

Town of Seymour
Board of Finance

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Minutes

Regular Meeting
Thursday, December 28, 2017 at 7:00pm
Norma Drummer Room, Seymour Town Hall

Members Present: Richard Demko, Kristyn Hanewicz, Beverly Kennedy, Bill Sawicki, and John Stelma

Members Absent: Jim Cretella, Heather McDaniel

Others Present: Doug Thomas; Zani Imetovski

Item #1 – Call Meeting to order

Chairman Bill Sawicki called the meeting to order at 7:00pm.

Item #2 – Pledge of Allegiance

Everyone saluted the Flag and recited the Pledge of Allegiance.

Item #3 – Public Comment

None

Motion to Amend the Agenda to include "Seating of Alternates"

Motion: Richard Demko Second: John Stelma
Yes: 4 No: 0 Abstain: 0

We also need to seat a new Republican member.

Motion to seat Kristyn Hanewicz as an alternate for tonight's meeting

Motion: John Stelma Second: Richard Demko
Yes: 4 No: 0 Abstain: 0

Item #4 – Approval of Minutes—November 28, 2017 Regular Meeting

Motion to approve Minutes from November 28, 2017 Regular Meeting

Motion: Beverly Kennedy Second: Richard Demko
Yes: 5 No: 0 Abstain: 0

Item #5 – Comments from the First Selectman

None

Item #6 – Comments from the Finance Director

- The spending/hiring freeze is still in effect
- The state has a \$200,000 loss in tax receipts
- Audit – will be filed by Tuesday

- Meetings/discussions on filling the budget shortfall; last Wednesday & Thursday meetings with Rick Belden, Tony Caserta, Doug Thomas, Kurt Miller, Bill Sawicki, Mike Wilson (. Also present were the auditors, primary town vendors, insurance carriers.
- Seymour is facing a \$1.8million deficit. Between our mill rate stabilization plan and other unexpected surpluses, we have about \$1.5million covered. Still need about \$300,000.
- The state has determined that Seymour has the 18th highest fund balance and so will owe an additional \$700,000. So in total we will still need about \$1million.
- According to our auditors, for the fiscal year ending 6/30/17, we have about a \$5,700,000 surplus. Means our fund balance is about 12-13% of our expenditures.
- Bill Sawicki said that we could create a "Debt Service Fund" account. This account would NOT be considered as part of our fund balance for the state's determination. We could allocate money here – take out of the fund balance to use for debt payments.
- The rating agencies (S&P) look at the town COLLECTIVELY – they would include this money located in the Debt Service Fund.
- Vendors talked about our OPEB Liabilities (projected costs for retiree health care costs). Total is \$36million. Setting discount rates was discussed.
- The town needs to adopt an Investment Policy. We can't rely on the investment managers. Investment Committees should be formed and meet quarterly. Possible members could be: Kurt Miller, Superintendent of Schools, Doug Thomas, Members of Board of Finance, Union Representatives. This should be in place within the next six months.
- The Town Insurance Agent came in and provided a list of current coverages and costs. Bill Sawicki asked for quotes on higher deductibles and higher insurance amounts. Who reviews bids on insurance? Operations Manager for Town. No recommendations were made by the insurance agent.
- The insurance agent said she would create a list of different coverage levels and deductible amounts.
- Health insurance – currently Anthem Blue Cross – estimated 5 to 7% - increased co-pays?
- Department Heads were present at the meeting; discussed a \$0 increase in budgets; Board of Education Superintendent of Schools Mike Wilson seemed very approachable. Some departments, Police department – has some retirees, 3 trainees (will be in academy 26weeks) – by end of 2018 should be on the job; may have more overtime. Altogether, close to a \$0 increase. Public Works will be shifting positions. Board of Education is projecting a 1.5% increase (about \$400,000) Had some unexpected Special Needs kids move into town at a cost of \$300,000. The Board of Education cannot set aside an account for leftover money. The state statute does not allow it. On the town side, projecting a decrease of about 4%.
- We are trying to improve our fiscal position by: Mill Rate Stabilization Fund, Debt Service Fund

Item #7 - Transfer Requests

#1 – Town Computers – Transfer from: Fund Balance \$30,300 – Transfer to: Software \$20,400 and Hardware \$9,900

Transfer for acquisition of hardware and software for new firewall.

Discussion: I.T. will be listed as a separate department – will encompass all I.T. charges for all departments and the Board of Education. Will include all printers, computers, laptops, car computer systems, and portable devices. Rob Dyer will determine the needs and usage for all. Budget for I.T. Department will be about \$250,00 - \$300,00. This will afford us better control of maintenance and purchases.

New firewall put up. Constantly updates – initial cost \$30,300. The annual costs are about \$8,000. Savings of \$5,000 when we combine the internet with the Board of Education.

We don't have a written quote for this; January install was expected. We can approve this transfer CONTINGENT upon us getting a written quote from the vendor to match the indicated transfer amount and the indicated benefits.

Richard Demko questioned whether we should spend this money with the current cuts from the state and the additional amounts due to the state. Bill Sawicki said that it would cost more down the road to litigate an I.T. breach than the \$30,000 investment to protect our firewall against threats. It is true that we cannot tell how much purchasing this firewall protection will save. Still it is important that we have this safeguard. Richard Demko said it would be a public safety issue if there were a breach; what is the company's liability in case of a breach? None. Bill Sawicki said that currently our system is OLD. We can't get a 100% guarantee from anyone that their system is impenetrable. But we need to get something better than our current system. How many quotes do we need? Just one. We would like to have at least two. Not sure of the reason for the importance of being up and running by January. We can call a SPECIAL MEETING if necessary to approve this transfer if needed.

Motion to approve above transfer:

Motion: John Stelma

Motion withdrawn by John Stelma.

Motion to table this transfer until we receive a written quote from the vendor detailing the specifics and price indicated; also, if the importance is such that we need to approve before the January Regular Meeting of Board of Finance, we can call a Special Meeting to approve.

Motion: John Stelma

Second: Richard Demko

Yes: 5

No: 0

Abstain: 0

Item #8 – Election of Officers for 2018 for Board of Finance

Slate: Chairman: Bill Sawicki

Vice Chairman: Beverly Kennedy

Secretary: Heather McDaniel

Heather McDaniel agreed to stay on as Secretary.

Motion to approve above slate of officers

Motion: John Stelma

Second: Richard Demko

Yes: 5

No: 0

Abstain: 0

Item #9 – Charter Revision Update

- Bill Sawicki said he had sent everyone some notes for revisions on the charter.
- The Charter Revision Committee will meet on the 10th, 17th, and 24th of January on the Board of Finance, Section 12.
- Basics of the proposed changes include: getting rid of the annual town meeting, voting on just one budget, hiring a town manager (and then reducing the first selectman's salary). This last one Bill has suggested before but did not receive a positive response.
- People don't understand the budget; too many personal feelings get involved. People can voice their opinions at the budget deliberations meetings. These are advertised meetings open to the public.
- Bill Sawicki will send these recommendations to the Charter Revision Committee.

Item #10 – New Business

Doug Thomas will get a list from Seegar Insurance on the limits of coverage; more current evaluation of property values. Also, will get a breakdown of insurance amount on each building adding up to the TOTAL insurance amount.

Item #11 – Correspondence

None

Item #12– Adjournment

Motion to adjourn

Motion: Richard Demko

Yes: 5

Second: John Stelma

No: 0

Abstain: 0

Meeting was adjourned at 8:43pm.

Submitted by:

Monica Dimon

Recording Secretary