deny the large structures grant which had a 20% match. Through FEMA  
26 funding, they also applied for the generator for the Jeffrey Well which would again only have a  
27 5% match.

28 Julie said she was not expecting a lot of change before the next meeting but the one piece that still  
29 warranted discussion was the library contribution, which is currently listed at \$93,000, which was  
30 not the increase to \$100,000 they had asked for. It would increase the budget by \$7,000 if they  
31 approved the request. The library's total budget is \$142,922. The 2022 budget was around  
32 \$133,000. Julie noted the town's total budget for the library is \$108,500 including the building.  
33 Lee was concerned that they were already providing the majority of the library's budget and given  
34 they have money they can access for an emergency like the town is currently facing they wanted  
35 more. Lee understood it was a great community asset but thought there was some responsibility  
36 on their end to help more when everyone is suffering. He was happy with the \$93,000. Leigh  
37 wanted to spend more time considering it. They agreed to discuss it next time when there was a  
38 full board. Arne could see the argument both ways.

39 **Agenda Item 7, New Business/Next Agenda**

- 40 • Setting the budget which will include the library discussion.
- 41 • Review the first draft of the Town Warning which will be set at a special meeting on Friday,  
42 the 20<sup>th</sup>.
- 43 • Local Cannabis Control Commission will attend to give an update.

1 • Julie and Tom hoped to present so the board could start discussion for the Police Advisory  
2 Committee. She hoped to do it at the meeting on the 18<sup>th</sup>.

3 • The 20<sup>th</sup> is a special meeting only to sign the warning unless they aren't ready to set the  
4 budget on the 18<sup>th</sup> and delay it to the 20<sup>th</sup>. The warning cannot be signed on the 18<sup>th</sup> because  
5 petitions are due on the 19<sup>th</sup>.

6 Arne had someone approach him regarding town roads that only serve one house and why they  
7 are plowing and maintaining someone's driveway. Arne didn't know if it was something the  
8 board wanted to discuss. Lee said he had raised the issue a couple years ago and someone who  
9 lives on one of the roads suggested they tread lightly because of the implications of taking it over.  
10 Lee thought it was worth discussing. Julie thought Jim's issue was about how they would choose  
11 the ones to give up. A hearing would be required for each road they wanted to give up. The board  
12 will discuss it later. Julie will resurface all the research they did a couple of years ago.

13 **Agenda Item 8, Executive Session; Police Collective Bargaining Agreement**

14 Lee moved and Leigh seconded a motion to go into executive session to discuss town business that  
15 is not appropriate for an open meeting. They invited the town manager and expected action to be  
16 taken following the executive session. The board went into executive session at 7:57 p.m.

17 Julie and the members returned, and Leigh rejoined the meeting by speaker phone.

18 Arne entertained a motion to exit executive session at 9:00 p.m. and it was moved by Lee and  
19 seconded by Leigh. A vote was taken, and the motion passed.

20 **Agenda Item 9, Approve Collective Bargaining Agreement**

21 A thorough discussion was had and there were some members with issues and there were  
22 corrections and changes and they expected to have something for the January 18<sup>th</sup> meeting. No  
23 action was taken at this meeting.

24 **Agenda Item 10, Adjourn**

25 Lee moved and Leigh seconded a motion to adjourn. A vote was taken, and the motion passed.  
26 The meeting was adjourned at 9:02 p.m.