

The Board of Finance held a regular meeting on February 17, 2010 in the Courtroom of Windham Town Hall, 979 Main Street, Willimantic, CT 06226

Members Attending: Barbara McGrath, Leo Santucci, Thomas DeVivo, Charles Pennewill, Anita Sebestyen

Chairman, Barbara McGrath called the meeting to order at 7:05 p.m.

Public Comment

Lori Jeffers of Willimantic thanked the board for using the microphones.

Approval of meeting minutes

Upon a motion by Charles Pennewill, seconded by Anita Sebastian to accept the meeting minutes from January 20, 2010.

Thomas DeVivo questioned if the budget book passed out at the last meeting was last years budget book?

Barbara McGrath replied yes it was last years budget book.

Leo Santucci questioned the statement Lori Jeffers made regarding the parking garage and that it might take up spaces because people are concerned with safety.

Lori Jeffers replied that she meant as you place the parking garage on Walnut Street even if it is a double decker you may have a net gain of parking places but a lot of people are concerned with safety so it will not be used. The net result may be that you have a negative count.

The motion passed with Thomas DeVivo abstaining.

Discussion on next years budget process

Tom Pesce reviewed the budget schedule. On Wednesday February 24, 2010 the Town Manager will present his budget to the Town Council. The Town Council will have budget meetings on Tuesday March 2, 2010 and Tuesday March 9, 2010. On Wednesday March 17, 2010 the Town Manager will present the budget to the Board of Finance.

Barbara McGrath commented March 17, 2010 is the next Board of Finance meeting and the Charter states the Board of Finance receives the budget on March 15, 2010.

Tom Pesce replied we can send the budget out in the packet for Board of Finance members before March 15, 2010.

Charles Pennewill questioned if the budget will be in the same format as last years?

Tom Pesce replied the budget will be in the same general format.

Barbara McGrath commented on setting up meeting dates between March 17, 2010 and April 12, 2010 to go through the budgets. Meeting dates will be determined after reviewing the budget to see how much work needs to be done.

Town Controller's Report

Town Controller's report was presented by Tom Pesce.

Tax Collector, Gay St. Louis, spoke on the current year revenues. A spreadsheet from July 2009 to January 2010 was presented to the Board. An analysis was done to compare the same time last year to this year. We are down a little in the collection rate as compared to last year. Hopefully we will make budget. We currently have 450 payment plans.

Barbara McGrath questioned if bills were being mailed every month to people on the payment plans?

Gay St. Louis replied emails and phone calls are being done instead of sending out bills.

Tom DeVivo questioned if there is a budget for collecting interest.

Gay St. Louis replied yes we do budget for interest on delinquent taxes.

Leo Santucci questioned if we could get trend lines for the past couple of years.

Gay St. Louis replied she could work on a report for the Board.

Barbara McGrath questioned if it was too early to assume what is uncollectible.

Gay St. Louis replied delinquent tax bills will be going out and she will have a better idea by the end of February of what will be uncollectible.

Tom Pesce presented three charts showing different ways we could structure the debt. One is the initial proposal showing the existing debt, the incremental cost of the magnet school, and the roads and sidewalks. The two new components added come on in fiscal year 2012. Even if we are approved to borrow money now, by the time we do borrow the money it would be the next fiscal year. The debt service payments are: six months after borrowing there is an interest payment and then in twelve months there is an interest and principal payment. Another chart shows leveling the debt which means the principal payments will be the same every year and the interest payments will change every year. Another chart shows level principal payments but we defer the first principal payment to the second year. It allows you to get further down on the existing debt.

Charles Pennewill questioned what is the Town's rating?

Tom Pesce replied A2 with Moody's and A+ with Standard & Poor's.

Charles Pennewill commented the rates are down so shouldn't we refinance or restructure the debt.

Tom Pesce replied that is one of the things we are looking into. We did refinance a few years ago. Our financial advisor has been asked to look into refinancing since we will be looking into bonding.

The status of the current year revenues and expenditures were reviewed. There is some concern on the General Government revenues. We will look more closely at it next month and may recommend a freeze on expenditures.

Barbara McGrath questioned if the revenues that are lower right now will be received later in the year.

