

**REGULAR MEETING
DECEMBER 15, 2014**

The Wethersfield Town Council held a meeting on Monday, December 15, 2014 at 7:00 p.m. in the Council Chambers, 505 Silas Deane Highway, Wethersfield.

Present: Councilors Hemmann, Hurley, Kotkin, Martino, Manousos, Rell, Roberts, Deputy Mayor Barry, and Chairperson Montinieri.

Also present: Michael O'Neil, Finance Director, Peter Gillespie, Town Planner, Christine Fortunato, Wethersfield High School Building Chairperson, Judith Sartucci, Chairman of the Board of Health for Central Connecticut Health District, Charles Brown, Director, Central Connecticut Health District, Christopher Bazinet, Chairman Insurance Committee, Greg Curtin, Insurance Committee, Chris Monroe, Insurance Agent of Record, Gus Kotait, O&G, Brook Berry, Library Director, Jeff Bridges, Town Manager and Dolores G. Sassano, Town Clerk.

Councilor Roberts led the pledge of allegiance to the flag.

Mayor Montinieri invited the Wethersfield High School Swimming and Diving Team to come up to the front of the dais to receive some recognition for their win. He stated that this group went 10 and 1 this year and came in second place in the States. It was a very close match against a much bigger group of swimmers and they did terrific. He commented that this was a very close group and that the captains are well liked. One of the highlights was beating Hall which was a three-year streak that they broke and surprised the area and was a huge win for them. He stated that they made the town proud and the town is proud of their work and they have been a very close group and he wanted to congratulate them and then read a Proclamation. He thanked them for their commitment to swimming which is a six day a week hard work -out and know that they put in a lot of time. Mayor Montinieri then read the Proclamation.

Mayor Montinieri announced that the second order of business is a presentation from the Central Connecticut Health District.

Judith Sartucci, Chairman of the Board of Health for the Central Connecticut Health District reported on the district activities. She stated this has been the year of enormous change due to the retirement of the long-time Director of Health, Paul Hutcheon; along with a number of other changes underway, which Director Charles Brown will be reporting on. She next introduced Charles Brown who came on board with the Health District at the end of September. He is a native of Florida and served in the Air Force for 8 years during which he was stationed in Kuwait as well as serving on assignments in Bosnia and Somalia. He worked as an Environmental Compliance Officer in Florida and he holds an undergraduate degree in communications from Central Connecticut State University and a Masters Degree in Public Health from the University of Connecticut, School of Medicine. For the last 12 years, he has worked for the Connecticut Association of Directors of Health. First in education training and specifically around emergency

preparedness and more recently has served as Executive Director. So he comes to us very well versed on public health, local public health and major issues in Connecticut and nationally. They are pleased to have him on board. He brings some of the planning and management organizational skills to help us to deal with the very challenging environment that public health and health care in general is finding itself in these days. Ms. Sartucci invited Mr. Brown to the podium.

Mr. Brown stated this is their annual update to all of their member towns and provided some general information about the district. He explained that that they are the local health department for the towns of Berlin, Newington, Rocky Hill and Wethersfield and serve a combined population of about 98,000. We are 1 of 21 regional public health agencies in Connecticut. We've had 18 years here as a district serving a broad-range of public health services. We do have a 13-member Board of Health made up of a Director of Health and Board members appointed by the towns and this is done based upon population. We have 8 full-time and 3 part-time employees in 5 offices throughout our 4 towns and we are very lucky to have a very active volunteer pool of over 50 active professional lay volunteers that assist us to do our job in providing public health to our communities. Mr. Brown the reviewed some of the financials from his slides, a copy of which is attached to these meeting minutes. One of the major changes he noted happened within public health. This past year legislation actually passed which adopts the ten essential public health services as the basis for local health practice in the State of Connecticut (see slide 6). It went into effect of October of this year. Actually, Central Connecticut Health District (CCHD) has been ahead of the game. As they looked at annual reporting and the activities that we do, we've been using the ten essential services for two years now. We were ahead of the game and will continue to focus on those areas as we move forward. He is in the process of revising and updating the CCHD Strategic Plan for the 2015-2018 at this point and will use the goals that we had under the 2011-2014 plan to really go over some of our activities (see slide 7). The next several slides included topics such as promoting healthy environments, supporting good health at each stage of life, responding to public health threats and emergencies; an Ebola and Enterovirus-D68 overview, symptoms; and quarantine and isolation of those individuals affected with the disease (slides 13 and 18). Goal number 4 within their strategic plan was to improve and maintain quality services, when we talk about quality in public health it's really to the degree to which our agency helps people be healthy or how we can influence the conditions in which they can be healthy. Another goal is to strengthen the agency infrastructure and the use of and improving technology. The community health improvement plan is one thing that we are going to be implementing here in the next year and continuously moving forward. We will be taking results of that community health assessment and really developing programs and policies to really address and affect those conditions. He thanked all of the member towns and really the public for the support for our agency and for public health in agency. Mr. Brown asked if there were any questions.

