

The Board of Finance held a special meeting on June 22, 2010 in the Courtroom of Windham Town Hall, 979 Main Street, Willimantic, CT 06226

Members Attending: Barbara McGrath, Jeffrey Smith, Charles Pennewill, Anita Sebestyen, Jay Handfield

Chairman, Barbara McGrath called the meeting to order at 7:37 p.m.

### **Public comment**

Lori Jeffers of Willimantic commented about the return of taxpayer's money that was paid to the seller of the property for the magnet school. If the budget does not pass she asked the Board to set the Board of Education budget at last year's budget. At a town meeting last week a nonresident was allowed to vote and this violates the Town Charter.

### **Approval of meeting minutes**

Upon a motion by Charles Pennewill, seconded by Anita Sebestyen to approve the meeting minutes from March 17, 2010.

The motion passed unanimously.

### **Discussion and possible action on Collector of Revenue suspense tax book**

Barbara McGrath commented there are two reports from the tax collector, Gay St. Louis, to transfer a list of accounts to the suspense list. This is done on an annual basis per state statute.

Jeffrey Smith questioned if the listing includes any real estate or is it just motor vehicle and personal property accounts.

Barbara McGrath commented it is her understanding that real estate is not included in the listing and it is only motor vehicle and personal property accounts.

Upon a motion by Jay Handfield, seconded and by Charles Pennewill to transfer the list of accounts to the suspense list.

The motion passed unanimously.

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

The Town Controller's report was presented by Tom Pesce.

The year-to-date operations show the Willimantic Service District and General Government revenues are coming in excess of the budget. The expenditures should be under budget. The Willimantic Service District is doing better than the General Government.

A State Department of Transportation grant for public schools came in less than budgeted. The State of Connecticut used money from the special education area to make up the difference in the transportation grant. We will still have a shortfall in the transportation line. There is a concern the State revenues will be less than budgeted in fiscal year 2010-2011.

Last week, Tom Forma from the Forma Group gave a presentation on plan assets for the town's pension funds for the police and fire departments. The funds have outperformed the indexes as a whole.

Barbara McGrath questioned if we were going to transfer Great West pension funds?

Tom Pesce commented if we were to combine all pension funds there would reach a price break point where there would be a decrease in the cost per transaction which would be a benefit to all pension funds.

Tom Pesce commented the town attorney is reviewing the Great West/Met Life contract.

Barbara McGrath commented Tom Forma says the potential savings from the reduction in fees would more than make up for the termination fee. She would like to get rid of Great West.

Barbara McGrath asked Tom Pesce to run the numbers to see what the savings would be to move to the Forma Group.

Jeffrey Smith questioned if we have a contract to renew with the Forma Group?

Tom Pesce commented the Board of Education has an annuity-based pension contract with Aetna. He is looking into who is authorized to make changes and decisions. Annuities shift the liability away from the town and to the insurance company. A number of years ago, Met Life demutualized and as a result of the demutualization the Town of Windham pension fund acquired stock in Met Life. That stock has grown and is larger than 5% of the current portfolio. We will be looking into selling some of the shares.

Charles Pennewill questioned if the Board of Education would listen to the possibility of saving money by consolidating?

Tom Pesce replied once we have the Town pensions set he will reach out to the Board of Education. The services that Aetna and Met Life have been providing over the years were stronger on a ten year return than the self directed funds.

Jeffrey Smith questioned if the school board can run their pension fund? The school board does not have a treasury function. If they made an error the town would be responsible.

Barbara McGrath commented to collect data for next month's meeting including legal authorization..

The self-insurance dental plan started May 1<sup>st</sup> with the Town and Board of Education.

The Federal FDIC insurance has been changed permanently to \$250,000.

We are going forward with another firm to assist with the year end close.

Barbara McGrath commented on getting the audit done by December 31<sup>st</sup>.

Jeffrey Smith questioned who is the firm assisting with the closeout.

Tom Pesce replied CL Services who was recommended by the auditors.

Over the next few months the board will need to discuss shared services, dispatch, PILOT, ambulance fund, and the Capital Improvement Plan.