Tom Pesce replied where there are lower revenues most of it is anticipated to be received by the end of the year. For next month we will provide a projection to year end on the revenues for the General Government and Willimantic Service District. The same will be done for expenditures.

There are transfers requests for the General Government to clear up projected deficits on the expenditure report. There are no transfer requests for the Willimantic Service District at this time.

Thomas DeVivo requested the revenue and expenditure reports be emailed before the meeting.

The ambulance study committee is trying to set up a meeting for next week. Progress is being made on the ambulance study with the cooperation of the fire department.

Barbara McGrath commented on the last ambulance study committee meeting that was held in January. The challenges are trying to figure out the degree to which we should be handling all our ambulance services with firefighters. We also need to figure out the appropriate, fair and effective way of how it should be paid for. The revenue that isn't generated from the services provided is paid for by the Town and is that efficient. Is the Willimantic Service District paying more than it should? Deputy Fire Chief will be providing additional information. We are not looking to replace firefighters with Emergency Medical Service individuals. Mutual aid within the Town of Windham and with surrounding towns was also discussed.

Charts showing the percentage of the budget that belongs to the Board of Education and also the General Government were presented to the board. The information went back to the 1998-1999 fiscal year. The percentages haven't varied dramatically. The charts showed the following:

Fiscal Year 2009-2010	Board of Education = 76%	General Government = 24%
Fiscal Year 2008-2009	Board of Education = 75%	General Government = 25%
Fiscal Year 2007-2008	Board of Education = 74%	General Government = 26%
Fiscal Year 2006-2007	Board of Education = 74%	General Government = 26%
Fiscal Year 2005-2006	Board of Education = 74%	General Government = 26%
Fiscal Year 2004-2005	Board of Education = 75%	General Government = 25%
Fiscal Year 2003-2004	Board of Education = 74%	General Government = 26%
Fiscal Year 2002-2003	Board of Education = 72%	General Government = 28%
Fiscal Year 2001-2002	Board of Education = 73%	General Government = 27%
Fiscal Year 2000-2001	Board of Education = 72%	General Government = 28%
Fiscal Year 1999-2000	Board of Education = 72%	General Government = 28%
Fiscal Year 1998-1999	Board of Education = 71%	General Government = 29%

Barbara McGrath commented on the 2009 audit. There is a draft of the audit and everything will be ready by the end of the month so an additional extension will not be needed. The auditors are planning to attend next months meeting to make a presentation.

Barbara McGrath commented on the last Board of Education Budget Finance Committee meeting. They are still in the process of finalizing their budget. Assuming Education Cost Sharing money is flat, grant funding is reduced, assuming contract raises, and with no changes in staffing, services, or program the Board of Education is looking at a two percent increase in their budget. They are working on other possible options. We will have more information when it is received from them. From 2004 through this year, they have been reducing staff. They are working hard to be efficient as possible.

Anita Sebestyen commented the Board of Education is struggling and trying hard to come in with the lowest budget as possible.

Tom Pesce commented we are moving forward with the dental self insurance fund and have a target date of March 1st or April 1st.

The Town received a 20% increase on Anthem Blue Cross and Blue Shield. We can also look into self insuring on a medical plan.

Leo Santucci questioned with the contracts with different unions, can deductibles be changed?

Tom Pesce replied changes were made last year and there were union concessions. This was done for last year and we will check again. We may also look into a high deductible plan.

Barbara McGrath questioned if this will include a health savings plan.

Tom Pesce replied we will probably grow into that. There are different plans to address the needs for employees and will also include the Board of Education.

Thomas DeVivo questioned if the Board of Education adopted the same policy as the Town and if two people are on the same policy, can one opt out?

Barbara McGrath replied it has been brought up but will have to be looked into.

Discussion and possible action to approve a resolution to fund various capital improvements

Tom Pesce commented the resolution is for the appropriation of \$3,750,000 for a road and sidewalk project and a bond authorization of \$3,750,000 to finance the appropriation. This is one of many items on the Capital Improvement Plan.

Barbara McGrath commented there has not been a Capital Improvement Plan Committee meeting since last summer. The roads and sidewalks are on the Capital Improvement Plan along with many other items. Because we don't have the budget yet it will be difficult to make the decision. We don't know how much is it going to cost to run the Town and schools next year? She would like to continue the discussion at next months meeting so the Capital Improvement Planning Committee can meet within the next month.