Councilor Kotkin asked if he saw any possibility that the District might be expanded at all to include any other towns. Mr. Brown responded that it's one thing that they always look at and you never can tell exactly where things are going to fall. We did expand here recently to include

Newington as part of the district and there is always some ebb and flow depending upon conditions. Usually what cause towns to join districts are economic situations, we just have to wait and see. We are always open to those types of conversation if it makes sense for our member towns, the district as a whole and our Board. They really lead the charge with respect to change.

Mayor Montinieri wished Mr. Brown good luck as the new Director and member and is sure he is going to do very well. Mr. Brown stated that he has been very well supported by Wethersfield. Their central office is here in Town Hall and it has been really great working with the Wethersfield staff and Jeff as the Town Manager.

GENERAL COMMENTS

Tom Dillon, 166 Fairlane Dr., commented that he is here tonight to talk about an issue that has been discussed since 2008. It is a recommendation to make changes to the current pension language allowing for the rehire of retired employees. He explained that over the last four years, this issue has been discussed with the Town Manager and the Pension Committee regarding the benefits of such a change. He is not here to advocate for himself. He is speaking as a 48-year resident of this town and a 25-year veteran of the Wethersfield Police Department. The issue that resurfaced recently regards to rehire is due to the fact there are no longer any pensions offered in the Town of Wethersfield other than that of the Police Department. With no other available pensions, the issue of the double-dip which is collecting two pensions from the same employer no longer exists. All that is being asked is that retired employees be able to enter a hiring process. The town would be afforded the opportunity to rehire the retiree for the same cost as hiring an outsider. The Town could possibly be getting a more qualified candidate with a proven work history. As it stands right now an experienced and well respected worker for the Board of Education, with an excellent work history can retire, find out a year later that retirement is not all like they thought. They can't come back in the position of a plumber or painter with Physical Services. It doesn't make sense to me. I am currently not being allowed to come back full time as a Director of School Security and Residency. I have been relied on for the last 7 years as a school security consultant. However, a retired Police Officer in any police Department in the State of Connecticut can come here and be hired as Director of School Security. The towns of Glastonbury, East Hartford, West Hartford, Newington and Rocky Hill have all hired retired police officers mostly involving school security positions. He wants to make sure that we are making the right decisions for the well being safety and security of the Town as a whole. He stated that all he is really asking here is to let's make sure that we are doing the right thing for all of the right reasons.

Robert Young, 20 Coppermill Rd., caught the article regarding the pension issue that Mr. Dillon agrees with the Town. The man might be very well qualified but believes it is a double-dip and it shouldn't be happening. Other towns in the area that rehire retired police officers to do full-time type work, it is a double-dip and it also takes away from those who really need a job. Obviously, if the person is collecting a pension, he is not in need of a job. He is retired, let him stay retired and let others move in. He stated those who are getting jobs are getting lower level jobs yet our

costs continue to go up. CL&P and MDC increased prices and natural gas is going down as is gasoline. Home sales are up 7% but the prices of the homes are going down on the average for the State and he doesn't see much activity in Wethersfield. Taxes keep going up, our costs keep going up and our home prices are going somewhere else. Council should be doing things to keep our expenses down and mentioned high school bonding. He thinks we are in trouble and hopes the Council does something about it in the upcoming budget.

George Ruhe, 956 Cloverdale Cir, commented that he had some concerns regarding a crow problem a little while back. He didn't receive much of a response from the town regarding it and finally handled the situation himself. The pond is still a mess and he doesn't see the officials who are responsible for maintaining the Town doing much about it. They take down trees but leave the stumps. He lays the blame on the elected officials for the pond and pot holes that are not fixed around Town. Some parts of Town are better kept better than other parts; officials should take a little more interest in some other areas. He hopes some thought can be given to fix that mini park.

Gus Colantonio, 16 Morrison Ave., thinks that some sections of town get treated differently than others. He commented that Hillcrest Ave. gets treated differently than Morrison Ave. and questioned the lack of a stop sign on Morrison Ave.

COUNCIL REPORTS

Councilor Kotkin reported that the Library Board met a couple of weeks ago. Some discussion about a trust Jane Sjomann established for the Library. Shortly before she passed away, 4½ years ago, the trust now actually contains and this is to the benefit of the Library almost \$315,000, so the Library Board has consulted the Town Attorney to determine what of the value in the trust, certainly any income or dividends, but is there stock appreciation that could be used to the benefit of the Library. So, they actually engaged the Town Attorney to try to determine under the terms of the trust how much can be used but it was a great request for the Library and certainly will be used to benefit them but the question under the terms of the trust how much can be used each year for the betterment of the Library.

Mayor Montinieri asked how long has it been in place.

Councilor Kotkin responded 4½ years now and the original amount that got transferred over was about \$280,000 and it's appreciated up to \$315,000 so the question is going forward, can you use more than the income, can you use the appreciation of the securities but it certainly is to the benefit of the library.

Mayor Montinieri commented that he is sure Brook will be happy and figure a way to spend some of it.

