

The Board of Finance held a regular meeting on November 18, 2009 in the Courtroom of Windham Town Hall, 979 Main Street, Willimantic, CT 06226

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

Chairman, Barbara McGrath called the meeting to order at 7:00 p.m.

### **Election of Officers**

Thomas DeVivo nominated Barbara McGrath as Chairman. Jeff Smith seconded the nomination.

The nomination was unanimously approved.

Thomas DeVivo nominated Jeff Smith as Vice Chairman. Leo Santucci seconded the nomination.

The nomination was unanimously approved.

### **Public Comment**

Lori Jeffers of Willimantic asked the board to remember the tax payer.

Bernie Dauteuil of Willimantic asked if the board members had name plates.

### **Approval of meeting minutes**

Thomas DeVivo questioned in the minutes; the statement that Willimantic Service District has a surplus in expenditures and also why an adjustment is needed in police private duty line.

Tom Pesce replied the expenditure surplus was a favorable variance in expenditures. An adjustment needs to be made in the revenue line of police private duty in order to properly reflect the available accounts receivable balance.

A correction will be made to change surplus in expenditures to favorable variance in expenditures.

Upon a motion by Barbara McGrath, seconded by Jeffrey Smith to accept the meeting minutes from October 21, 2009.

The motion passed with Leo Santucci, Jeffrey Smith, Thomas DeVivo, Anita Sebestyen, and Charles Pennewill abstaining.

### **Discussion and possible action to convert to self insured dental plan for Board of Education and Town Employees**

Tom Pesce gave an overview on the self insured dental plan proposal. The proposal is to take both the Town and Board of Education dental plans and move both premium based plans to a self insured plan. There would be no change to employee's benefits. It is a change in the way we are funding the plan. Instead of paying the premium to the insurance company we would be paying the claims as they incur. It should provide a savings to both the Town and Board of Education.

Barbara McGrath commented the savings are significant and that going self insured will not put us at a substantial risk. The use of dental coverage is relatively consistent for most people.

Charles Pennewill questioned if the employees contribute to the premium.

Tom Pesce replied yes they do contribute to the premium.

Thomas DeVivo questioned if the Board of Education took action yet.

Tom Pesce replied they have approved the change to self insured and that it will start when the Town does.

Jeffrey Smith questioned if software has been developed to track contributions?

Tom Pesce replied presently it is tracked from the bill we receive from the insurance company.

No action was taken at this time.

### **Town Controller's Report**

Town Controller's report was presented by Tom Pesce.

There was a handout for a FICA Alternative Retirement Plan. The Town of Windham qualifies to participate in a special 457 plan that will allow part time seasonal employees to not participate in social security tax payments. The employee would be contributing to their own retirement plan. The contributions would be tax deductible to the employee. The advantage to the employer is there would be no required social security match. This plan can be offered to both Board of Education and Town employees.

Two handouts regarding the actuarial valuation were reviewed. The valuation comes up with an estimate of the amount the employer needs to contribute to fund the Town's pension fund. The changes were reviewed. One change was to reduce the assumed rate of investment return, and another change was a reduction in the percentage of assumed rate of salary increases. The changes resulted in a substantial reduction in the actuarial estimate.

The Town attorney is looking into the contract with Great West. The Town has received some answers to questions that were sent to Great West and they are being reviewed. A cost benefit analysis will need to be done. If we are under a contractual obligation and left, is it worth the payout penalty.

Jeffrey Smith questioned if there was a contract and no one can find it?

Barbara McGrath replied there was an ongoing contract for a number of years and the contract was bought out and moved to another company.

Thomas DeVivo commented sending a letter to the company stating we want out of the contract and making them prove there is a contract.

Barbara McGrath commented the Town attorney is looking into that.

A draft of budget process for 2010-2011 was reviewed. This will be discussed with the Town Manager so some dates could change.

Barbara McGrath commented the board members may want to attend Town Council meetings that are budget related.

Leo Santucci commented that attending the Board of Selectmen budget meetings worked well last year.

The Town Engineer is requesting \$22,000 from RCIP to paint and refinish the auditorium floor.