Leo Santucci commented it makes sense to wait until we have more information.

Charles Pennewill also agreed to wait on making a decision until we have more information.

Anita Sebastian commented we need more of the full picture.

Thomas DeVivo commented we need to know how this will affect the budget. Even though it will stretch the budget we won't feel the impact until the year 2012. There is no impact on this year's budget. The appropriation is a continuation of long term projects and has been done for many years.

Town Engineer, Joe Gardner, commented the longer we wait to fix the roads the more it will cost to fix that same road. A proposal was submitted to the Board. There are 90 miles of roads in the Town of Windham. We are paving less than three miles per year with an overlay that last twenty years. We are on a thirty four year schedule of fixing our roads with a system of repair that will last twenty years. We are not keeping up with the rate of deterioration. What is happening is instead of doing an overlay of roads the entire road needs to be taken out and rebuilt which is more expensive. If we keep delaying things other roads are going to be expensive to fix. We have laid out a program working with public works and the water department. The water department wants to clean the water mains. Yankee Gas also wants to do repair work. We try to split the work between Windham and Willimantic. A lot of roads in Windham have broken down. Each year we are trying to work down Main Street and the streets that abut Main Street to repair the sidewalks and roadways. These are areas that have the most foot traffic. The price for fixing sidewalks has gone down. In the last two years we have only paved three miles of roads.

Barbara McGrath questioned if the \$585,000 of American Recovery Reinvestment Act money was included in the proposal?

Joe Gardner replied no it is not included. That is a separate proposal. Valley Street, High Street, and a section of Jackson Street were chosen by Department of Transportation for that project.

Barbara McGrath questioned if Yankee Gas and the water department have been notified of the project.

Joe Gardner replied yes they were notified of American Recovery Reinvestment Act paving roads a year ago and the water department was involved in making the list of street repairs. The sewer department was also notified of the project.

Barbara McGrath also questioned if Local Capital Improvement Program dollars can be used to repair sidewalks.

Joe Gardner replied Local Capital Improvement Program dollars can now be used for repairs.

Barbara McGrath questioned if we could use Local Capital Improvement Program dollars to fix the Guild Field sidewalks?

Joe Gardner replied yes we could.

Thomas DeVivo questioned if there was a schedule for the project?

Joe Gardner replied he would not go out to bid until the summer.

No action was taken.

Discussion and possible action to appropriate \$94,562 grant for improving energy efficiency projects for the Town of Windham, and send to Town Council

Upon a motion by Thomas DeVivo, seconded by Anita Sebastian, to recommend to the Town Council approval of the appropriation of \$94,562 from the undesignated fund balance of the General Fund for improving energy efficiency projects as follows:

Perform energy audit of town buildings
Install radiant heaters and door closers at the Willimantic Fire Department
Purchase recycling barrels, distribute educational material on recycling
Install lighting sensors in town buildings

The appropriation may be expended on construction and other expenses related to the project. The Town intends to reimburse the General Fund for expenditures pursuant to the appropriation for construction related items estimated at \$93,562 from a grant administered by the Office of Policy and Management. Unless otherwise determined by the Town Council, no portion of the appropriation shall be expended until such time as approval to proceed with the project has been received from the Office of Policy and Management. Non-reimbursable items for advertising and testing are estimated at \$1,000.

The motion passed unanimously.

Discussion and possible action to appropriate \$585,000 grant for milling and resurfacing roads for the Town of Windham, and send to Town Council

Upon a motion by Thomas DeVivo, seconded by Leo Santucci, to recommend to the Town Council approval of the appropriation of \$585,000 from the undesignated fund balance of the General Fund for milling and resurfacing of:

High Street from Main Street to the Mansfield Town Line
Jackson Street from Union Street to Prospect Street
Valley Street from Walnut Street to Jackson Street

The appropriation may be expended on construction and other expenses related to the project. The Town intends to reimburse the General Fund for expenditures pursuant to the appropriation for construction related items estimated at \$575,000 from a grant administered by the Department of Transportation. Unless otherwise determined by the Town Council, no portion of the appropriation shall be expended until such time as approval to proceed with the project has been received from the Department of Transportation. Non-reimbursable items for advertising and testing are estimated at \$10,000.