Councilor Martino reported that last week the Economic Development and Improvement Committee meeting was cancelled because that same night was the Salute to Business. He stated that he is happy to announce that we gave out a lot of longevity awards for businesses in town. They went to AHEPA 58, Blades Salon, Dance 10 Performing Arts Center, Tim Tuell CPA, True Value Hardware, Zito & Clark Attorneys, and Wethersfield Counseling & Psychotherapy. Special Recognition Awards went to Ann's Beauty Salon & Spa, Be Beautiful Salon, Buffalo Wild Wings, Chip's Family Restaurant, Kapil Taneja-Subway, Joseph Moruzzi-Goff Brook Shops, Mike Panek/Phoenix Realty Management. This year they had a special award for former Economic Development Commissioner former Betty Rosania and that award went to John Oldham for all he has done in town and what he has done for us. They had a guest speaker that night. Ken Lesser did a super job presenting information to the people there so it was a very well informed night for the people and all the people that got awards that night should be congratulated.

COUNCIL COMMENTS

Councilor Manousos commented on an interesting article in the New Haven Register that talked about 10 Connecticut Municipalities that were committing to this superfast internet service and officials in Fairfield, Madison, Manchester, Meriden, Middletown, Milford, New Haven, Norwalk, Stamford and West Hartford issued this request to these telecommunications and internet service providers to show an interest in this gigabit internet access which I guess is superfast internet service. Among the goals is to create a gigabit capable network for targeted businesses and residential areas with a demonstrated demand to drive job creation and stimulate economic growth. So this isn't a State project but would just be something that would show a broader interest to these telecommunications companies and show that there is a demand especially in the business sector. So I was wondering if maybe if Jeff could look into this and see how we can participate in it to expand that list of municipalities that are interested.

Mr. Bridges responded there was a presentation at CRCOG and it was infrastructure intensive. The communities were bringing it to the table. You have the infrastructure in place to put that out there. He'll bring some more information back.

Councilor Manousos asked if we were having an Economic Development Report. Mayor Montinieri responded not a full report and that Peter is here to talk about the Façade Improvement Program change.

TOWN MANAGER'S REPORT

Mr. Bridges reported that on the podium tonight is a United Way Certificate. The town employees through payroll deductions donated \$5200 to the United Way so it's good news for the people in Town that use the United Way. We continue to do that every year. Mike O'Neil is going to come up in a few minutes and during his presentation and talk about the distinguished budgeting award that the town received through the finance office this year so when he comes up

we'll remind him to talk about that. Our audit is done and the audit letter is available and I guess we'll be getting them out this week.

COUNCIL ACTION

Councilor Martino moved **“TO APPOINT THOMAS S. SHIPPEE, JR. AS A TRUSTEE TO THE OTHER POST-EMPLOYMENT BENEFITS TRUST FUND WITH A THREE-YEAR TERM”**, seconded by Councilor Kotkin.

Mr. Bridges explained that when the council put together the OPEB Trust it provided for two residents to serve on that trust primarily residents with an expertise in the financial sector. This applicant has come to us or this potential appointment has come to us with qualifications that would seem to fit that bill. Right now there is a vacant seat in the resident position.

All Councilors present, including the Chairperson voted AYE. The motion passed 9-0-0.

UNFINISHED BUSINESS

None.

OTHER BUSINESS

Councilor Martino moved **“TO SOLICIT PROPOSALS FROM QUALIFIED FIRMS TO CONDUCT A CLAIM AUDIT AS REQUESTED BY THE INSURANCE COMMITTEE”**, seconded by Councilor Kotkin.

Chris ~~Bazzinet~~ *Bazinet* current Chairman of the Insurance Committee approached the podium for an Insurance Committee presentation. Mr. Bazzinet stated that he is here with Greg Curtin who is a long-time member of the Committee as well and Chris Monroe who is our Agent of Record for Employee Benefits and also a Senior Vice President with USI Connecticut. We are here to talk today about a recommendation for a claims audit and given the significant cost to the town for our medical benefits, the town Insurance Committee has been discussing for quite some time now how we could get some better visibility into the process and also into the potential accuracy of the payments that are made on our behalf for medical benefits. As the Anthem Blue Cross as our administrator is essentially paying for these benefits with town money, we felt that this was an important thing for us to get our arms around. So at the last meeting, our November Insurance Committee meeting, we unanimously voted to recommend to the Town Council that we issue a request for proposal to qualified firms so that we could get an understanding of what firms out there might be able to conduct an audit of the process and the actual payments for some of our medical claims and it's our expectation that once we receive these responses back that we would come to some agreement over a firm that would be able to do this audit and we would come back at a later date sometime early next year and recommend that we proceed with that. So, to get into more detail about this Greg Curtin is going to take us through some of the background of our

Employee Benefits Program and the cost of the town, our historical experience and then Chris Monroe will talk about some of the details around what an employee benefits audit would look like, what we would specifically examine and then our timeline for the entire process. If there are no questions, I'll turn this over to Greg.

Mr. Curtin gave his power point presentation, a copy of which is attached to these minutes. He stated that the Town and Board of Education spends considerable money and time administrating the Employee Benefits Program. (See Slide1). He stated that since 2008, the Town has paid approximately \$56 million in medical claims (not \$45M as stated on the slide). Mr. Curtin stated that we are certainly on the right track and as Chris said, given this history, the benefit of an audit, we have certainly needed it for quite some time and since I have been on the board for 2 or 3 years, there has never been one and has never been one in the past and the amount of money that we are spending certainly warrants that kind of situation. We will let Chris run you through the number.

