

April 25, 2011

The following minutes of the Board of Finance are submitted subject to approval at the next meeting.

Chairman Michael Jackson called the meeting to order at 5:00 p.m.

Present:

Members: Michael Jackson, Jack Boyer, Gary Fitzherbert, Craig Schoon, Rex Swain

Alternates: Liddy Adams, A. J. DuBois, Keith Templeton

Selectmen: Mark Lyon, Nick Solley, Jim Brinton

Guests: Tony Bedini - Region 12 Board of Education, Jack Field

Chairman Michael Jackson called the meeting to order at 5:00 p.m.

Minutes:

The Board accepted the Minutes of the March meeting as submitted.

Suspense List:

The Board approved the suspense list submitted by Tanya Wescott, Tax Collector.

Treasurer's Report:

The Treasurer's Report was approved as submitted.

Education:

Michael Jackson reported the Finance chairmen of the three towns are working on a letter for the Region regarding the proposed budget increase. It is felt the Region's proposed budget should be lower and closer to a 1% increase as has been requested of the three towns. Recent demographic studies show the population will continue to diminish and there will not be enough students to support the Region's current management and physical structures. The Finance Board noted the extreme importance that the Board of Education and the Region administrators study this immediately as the current configuration no longer seems feasible. Michael noted the Board of Finance chairmen of the three towns will be addressing this issue through a letter to the Region.

The Board discussed the repairs that remain necessary on the buildings. Tony Bedini reported the repairs will continue during the summer. The mandated walk-through in the lease has been completed and there are many costly projects ahead. It was suggested that the funding required for this review must be included in the Education budget and this will be conveyed to the Board.

General Fund Budget:

Mark Lyon reported current expenditures are where they assumed they would be; however, due to the many winter storms, the Winter Maintenance section exceeds the budget line item by \$45,655. It was agreed this item would be addressed at the May town meeting.

2011-2012 Proposed Budget:

Proposed General Fund and Capital Fund budgets were presented by the Selectmen.

General Fund Budget:

Mark Lyon reported that the proposed budget for the 2011-2012 fiscal year includes a 1.1% increase. A 1% increase will be proposed for full-time and 2% increase is proposed for part-time employees. Full-time employees will continue to receive health insurance at no cost. The deductible for the health insurance line item has been adjusted, which would continue to be covered by the Town. Mark felt the

small medical premium increase, as well as the increased deductible line item, would have a minimal impact in the budget. The Health Reimbursement Fund line item was increased to cover the anticipated annual expense for increased exposure and to continue building the Health Insurance Fund reserve.

Mark reported discussion having the employees cover the premium had been investigated by reviewing what other towns are doing. Of the nine NWCOG towns, three have employees contribute through either a flat rate or a percentage contribution. An attachment to Region 12's insurance was also investigated but would increase the Town's costs by approximately \$500 per employee. Quotations from other health insurance providers were more costly than the current Connecticare coverage.

Members of the Board suggested the time will come when employees will be responsible for a portion of their health insurance costs. Rex suggested total health care per employees vs. other towns be reviewed. If we are substantially out of line, we should be aware of it. He was also concerned about the total personnel benefits expense and did not feel that this could continue forever. Jack Field suggested unions could be offset by these benefits. Gary Fitzherbert appreciated that the employees are involved in the entire process and thankful for their benefits. Michael agreed the process has worked well but the employees may have to start paying something in the future.

Anticipated fuel costs for both heating oil and vehicle fuel were adjusted. The Town's donation to the Gunn Library and Museum was increased by \$12,000. Firehouse Debt Service has decreased 4.1% offsetting some Operating Budget increases. The debt service for the firehouse is in its final three years. The Pension line item has also decreased as suggested by the Town's actuary. The Resident Trooper line item has increased due to the State contract. Mark noted he has investigated sharing a trooper, but this would be a policy change that would have to be approved. The regional paramedic service costs will increase. This historically has been split per capita with other towns but had also included funding from the hospital. This year, it will not be receiving the hospital funds. Probate costs will decrease, which are now based on each town's Grand List. Jack Boyer questioned the funding of Parks & Recreation programs. These programs have always been handled through the P&R checking account, which is audited annually. A copy of this accounting was requested.

Transfers & Nonrecurring Capital Fund:

The biggest change made and one which the Selectmen felt would be most prudent was to reduce the amount transferred from the General Fund to the Open Space account from \$75,000 to \$25,000 for the coming year. The Selectmen felt this would offset the increases in the General Fund budget. It would also apply toward the potential purchase of property for stockpiling/storage of road materials in the Capital Fund. This purchase would allow the Town a space for materials to be removed from the Titus Road area in keeping with the Town's Plan of Development. Also included in the proposed Capital Fund is the purchase of Highway Equipment to increase the Town's efficiency and the ability to complete projects without hiring outside contractors to maintain the Town's infrastructure.

Michael suggested the question will be asked in every town this year is "What do you want to spend your money on?" The public will address these proposals at the budget hearing scheduled for May 5th at 7:30 p.m. The meeting was adjourned at 6:30 p.m.?

Respectfully submitted,
Kathy Gollow, Secretary