Joe Gardner commented a million dollars has been spent on code compliance. This money was from a grant. The walls are dirty, the floor is missing boards and it is buckled in places.

Leo Santucci questioned if the floor can be salvaged where it is buckled.

Joe Gardner replied floor boards from the third floor could be used.

Leo Santucci questioned if the roof leaks?

Joe Gardner replied there haven't been any leaks since 1992.

Jeffrey Smith questioned if there are funds available to do this.

Tom Pesce replied yes funds are available.

Thomas DeVivo questioned if the work could be done in time for when the room will need to be used?

Joe Gardner replied the work would be done by the end of the year.

Upon a motion by Thomas DeVivo, seconded by Anita Sebestyen to transfer \$22,000 from RCIP to the Ballroom project.

The motion passed unanimously.

The auditors will be coming in this week. They will be putting in a request for an extension. We are also working with the First Taxing District auditors.

The ambulance study committee will be meeting in December.

Revenues and expenditures for the current year in the General Fund and Willimantic Service District were reviewed. There is nothing significant to report on revenues. We are still waiting on State revenues. There is a transfer request from animal control to

cover part-time payroll, veterinary costs, and animal feed. There is also a transfer request from code enforcement to tear down a dwelling. This property was damaged by fire and is unsafe. Additional transfers were needed for the Fire Marshall, Finance Office, Data Processing, and Town Planner. There is a transfer request in the Willimantic Service District to cover the police salaries based on the negotiation settlement.

The following funds were reviewed:

Fund 048 – Road Bonds 2006. This was used for road improvements.

Fund 053 – SWWM 1986 Assessment. This was for a sewer assessment.

Fund 056 – Grant Match. This is used when grants require a match by the Town.

Fund 057 – Fire Prevention Donation. This is used for fire prevention education.

Fund 073 – Scholarship Trust. This is used for high school and middle school scholarships and is administered by the Board of Education.

Fund 082 – Police Youth Activities

Fund 083 – Town Garage Fund. Proceeds from the sale of gravel are put into this fund.

Fund 091 – Operations & Safety Grant. This is used for white water training for firefighters.

Fund 093 – TOW Incentive Housing Overlay Zone Grant. This is funded by OPM and is being managed through WINCOG.

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

Upon a motion by Leo Santucci, seconded by Charles Pennewill to transfer \$54,430 from 50706-283 (Town Contingency) to cover the recommended transfers.

Barbara McGrath commented this cuts our contingency below half and to let department heads know this is for emergency situations.

Thomas DeVivo commented we are half way through the year and have used half of the contingency.

The motion passed unanimously.

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

Upon a motion by Thomas DeVivo, seconded by Leo Santucci to transfer \$145,000 from 50909-283 (WSD Town Contingency) to cover the recommended transfers.

The motion passed unanimously.

**Discussion and possible action to approve meeting schedule for 2010**

Upon a motion by Jeffrey Smith, seconded by Charles Pennewill to approve the meeting schedule for 2010.

The motion passed unanimously.

**Any other business appropriate to come before the BOF.**

Barbara McGrath reported the Board of Education arbitration meeting will be on December 10, 2009. An update will be given at the next meeting.

Barbara McGrath announced there is a Board of Education Finance Committee meeting on November 19, 2009 at 6:30 p.m. They will be discussing their budget process.

Leo Santucci commented to let the new members know the Town Charter does restrict members of the board from participating in other committees of the Town. This does not apply to attending a meeting as a citizen.

Thomas DeVivo notified the Board members of a potential conflict. He is a principal in Willimantic Waste Paper. Willimantic Waste Paper has several contracts with the Town of Windham. He will abstain from any vote regarding Willimantic Waste Paper.

**Public Comment**

Lori Jeffers of Willimantic asked if a packet could be left in the library, Town Clerk's office, or on line if possible.

Bernie Dauteuil of Willimantic commented on the attendance of a board member, the use of contingency funds, and the Ballroom.

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

Attest: \_\_\_\_\_  
Karen Williams, Clerk