Chris Monroe stated that he is a Senior Vice President with USI Consulting and for the last 15 years has served as the town's health and welfare consultant. Just to build upon some of the information that Greg and Chris has shared, what we have before you is an actual exhibit that we review on a monthly basis. The goal of this exhibit is to track our claim expenditures by their various disciplines. So if you were to look at this report what you should pick up on is the fact that it does go back to 2008 and it does provide a good overview of where we are in terms of the number of people who are on our plan. We talk to what our budgeted expectation is on a per employee per year basis and then we simply extrapolate to come up with what our estimated budget amounts are and what is actually serving as out-flows against those plans. So we are measuring not only what we are paying in the form of fixed costs, we are also pulling into the equation anything that represents an actual claim paid by the town on behalf of town employees and their dependents and then we are offsetting that against applicable credits. So we do participate in refund arrangements and there are some governmental subsidy programs that we are also availing ourselves on. The goal of this is just to highlight the fact that to Gregg's point, there is a tremendous amount of spend that has worked itself through this plan over the course of the last eight years. We are approaching \$56 million dollars in spend. When you extrapolate out the full plan year, we will certainly be in the range of \$60 to \$65 million dollars in annual expenditures over the course of the last number of years. Throughout the course of this we've never really had what I would call a full claims audit. We've historically always had Blue Cross as our administrator and when you look at what they are called upon to administer we have over 10 different bargaining units. Although we have done a very good job over the years of bringing everybody to a common benefit platform, there still are certain intricacies between bargaining agreements. As an employer you need to be concerned with the fiduciary responsibility of making sure that those claims are administered in a proper fashion. I don't know if we are having this discussion, if we are spending significantly lower amounts but there is a lot at stake in terms of what's going through the plan and it's that issue that kind of drove our decision to look at the viability of a claims audit and talk specifically in terms of whether there would be benefit to go through that audit. When you look at this exhibit, it does speak to some of the

things that we would be looking to accomplish in the form of that audit. One of the things that we discussed at length in prior Insurance Committee meetings, centered upon what the goals of the audit would be. Mr. Monroe reviewed Slide 4. (See Slide 4 for goals of audit). Mr. Monroe commented that is a little bit of a flavor of some of the things that we would look to accomplish in the scope of the claim audit. Obviously, we do serve as the fiduciary on the plan. We are self-insured. Anthem is simply our administrator. All fiduciary liability rests with the Town and the Board of Education. So in the course of being a good, sound fiduciary, it does make sense to pursue every avenue that we can take to make sure that our claims are being processed in an appropriate manner. A concern that you always have anytime you are working with a carrier whether it's an Anthem, an Aetna, a Cigna is essentially, are they getting it right and collecting the \$20 copay that's inherent within our bargaining agreement as opposed to collecting something less than that. Are they making sure that, when they are paying a particular provider, they are paying them for the single claim transaction and not duplicating it. Mr. Monroe provided other examples of things that you would look for to test in an audit. We talked about the audit itself such as what the mechanics are of the audit. We would certainly control the process in terms of looking at those things that are paramount to what we are trying to accomplish. He stated that we are very comfortable on how the plan has performed over the years but the one thing that does concern us is the lack of a true audit to make sure that Anthem is serving the town's interest as our plan administrator. He explained that the starting point of the process on our end in our mind is to prepare an RFP to get it out to those interested parties and then you vet the results that come in from those respondents. Looking at where they are situated in terms in the cost of the audit, making sure that they are capturing those areas that are paramount to the town and making sure that in terms of proceeding all parties are on the same page in terms of what we are looking to accomplish and what the outcome of that audit will be. It's more than just us sitting here and driving the process. We would pull Anthem into the discussion. Anthem would have a role. We would need to set the ground rules in terms of the timeframe that would govern the audit and of that random sample and most importantly, we would need to set ground rules in regards to the results of the audit and what the corrective action would be with Anthem. If there are there issues, what are the cause of those issues, what's the monetary impact of the town as a result of those issues and then you proceed accordingly. One of the questions that came up in the Insurance Committee is how often do you do this. This is not something that would have to be done on an annual basis. It all depends on the audit itself and what emerges. If there are significant things that need to be corrected, then you look to proceed on a more rapid pace. If it is something that does show that they are serving us as a good administrator then I think it is something that doesn't need to be looked at on a regular basis, but again, I have served the town for 15 years and we have talked about this in years past, but we have never gotten to a point where we said o:k it's time to do the audit and make sure they are doing the duties that they have been hired to do. Mr. Monroe asked if there were any questions.

Mayor Montinieri asked if there is a typical audit period. Mr. Monroe responded generally, the typical rule of thumb is to go back over a 24-month period. If something emerges within that 24 months that is problematic, then you certainly reserve the right to go back further. Generally that random sample would typically cover a 24-month period. Mayor Montinieri asked Chris if he has

been involved with it and has seen an audit be performed for another town or organization. Mr. Monroe responded that he has for other employer groups who participated in audits. Mayor Montinieri asked a sample would be drawn obviously you are not going to look at every transaction during that 24-month period but let's say there is some error rate determined within the confines of the audit and the sample, is there an extrapolation that goes toward determining the full potential, full scope like it is done like a sales audit in a business? Mr. Monroe responded that becomes part of the negotiations with Anthem. Anthem does one of the things that they will require is the ability to obviously study the results of the audit, interface with that audit team and then they will be allowed to take a position in terms of is this a one-off or is this something systematic that goes back multiple years. Mayor Montinieri asked if there are independent companies that do this. Is it a fairly common service provided? Mr. Monroe responded that there's not a list of 10 or 15. If you look at the most prominent, Segal Consulting has a very active audit team. There are other companies called AmWins and Towers. There are some small independents, but there are a number of players that focus solely on claim audits.