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

Upon a motion by Jeffrey Smith, seconded by Jay Handfield to approve the following general government transfer requests:

\$ 200 from 50110-221 - Advertising & Publications to 50110-247 - Moving Expense  
\$ 600 from 50110-221 - Advertising & Publications to 50110-280 - Outside Contractors  
\$16,250 from 50706-283 - Town Contingency to 50201-280 - Outside Contractors  
\$ 400 from 50202-110 - Medical Insurance to 50202-302 - Gas & Diesel Fuel

The motion passed unanimously.

Upon a motion by Charles Pennewill, seconded by Anita Sebestyen, to authorize the controller to close out the 2009-2010 fiscal year and after covering any deficits in the general fund to transfer up to \$50,000 to 50707-999 Interfund transfer out-RCIP

The motion passed unanimously.

**Discussion and possible action on any Willimantic Service District 2009-2010 budget transfer request.**

Upon a motion by Charles Pennewill, seconded by Jay Handfield, to authorize the controller to close out the 2009-2010 fiscal year and after covering any deficits in the Willimantic Service District to transfer up to \$50,000 to 50910-998 Interfund transfer out-RCIP

The motion passed unanimously.

**Discussion and possible action on the Capital Improvement Plan**

The capital improvement planning committee no longer exists. If the Capital Improvement Plan that is before the Board is approved, it will then go back to the Town Manager for approval by the Town Council. The Town Council also needs to approve or recommend a one-year Capital Improvement Plan. The funding for the one year plan was reviewed.

Barbara McGrath commented that approving this doesn't mean all the projects will get done.

Barbara McGrath commented the one-year plan should have been presented back in March as part of the budget.

Jeffrey Smith commented the five year Capital Improvement Plan is just a plan and doesn't need to be adopted.

Upon a motion by Jeffrey Smith, seconded by Jay Handfield, to adopt the proposed Capital Projects Fund Budget Financing Plan for 2010-2011 with the provision that any projects having to go to bonding would have to follow the Town's procedures.

The motion passed unanimously.

**Discussion and possible action to Adopt Revenues for Fiscal Year 2010-2011.**

No action was taken.

**Discussion impossible action to set the Mill Rate for Fiscal Year 2010-2011**

No action was taken.

**Discussion and possible action on the 2010 2011 Board of Education budget  
(note: only required if budget fails)**

The Town Council may decide to set a temporary budget authorizing a 90 day appropriation based on the current year budget.

Charles Pennewill commented he is not prepared to do anything tonight. He would like to know if the Board of Education Finance Committee could meet before June 30, 2010.

Mark Doyle of the Board of Education replied the Committee will be meeting before June 30, 2010.

No action was taken.

**Discussion and possible action on the time, date, and place of the referendum vote  
(note: only required if budget fails)**

The earliest the next referendum could be is July 13, 2010. There could be a town meeting on July 8, 2010 if there is a public hearing on June 30, 2010.

Upon a motion by Anita Sebestyen, seconded by Jay Handfield, to approve the meeting dates of June 30, 2010 for a Public Hearing at 7:00 p.m. at Town Hall, July 8, 2010 for a Town Budget Meeting at 6:30 p.m. at Town Hall, and July 13, 2010 for the next referendum with the time and place to be determined by the registrar.

The motion passed unanimously.

**Public comment**

Bernie Dauteuil of Willimantic questioned if the charter says that if the budget fails three times it goes back to the previous year's budget?

Barbara McGrath replied the Town Charter does not state that.

Tony Fantoli of Windham asked to Board to think about the budget before making any decisions.

Bernie Dauteuil of Willimantic commented he wants to see the school resource officer in the budget and the police chief also supports the school resource officer. He also commented that changes need to be made in the Town Charter.

Murphy Sewall of Windham commented the school resource officer can't fit in the Board of Education budget.

Lori Jeffers of Willimantic commented there's no money for the school resource officer but there is money for administrators.

Dennis O'Brien of Willimantic commented he is disappointed with the vote. Education is less expensive than incarceration.

Upon a motion by Jay Handfield, seconded by Charles Pennewill the meeting was adjourned at 8:35 p.m.

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