Anita Sebastian questioned the non-reimbursable items being a lot more.
Joe Gardner replied the Office of Police and Management does not require testing but the Department of Transportation requires testing and will not pay for it.

The motion passed unanimously.

Discussion and possible action on any General Government 2009-2010 budget transfer requests

Tom Pesce commented on the transfer request submitted to the Board. A total request of \$31,850 is being made. There are variances from our original budget. Most of the changes are made through medical insurance lines. The recommended transfers for the General Government budget are:

From 50103-110 – Medical Insurance to 50102-103 Overtime \$2,500
This is for overtime in the Town Council department for the council meetings.

From 50108-110 – Medical Insurance to 50104-101 Regular Payroll \$4,200
This is for the Finance Department payroll line for a temporary part-time position.

From 50104-110 – Medical Insurance to 50104-114 FICA/Medicare \$400
This is to adjust for the increase in the regular payroll and overtime lines.

From 50104-110 – Medical Insurance to 50104-103 Overtime \$4,000
This is for overtime in the Finance Department for working on completing the audit, working on next years budget and catching up on current year items.

From 50105-110 – Medical Insurance to 50105-114 FICA/Medicare \$140
This is for a budget adjustment

From 50106-101 Regular Payroll to 50106-103 Overtime \$1,500
This is for overtime in the Assessor's Office for an employee who was out on a medical leave while the grand list was being completed.

From 50108-110 – Medical Insurance to 50108-103 – Overtime \$100
This is for a budget adjustment.

From 50102-110 0 Medical Insurance to 50102-114 FICA/Medicare \$100
This is for a budget adjustment.

From 50202-110 – Medical Insurance to 50202-207 Other Professional Serv. \$1,000
This is for possible veterinary bills.

Thomas DeVivo questioned the \$1,000 for possible veterinary bills.

Tom Pesce replied it was for the possibility of veterinary bills between now and the end of the year because we have expended what was originally in the budget.

From 50310-101 – Regular Payroll to 50310-104 – Longevity \$900
This is for a budget adjustment.

From 50311-110 – Medical Insurance to 50311-101 – Regular Payroll \$500
This is for a budget adjustment.

From 50311-110 Medical Insurance to 50311-114 FICA/Medicare \$100
This is for a budget adjustment

From 50503-110 – Medical Insurance to 50503-101 – Regular Payroll \$1,400
This is for a budget adjustment.

From 50504-110 – Medical Insurance to 50504-101 – Regular Payroll \$100
This is for a budget adjustment.

From 50606-110 Medical Insurance to 50606-101 Regular Payroll \$200
This is for a budget adjustment.

From 50108-110 – Medical Insurance to 50114-401 Building & Improvements \$5,000
This is for many improvements at Town Hall including replacing the carpeting in the recreation department and repairs to the women’s bathroom on the first floor.

From 50103-110 – Medical Insurance to 50201-280 Outside Contractors \$9,710
This is for two grants the Fire Marshal will be receiving. The Town will be reimbursed 100%. Instead of establishing a new fund, the expenditures will go through the General Government budget.

Upon a motion by Thomas DeVivo, seconded by Leo Santucci to accept the recommended transfers totaling \$31,850 for the General Government 2009-2010 budget.

Barbara McGrath commented she spoke with the auditor who also agreed it would be helpful to have a part time person in the finance department.

The motion passed unanimously.

Discussion and possible action on any Willimantic Service District 2009-2010 budget transfer requests

There were no budget transfer requests.

Any other business appropriate to come before the BOF

Charles Pennewill questioned the Charter defining a Finance Department.

Barbara McGrath commented we could talk with the Town Manager and maybe have him recommend an ordinance to the Town Council. We will look into this and bring it up after the Board is done with the budget.

Thomas DeVivo commented there is probably already an ordinance for the Finance Department.

Public Comment

Lori Jeffers of Willimantic commented about the condition of Quarry Street sidewalks and has concerns with children walking them. The sidewalks on Quarry Street should be given a high priority. She urged the Board to be leaders and not followers and be the first community on a four day work week. We should be making cuts and not bonding. She also commented that we don't have to give raises every year.

Upon a motion by Thomas DeVivo, seconded by Leo Santucci, the meeting was adjourned at 8:55 p.m.

Attest: _____
Karen Williams, Clerk