Councilor Kotkin commented that in the materials that we received there was an estimate, and obviously we have to issue an RFP before you know what any bid would be of about \$40,000, and asked that's based on what amount of work? Mr. Monroe responded that it really starts with your sample size. You can go in and say alright we would like to pull a sample of 150 claims. The price point is going to change if you said we want to expand that and pull 300 or 400 claims. Generally you start with 150 claims; you then segregate that into certain disciplines. You might say something along the lines of alright we want to focus on 10 or 15 large claimants. A large claimant would be any individual claim over \$50,000 and you would have that as one aspect of the random sample. Another one you would look at is a plan administration. We would probably start with our biggest bargaining unit which is the teachers and we would look at their collective bargaining agreement and we would say o:k based upon the provisions within that agreement are they administering the plan appropriately. When the plan calls for a \$20.00 office visit copay are they taking \$20.00. Are they taking the proper cost share amounts. If you find that there are issues, then it becomes more of a door opener to say o:k is it persistent or applied just to this bargaining unit or do we now need to look at police and others. That becomes a discussion that emerges once you get the audit results back. From an advocacy standpoint, if there is a problem with one bargaining unit, you at least have to vet are there problems with other bargaining units. That's generally the tone of how it goes. You start with the random sample you segregate into certain disciplines or points of interest and then depending on the results of the audit you continue your investigation and your due diligence. Councilor Kotkin asked logistically if we give the go ahead for the RFP, there is a timeline up here but I would assume we would go out, is this something that you would advertise in the Courant or you just specifically send things out to those who we know do audits and then ask for a proposal within X period of time. Mr. Bridges responded that we do have places where we advertise and then solicit to companies we know did this direct. We would hit two mechanisms. Post to the website, the State's website and those kinds of things, but we would also direct solicit to companies that have this capability. Mr. Monroe commented that he would provide guidance in terms of those folks you definitely would want to talk to when it comes to this type of work.

Councilor Kotkin commented that he would think that once the proposals come in there would probably be a review by the Insurance Committee and then a recommendation that would come back to council for the go or no go. Mr. Bridges responded correct. Mr. Monroe commented that it's almost akin to forensic accounting. The audit team would literally go into Blue Cross' Claim Office and they would decide are we going to be there for one, two or three days and they would generally do the audit on-site and take their findings and then kind of go through it and make a determination as to whether everything is appropriate or if there were areas of concern.

Councilor Hemmann commented that she is going to step out for the vote because she works for a major carrier. Not this carrier but we do have life and disability.

Councilor Manousos asked that in the packet one of the slides that you had up here had the budget compared to the actual cost, what are we budgeting for this fiscal year. Mr. Monroe responded when you look at the \$3.4 million dollars that's based upon claim flows through the month of October. Councilor Manousos asked how about this fiscal year 2015, what's our budget. Councilor Manousos responded it's about \$11,000,000 on the medical/dental side when you throw in your ancillary lines, your life and disability it's pushing upwards of \$12,000,000. Councilor Manousos commented it seems to be higher than it looks like we are trending now. Mr. Monroe commented that if you look at this year, we are actually trending about \$42,000 over budgeted amount. Councilor Manousos commented 2015 looks like we are trending \$9.6 million in total claims for the year, right. If you look at the third page of the power point, the page that has the total cost historical trend line. Mr. Bridges responded that's different than that. Councilor Manousos commented this has 2015 actuals for the first four months so if you extrapolate that out for the year we're at about \$9.6 million if that current trend continues so I'm just asking how it compares to what we budgeted for this year. Mr. Bridges responded we are over budget. Councilor Manousos asked what amount was in the budget. Mr. Bridges responded claims were about \$9.5 million \$10 million. Mr. Monroe responded if you look at the full July 2014 through June 2015 plan year, we should be at about on medical/dental about \$10.3 or \$10.4 million budgeting. Now when you look at what's happened in the first four months, we budgeted about \$3,422,000. When you look at what's actually come through, we've paid about \$42,000 over that amount. So if you extrapolate that out over the next 8 months, you are going to be looking at about \$120,000 budget deficit. Councilor Manousos asked what month is that through. Mr. Monroe responded that's through October. This is capturing July, August, September and October. Councilor Manousos asked if he was looking at something different then. Mr. Bridges responded that the packet has a different slide in the packet. Councilor Manousos commented that the slide through October we have total claims of \$3.2 million so I'm saying over a 12-month period that's \$9.6. Mr. Monroe stated that this is the most accurate slide. Councilor Manousos commented so that at the end of the year we are expected to be over budget in our costs by how much again. Mr. Monroe responded a round number is \$125,000 if the trend continues. Mr. Bridges stated which is different than the several million dollars under we've been for the past five years. Mr. Monroe stated that the goal of this report is not to only capture where we are historically but we also like to capture what is the surplus. It's one thing to say, we've done well, but how well have we done and when you look at where we are situated we've

