

Minutes of the Board of Finance Budget Review Meeting
March 31, 2014 – Town Hall – 7 p.m.

Members present: Justin Donnelly, Joseph Sangiovanni, Chris Childs, Ryan Anderson, Scott Lingenfelter, Brian Kost, alts. Tracy Eccles, Eric Harrington, Michael Stevens
Also present: First Selectman McAnaney, Selectman Fitzgerald, Selectman Chafetz, Treasurer Davidson, Director of Finance Cerrato

Chairman Justin Donnelly called the meeting to order at 7 p.m.

He asked for Citizen Comment: None

Correspondence: Chairman Donnelly noted a letter from Tom Frenaye discussing the need for better risk management within the Town of Suffield. Each BoF member received a copy of this letter via email.

Budget Review

Tax Collector and Tax Rebates (17) – Jill Schechtman, Tax Collector - The major change is an increase in the Printing line item of approximately \$4,800. We are required to have final posted printed rate books. This is something we should have been doing, and we now have to catch up on past years. She also noted that she always has a shortfall in the Rebates line item. Then she has to come back to the Board of Selectmen and BoF for additional funding. And she will do this again. Her projected budget for Rebates is \$40,000. This item should be increased to \$65,000. She estimates that she will have spent \$65,000 this year. She still plans to institute an online payment program, and hopes to begin in 2015. There are some closeout of prior year activity that needs to be finalized before we can move forward.

Selectmen (10) First Selectman Edward McAnaney – We have changes in the payroll line item. We are going to a full time Administrative Assistant; from 2 part time positions. There is an increase in the First Selectman's salary; Mr. Fitzgerald will speak to this issue. Mr. Lingenfelter asked what the \$70,000 Contracted Services is used for. Mr. McAnaney noted that this line item is used for one time expenditures that were unanticipated. We are looking at Babbs Parks and might use this line item to pay for repairs/plans to the property.

Mr. Fitzgerald noted that last year, the Board of Selectmen asked for a raise of \$20,000 for the position of the First Selectman and the Board of Finance gave us one half of the amount. Now we are coming back for the second half. We feel that position should be fairly compensated. Mr. Fitzgerald and the rest of the Board of Selectmen will make a list of towns that they feel compares the duties of our First Selectman with other similar selectman positions and the associated salaries.

Bob Lindberg, of L&R Benefits – Mr. Lindberg distributed three documents. The first document was a Discussion Outline: Recent Claim Experience, Projected Plan Costs for 2014 - 2015, and Competitive Market Study. He summarized each topic in detail. The first attachment

denoted the Recent Claim History Progressions and Large Claim Distribution and Impact for the calendar year 2012, 2013, and March- 1, 2013-Feb 28, 2014. He compared the Total Gross Claim Costs and the Adjusted Total Claims. Attachment 2 reviewed the high cost claimants > \$50,000, (in dollars) Pareto Claim Overview,(percentage of Claims and percentage in Dollars) and the Town HSA HDHP Claim Activity for the calendar year 2011, Calendar Year 2012, and Calendar year 2013. He discussed the aspects and time frame of the Cadillac plan tax aspect. The Cadillac tax affects the Town in 2018.

The results are in for the Competitive Market Study and he should have a packet ready for the Board of Finance mid week.

Mr. Donnelly asked if Mr. Lindberg provided both the Town and the BoE the same packet of information for all union negotiations. Mr. Lindberg stated yes.

In response to a question regarding the Town's HR Director, the First Selectman indicated that she is very much involved in negotiations directly.

Insurance and Employee Benefits (23) Deborah Cerrato – She noted that the Disability Insurance is projected at \$53,000, a 8.2% increase. Mr. Kost asked who is in the 457 Plan. Ms. Cerrato stated the union and non union except Police and Fire. The Police and Fire received by pension arbitration an increased multiplier of 2.25% where the rest of the employees in the Plan get a 2% multiplier. During subsequent contract negotiations, the unions all requested the increased multiplier and the alternative that was adopted was a match in the 457 Plan.

Ms. Cerrato stated we are matching 50% of what an employee puts in up to 2% of their salary. Any new hires, covered by the Police Union Contract and the Benefits Policy for Executive and Professional Employees, after such a specific date i.e. the two newest hires in the Police Department now are in the 457 Plan. The employees are required to contribute 5.25% and the Town matches up to 7% of monthly earnings.

Ms. Cerrato noted that the Pension Budget for the Pension also includes the expenses of \$15,300 for the Retirement Commission.

When the Town switched the Pension and OPEB to one provider, Wells Fargo negotiated with Prudential to keep the fee at \$9,000 when we were paying approximately \$32,000.

Mr. Harrington asked why we funded only 85%, not 100% of OPEB (Other Post Employment Benefits) funds. Mr. Childs noted that what we have been doing is paying the ARC (Annual Recommended Contribution) and funding an additional amount. We are covering all our expenses plus an additional amount. Mr. Childs noted that the OPEB account was zero seven years ago and now is \$6.6 million. We are aggressively funding OPEB.

Chairman Donnelly noted that the BoF will receive the Board of Education budget tonight and will review the BoE budget next week.

Mr. Kost noted the ACCE budget. He thinks we should transfer the entire \$ 1.7 M (un-used funds) back into ACCE and re-designate the additional money. We should get the Town's approval.

Mr. Donnelly also wants to discuss next week, the new facts and figures that Mr. Lindberg will provide us. He reminded the BoF that the Fire Department will have its review next Monday, and at a special early time, of 6:45 p.m. The meeting will be held in the Town Hall.

What is the status of the CNRE account? The investment policy is written and been adopted by the Board of Finance. Has a Request for Proposal for a manager of this fund been sent out?

Ms. Eccles wants to discuss the ACCE budget in some detail.

Mr. Lingenfelter asked if the Board of Selectmen had discussed further the staffing request of the Police Department. Mr. McAnaney stated this would be discussed at the Wednesday's Board of Selectmen meeting.

The Board discussed the funding of the new fire trucks and the time frame of acquisition.

Ms. Eccles asked if we had any information from the State regarding funding?
Will we get an increase?

Mr. Donnelly stated that CCM (CT Conference of Municipalities) has informed the Town the Suffield will get less PILOT funds. The latest information that was prepared by CCM indicates a reduction in State Aid. There is a proposal to remove PILOT (Payment in lieu of Taxes) from the State and to have the Airport Authority provide some funding to the 4 municipalities affected.

The meeting was adjourned at 8 p.m.

The BoF meeting next week begins at 6:45 p.m. in the Town Hall.

Respectfully submitted, Bobbie C. Kling, Secretary BOF.Minutes.MARCH 31. 2014