

Minutes of the Special Board of Finance Meeting  
Oct. 18, 2010 – Suffield Volunteer Ambulance Association Conference Room  
6:45 p.m.

Members present: Justin Donnelly, Joseph Sangiovanni, Dennis Kreps, Eric Anderson, Brian Kost  
Absent: S. Fuller, P. Boyd, E. Harrington, J. Lennon  
Also present: First Selectman Tom Frenaye, Director of Finance Deborah Cerrato

Chairman Justin Donnelly called the Special Meeting to order at 6:45 p.m.

He asked the Director of Finance Deborah Cerrato to explain the transfer request.

Ms. Cerrato noted that this is a budget line item transfer for FY 09/10 and reviewed the transfer as documented. This was due to a late adjustment. Mr. Kost moved to transfer from Employee Benefits 0141801, line item 50231 457 Plan, \$1,946.00 to line item 50214 Med. Insurance; Mr. Kreps seconded. The motion was approved by unanimous vote.

The Special Meeting was adjourned at 6:47 p.m.

Chairman Justin Donnelly called the Tri Board Meeting of the Board of Finance, Board of Selectmen, and Board of Education to order at 7 p.m.

Members of the BOF present: D. Kreps, J. Sangiovanni, B. Kost, R. Anderson, J. Donnelly

Members of the BOS present: Tom Frenaye, Brian Fitzgerald, Eileen Moncrief, Joanne Sullivan, Tim Reynolds

BOE members present: Mary Roy, Bob Eccles, Sue Porcello, Jeanne Gee, Lori D'ostuni, Mary Ellen Tunsy

Also present: BOF Director of Finance Deborah Cerrato, Ed Basile, BOE Fiscal Administrator, Don Miner, Chairman, Police Commission, Bob White, reporter for the Suffield Observer.

Chairman Donnelly thanked everyone for attending the third Tri Board Meeting. Each person received the report, Town of Suffield, Tri Board Meeting distributed at the meeting. Mr. Donnelly asked BOF member Brian Kost to review this report.

Fiscal Outlook p. 2

Macro Forces:

- State is facing unprecedented deficits
- Inflation is at 50 year lows
- SS and Pension COLA's flat
- Interest rates at unprecedented lows
- Unemployment is high but stable at 9 -10%

Town of Suffield Specifics

- Low Grand List growth
- Flat population and school enrollment
- Non property tax revenues likely to be flat or declining
- Significant capital needs; bonding feasibility strong – rates are low, labor is cheap, good time to bond

Fund Balance is strong 11%, but weakest it has been in a decade  
Health insurance costs of \$5M are 12% of operating budgets and must be controlled  
Wage increases if any, expected to be modest

Budget Outlook p. 3

Mr. Kost reviewed three possible 2011-12 Budget Scenarios, noting the expenditures, non Property Tax Revenues, and reflecting Current Property Taxes if remained flat, increased by 1%, 2%, and if reduced by (1%). How these three budget scenarios would reflect on the Mill Rate and what the Tax Increase would be were discussed.

Mr. Kost discussed Health Insurance and noted the Claim Experience for the 12 month ending Feb. 28, 2010. He reviewed the total cost of Health Benefits and the cost to taxpayers. This cost is going to continue to grow, and must be restrained, or at least managed. This cost is 12% of the total budget. It is too costly; the plan should be bid out at least for drug coverage and administrative fees. Costs of health benefits can be changed through restructure with the unions and or have a plan design change. Mr. Kost stated that Health Benefits should be managed by a staff position. No one is managing the Health Benefits.

The meeting discussed how to manage more efficiently through combining services, such as Human Resources and Technology (BOS and BOE). Regionalization of services also was discussed.

Mr. Eccles noted a new Federal grant which gives \$350,000 to the BOE; but restricted the use to salaries. It does not have to be expended this year, can be expended next FY year. He stated that the BOE will not use the funding to hire new staff. It will be used to retain staff.

The First Selectman noted that the BOS is contemplating a bonding package between \$5M - \$10M. It is a good time to bond for capital projects.

Mr. Donnelly, BOF Chairman, will meet with Mr. Frenaye, First Selectman, and Mary Roy, Chairman of the BOE will meet and discuss further what fiscal guideline to use for the upcoming proposed 2010-11 budgets.

The meeting was adjourned at 8:10 p.m.

Respectfully submitted, Bobbie C. Kling, Secretary to the Board of Finance

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