spent about \$7.6 million dollars less than what we've budgeted since 2008. That does feed the line below that shows although it's been a little bit of a roller coaster, at the end of the day we are trending year over year at about 4.5 percent. So the conversations that we have monthly in the Insurance Committee is o:k where does 4.5 percent put us relative to expectations. Most medical plans trend at 8 to 12% so we have certainly beaten the curve but it doesn't side step the issue of o:k financially the plan has performed well, has Anthem performed well and that's obviously what we are trying to accomplish. Mayor Montinieri commented those are two separate issues.

Mayor Montinieri commented that based on what he thinks he has heard and Jeff's participation at the Insurance Committee this is something that is strongly supported and has not been done in such a long time, I think it will be very helpful as an initiative to support. Obviously, I think I am sure this dais will support. He thanked Mr. Monroe for not only explaining the background on it and answering those questions but giving us some guidance as we go forward. I think obviously you have laid out a timeline that gives us an opportunity to see how it will unfold and I think it will be helpful to see those results and the impact on our expenses. Mayor Montinieri thanked Mr. Monroe and Mr. Curtain.

All Councilors present, including the Chairperson voted. The motion passed 8-0-1. Councilor Hemmann excused herself and left the room during the vote due to a conflict of interest.

Councilor Martino moved **"TO APPROVE THE THREE-YEAR COLLECTIVE BARGAINING AGREEMENT BETWEEN THE TOWN OF WETHERSFIELD AND AFSCME COUNCIL 4, LOCAL 1303-408, WETHERSFIELD TOWN HALL AND POLICE DISPATCH EMPLOYEES, JULY 1, 2014 – JUNE 30, 2016"**, seconded by Councilor Kotkin.

Mr. Bridges explained that 1303 are the Town Hall Employees Dispatchers Technical Professions and as we spoke a couple of weeks ago about the 818 contract, this one has a lot of the same outcomes as we did with the 818, same salary schedule, same reduction in personal days and the health maintenance program. There are a couple, at least one unique thing for the dispatchers where they needed some criteria for relief during an emergency. With the storms, they end up staying here 24 hours. For that relief, we have committed to making sure that they get relief or that they get off the microphone for some period of time. Health insurance cost share goes up, OPEB goes up. Of the employee share pension goes up on the employee share. Again all new hires are into the defined contribution plan which we put in 4½ and the employee puts in 4½ that is generic through the Town and the Board for all new hires. So pretty much the same outcome as the 818 consistent with what we did with Physical Services so staff is recommending acceptance. Mr. Bridges stated that the union has ratified.

All Councilors present, including the Chairperson voted. The motion passed 9-0-0.

Councilor Martino moved **“TO AUTHORIZE THE TRANSFER OF \$950,000 FROM THE FISCAL YEAR 2013-2014 RESERVES IN THE MEDICAL SELF-INSURANCE FUND TO THE OPEB TRUST FUND”**, seconded by Councilor Kotkin.

Mayor Montinieri invited Mr. O’Neil, Finance Director to the podium to speak on the motion. Mr. O’Neil commented that they have received the distinguished budget presentation award from the government Finance Officers Association. That’s a National Association in his profession. He stated that he takes no credit for this personally. The budget process, the book that you see every spring was well underway when I got here and there was one member from my Staff, Monica Harrison, who was very interested in applying for this award. Much of what was required is criteria the GFOA lays out to get that award. Much of that is in the book which is the result of a lot of hard work by department heads, the Town Manager and so forth. There was some additional material that had to be added about the budget process and other financial information from the town. But this was a bit of a surprise to me to get it on the first try and is really just a credit to everybody that is involved in the budget process.

Mr. Bridges commented that Monica Harrison of the Finance Department did put the finishing touches on this thing and she is taking an internship with the Government Accounting Standards Board, a fellowship with the GASB, which in my business we refer to it as the GASB they come up with all the complicated accounting and financial reporting requirements that we are required to follow, but it is a very prestigious position for her to be taking. She will be leaving us for a year-long fellowship with the GASB down in Norwalk so we are very sorry to be losing her but it’s again a credit to the type of people that the town attracts and a credit to her as well. It’s quite an accomplishment. Mr. Bridges responded that she has been fantastic for that department. Councilor Kotkin asked if she will be coming back after the internship. Mr. Bridges responded, we can hope but once that fellowship is over the opportunities she would have, she would get her pay. Mayor Montinieri thanked Mr. O’Neil.

