

TOWN OF CHESTER
BOARD OF SELECTMEN

January 8, 2019
Minutes

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

VISITORS: Shawn Cunningham; William Lindsay

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

1. APPROVE MINUTES:

The minutes were not able to be approved. They were postponed to the next meeting.

2. CITIZEN'S COMMENTS:

There were no citizen's comments.

3. GENERAL FUND BUDGET REVIEW:

David Pisha stated that at this time, the budget shows an increase of \$43,546.23. This would be approximately a 1 cent increase in taxes.

David Pisha reviewed the items that were changed. They are as follows:

- Police Gasoline decreased
- Core decreased
- Travel decreased
- Mobile Data units decreased
- Fire other income decreased
- Uniforms decreased
- Utilities decreased
- Radio Maintenance decreased
- Equipment decreased
- Winter Carnival decreased
- Recreation concessions, utilities and skating decreased
- Cemetery supplies and equipment decreased
- Historic Facilities increased by \$10,000
- Misc. Maintenance increased by \$5,000
- Capital Transfer increased by \$10,000
- Public Works fuel increased by \$10,000
- Ambulance supplies increased by \$2,500

Dan Cote stated that he is not agreement with the bottom line and wants a 0% increase in the budget. He proceeded to read his written comments, quoted below:

“Although my comments at the Dec 19 meeting regards to the budget were not reflected in the minutes, I made it clear then and am doing so again....we must maintain a zero growth expenditure in 2019. It may appear as though the required tax increase will be merely pennies per household due to our inability to manage the budget, these “mere pennies” when added to the “mere pennies” we allowed to get by last year, are indeed what is called in the financial world as “budget creep”!an insidiously dangerous adventure for any community.

If I sound like an alarmist to you, think of it this way:

In a year we want to propose to the community, the funding & building of a significant EMS capital structure, which by the way is dearly needed; we also propose to overspend the regular budget for the second year in a row. On top of that we are looking at another budget creep in the making within our current capital budget plan; this was astutely pointed out by a previous board member, Mr. Bill Lindsey four weeks ago.

This is all coming at a time when property valuations are undergoing reevaluation.

Our Credibility on the issue of finances at a time like this is critical.

If there was ever a time to exercise and show leadership with regards to a zero-based budget practice....it is now! To date the budgeting process has been a simple negotiation of needs / wants against 2018. I have yet to see a true zero-based budgeting process against needs. A budgeting process is the prioritization of needs against what can be afforded. That being said; I am not asking that we start the process over again, I am simply suggesting that the town manager be directed to bring the budget to a zero increase over 2018 and hold his department leaders accountable and manage to it.”

Arne Jonynas agreed with the concerns relative to the EMS Building. However, he feels that an increase of 1% is satisfactory. This is less than the cost of inflation. Dan Cote stated that the Board has asked the Town Manager to come back with a 0 based budget. He expressed his concerns again about the process and the potential budget creep.

Heather Chase stated that some things are going down in price and some are going up in price. Dan Cote stated that he is concerned that in the future there will need to be layoffs of staff. Ben Whalen stated that for the State of Vermont which level funds, it is very difficult to run a department. He further stated that he is not sure it is budget creep but is rather cost of living increases.

Heather Chase stated that there are 25 full time employees in town who receive modest raises. She stated that if the town is looking at level funding, it is actually negative funding because a large part of the budget is employees and benefits. Heather Chase expressed her concern that to cut the budget much more will require cutting into these areas. Arne Jonynas stated some expenses incurred this year are due to security increases with the computer systems.

Arne Jonynas stated that he would like to add \$6,000 to the Revitalization Department for the purpose of landscaping. He would like this addition to support volunteer efforts that are taking place in town.

David Pisha stated revenues are the other side of the picture. He stated that penalty and interest has been decreased because collections are up. The \$15,000 was taken out because there is no deal with Sandri this year. In addition, the public works surplus plunged by \$64,000. Dan Cote stated that this may mean that the budget was overspent last year.

David Pisha explained that there is not enough sand to make it through the winter. Graham Kennedy is out looking for an additional 500 yards of sand.

Dan Cote expressed his concern that this may not be a credible budget and he wants to be able to stand before the voters and ask for additional funding for the EMS Building. Arne Jonynas stated that he is proud to stand before the voters with a 1% increase and still ask for the EMS building.

William Lindsay provided his history with level funding budgets and that they didn't work. He further stated that there are capital improvements needed, such as the EMS building, which are more important than flowers or paint jobs. He discussed the needs of individual property owners in the community and the struggles that some are facing. William Lindsay further questioned what items made up the surplus. David Pisha responded that the surplus came from many sources.

The Selectboard discussed the Reserve Fund. David Pisha reminded the Board that taking money from this year's surplus will increase the amount needing to raise in taxes. Heather Chase stated that it needs to begin sometime. The Board discussed whether or not the Board can put money into the Reserve Fund this year after the voters approve the Fund.

Discussed ensued regarding how the budget is created in the future. It was suggested that David Pisha encourage department heads to underspend their budgets and be conscious of what they are spending. David Pisha reminded the Board that not only taxes can fund the Reserve Fund, but onetime revenues that come in can fund it as well. Arne Jonynas requested that this be a discussion at the next meeting.

William Lindsay asked if there has been a discussion with the Trustee of Public Funds. David Pisha stated that the meeting is January 15, 2019.

Shawn Cunningham questioned the cost increase in the Lister's Department. Heather Chase noted that this is increased because of the Reassessment. The Selectboard agreed to add the \$6,000 for landscaping. They asked for David Pisha to review the budget again and see if there is anything additional that can be cut or if there are any other revenues that have come in. They will review again at the next meeting.

4. NEW BUSINESS/NEXT AGENDA:

Next meeting has been scheduled for January 16 at 6:30 p.m. The Reserve Fund and the budget will be on the next agenda.

David Pisha informed the Board that VHB will be at the next meeting to discuss the bridge on Popple Dungeon Road.

5. ADJOURN:

A motion was made by Heather Chase to adjourn. Seconded by Dan Cote. The motion passed. The meeting adjourned at 7:30 p.m.

Julie Hance
Secretary of the Select Board

Ben Whalen
Clerk of the Selectboard