Mr. O’Neil explained the item that he submitted this evening for your consideration is a transfer of reserve funds from the medical self-insurance fund to the OPEB Trust fund. You will probably recall there was a similar item that we addressed about three months ago that was for the audited reserves at the end of fiscal 2013. The audit for fiscal 2014 has just recently been completed and so I present this for your consideration tonight. Again, there is a standing policy that has been adopted by the town with respect to reserve funds in the medical self-insurance fund which says that there should be at least 10% of annual claims retained in the fund for contingencies, unexpected results. Chris Monroe just mentioned that this year there is a slight deficit that is projected at this time but we have much more than the 10% in the medical self-insurance fund. Reserves at the end of June audited were just over \$5,000,000. If you recall again, we transferred \$1,800,000 in September. So if you take the \$1.8 off the \$5 million there will be still \$3.2 million left in the medical self-insurance fund. Identical to what we proposed in September was to keep four months worth of claims well in excess, that’s 33% not 10% of annual claims. Keep that in the medical self-insurance fund as a bumper. That would be \$2.2 million dollars. So we are proposing of the \$3.2, keep a little over \$2.2, and transfer \$950,000

from the medical self-insurance to the OPEB Trust. Again, that is in the interest of continuing to attack that liability that is out there for retiree medical to put the money to work in the OPEB Trust Fund. That's at about \$10,000,000 now. Our investment advisors tell us that we just kind of crossed the point where we can do some different things with the allocation and so forth to try and capture some more return. So the Trust Board will be meeting probably next month to talk about that.

Councilor Hurley commented he knows that there is going to be \$2.2 million left but did we take into consideration I guess they talked about the \$40K coming out, another \$125K and then I heard just from talking about our upcoming budgets that there could be a potential big increase to our medical costs next year. Did we take that into consideration when we were moving this. Mr. O'Neil responded that what he presented was strictly going through the same rationale, which is 33% which is in my opinion a very conservative reserve, maintaining a reserve in that fund. But to answer your question directly, because of that, again, I don't like to see a deficit ever in any fund. The projection of \$120,000 is relatively modest. I think it's an amount that's easily absorbed by what we are proposing to keep in the fund at \$2.2 million dollars. Councilor Hurley commented that he just hears a bigger increase next year in increases in the health care. He is not sure if that is going to happen or not. Mayor Montinieri commented that number won't affect our reserves and OPEB funding that's more talking about our budgetary planning.

All Councilors present, including the Chairperson voted AYE. The motion passed 9-0-0.

Councilor Martino moved **“TO ACCEPT THE REVISED FAÇADE LOAN IMPROVEMENT GUIDELINES AS PREPARED BY THE ECONOMIC DEVELOPMENT AND IMPROVEMENT COMMISSION”**, seconded by Councilor Roberts.

Mayor Montinieri invited Peter Gillespie to the podium to explain the motion.

Mr. Gillespie explained that he is here tonight on behalf of the Economic Development Commission. We have had the Façade Improvement Program in place now for almost 10 years. We've just spend the last six months or so taking a good hard look at the program and taking a look at other programs that were out there just to compare and contrast our program. Additionally, now that we've have had 10 years of experience, some issues have popped up over the years that we think needed to be addressed in the new policy document. So what we have presented to you was approved by the Economic Development Commission. Much of the hard work was done by their Finance Committee. There were a number of summary points I simply want to point out to you and then would be happy to answer any specific questions. Probably the big change is the suggestion that we convert the program from a loan to a grant program. It was set up as a loan program, however, it sort of works as a grant program. People don't have to pay us back unless they transfer a property or a business goes by the way. So, in essence it is a grant program but we technically wanted to officially convert it over to a grant program. The other big change is right now the payback period on the loan program was 10 years. We want to reduce

that to a 5-year grant program with some additional strings attached. So, once again if somebody flips the property within those five years, they still have an obligation to pay us back. We will put some documents on the land records to that affect, but we wanted to reduce the terms from 10 to 5 years. We've added some specific criteria for our decision-making which we didn't have before. We've defined what kinds of improvements are eligible and what kinds of things are non-eligible. We've put in a provision that would allow funding for mixed-used projects, such as commercial with some residential. We specifically excluded 100% residential projects from this program because it is a commercial program but we did want to establish some rules for properties that have commercial and residential. That has been an issue that has come up. We've established some time frames in which applicants are required to complete the improvements. We have a couple of projects that have hung out there for 3, 4 and 5 years and they haven't used the funding so we've added provisions that basically state that after we give you the money you have to start in 6 months and we ask that you complete the project within a year. We have language that they could extend that with extenuating circumstances but we think given our experience there has to be some specific time frames. We've added an application review fee and then we've sort of fine-tuned how the process would work. All of that language is included in the document that you have in front of you. I provided you with a little bit of history with the project. To date, we have funded about 29 projects to the tune of a little bit over \$800,000. So, it's been a great success so far and we think these improvements to the program will be beneficial to the applicants as well as to the town and will enable us to give out some additional money. Mr. Gillespie asked for any specific questions.

Mayor Montinieri commented that he sat on EDIC for several years and also on the Finance Subcommittee for the Façade Program and most of these changes reflects the maturing of the program and refining points. These reflect the experience that you've had in the interface with not only folks that have applied but those that have completed programs. In particular, I think these changes are designed to bring out more interest in the programs because the "loan" piece made a few people shy away. Some of the refinements, what can be approved and not approved and how, streamlines it. The subcommittee has made changes that reflect ease of offer. Mr. Gillespie commented that he would summarize it as making it a more user-friendly program for commercial property owners as well as for the commission. It establishes greater specificity on the kinds of things we want to fund and don't want to fund. When people came in, I could only tell them we'll ask the Commission if they will fund it. With these changes it will be very clear what we want to fund and don't want to fund. Mayor Montinieri commented the group has done terrific work over the years. The exponential money that is being spent privately and funded is significantly more than just a match as we know from looking at it. We've had example after example of success stories with it. It's been terrific and I know you've done a lot of work with it.

Councilor Hurley asked how many people have had to give back the grants. Mr. Gillespie responded one person and that was because they sold the property. It's was Railroad Place, Red Trolley Railroad Building. That was the only one out of the 29.

Councilor Manousos asked on Section 3.5 which is about eligibility. As far as the applicants

have to be in good standing with the tax collector. If they are not, what is the result? Mr. Gillespie responded no funding. Councilor Manousos asked if after they miss something, for instance, there are members of an LLC that still benefits from it but have other property they are not in good standing with the town, then how does that work. Mr. Gillespie responded that they are supposed to be in good standing throughout the entire length of the 5 or 10 years of the loan. We have not had that problem but we have a process in place with the tax collectors office to alert us to outstanding tax issues. Councilor Manousos asked so if that would happen, should there be or are there any liquidated damages or anything like that. It might be a good revision. Mr. Gillespie responded that is probably a good revision. Some language to that affect we would put in the actual agreement that we would have with them to that affect. That would certainly be a good addition. Councilor Manousos then asked in 5.1e, it talks about improvements that aren't eligible, non visible roofing. I assume then if somebody wants to do a roof, they are not only going to do half the roof, only facing the street, they are going to do the entire roof. So basically you will need to have it prorated, is that it. Mr. Gillespie responded it would certainly be prorated. We were also concerned about flat roofs that are not visible. If you get a peaked roof and it is going to be visible, I think it is something that we would probably fund. Councilor Manousos commented, you would use some judgment on that. Mr. Gillespie responded yes. You will find elsewhere in the policy there are some subjective decision-making that the commission would have to make and that certainly would be one of those. Councilor Manousos asked about Section 9 about reimbursement terms. He remembers that if a tenant rather than a property owner applied and they left then the tenant was responsible for the repayment, right. Is this a change now it shifts the burden from the tenant to the property owner? Mr. Gillespie responded it depends on how the agreement is originally set up. We would let a property owner as well as a tenant apply and take responsibility for the grant terms. If the tenant were to take that responsibility on and close, we would have some collateral whether it would be, for example, restaurant equipment or some other real estate. That would be established at the very beginning. It wouldn't flip flop between the owner and the tenant. It would be clear at the beginning. It would be the tenant's responsibility or all of it, the property owner's responsibility. Councilor Manousos asked would it make more sense to make it the property owner's responsibility. Mr. Gillespie asked all the time? Councilor Manousos commented it's just a thought to may be bring back for discussion because if you're getting a small business that opens, they may be from out of town, there really is no resource that is substantial enough, in these small businesses, for repayment. Maybe that is something to think about. Mr. Gillespie we want to make sure that both the tenant and the property owner can apply and take advantage of the program. We have had some issues where the property owner wasn't necessarily interested. The tenant has a long-term interest in the property and we would certainly want to give them the money if they wanted to set it up that way. Councilor Manousos commented we wouldn't want to discourage it. If they had a long-term lease that is fine. The company's probably a separate entity that may or may not have other assets so maybe no personal guarantees. It's something to think about if you are going to make those other revisions. Mr. Gillespie responded sure.

All Councilors present, including the Chairperson voted. The motion passed 9-0-0.

Councilor Martino moved **“TO SEND THE ISSUE OF THE PAPER STREETS AND THE DEDICATION OF THE TRIANGLE OF LAND AS SHOWN ON THE ATTACHED MAP TO THE WETHERSFIELD PLANNING AND ZONING COMMISSION UNDER CGS 8-24”**, seconded by Councilor Kotkin.

Mr. Bridges explained that there is a small sliver of land that was left out of the Wilkus Open Space dedication that is part of or could have been part of the road right-of-way according to this map. There are several paper streets in this area. So, the Infrastructure Committee met and decided to send this to Attorney Bradley to find out what we needed to do to make it road right-of-way. They are recommending sending it to the Planning and Zoning Commission under 8-24 and also getting a definitive determination on these other paper streets that are almost a rededication. Mr. Bridges responded any dedication of course would come back to the council for final action.

Vote: All Councilors present, including the Chairperson voted AYE. The motion passed 9-0-0.

BIDS

Councilor Martino moved **“TO APPROVE PROPOSED CHANGE ORDER #152”**, seconded by Deputy Mayor Barry.

Mayor Montinieri invited Christine Fortunato, Chairman of the Building Committee and O&G Construction Manager to talk about the change order.

Ms. Fortunato explained that this change order is for the HVAC system up on the roof. Gus Kotait from O&G will give you some information and then we will answer any questions.

Mr. Kotait explained that the change order that they are presenting tonight is for the HVAC duct work. Due to restricted above ceiling space, the ductwork that is feeding the new gymnasium which is actually located in the older section of the building, we had to relocate it to above the roof. The type of ductwork that is used above the roof is different from the one that is used above the ceiling inside the building so it is heavier material and it is more expensive to install that is why we have the change order.

Mayor Montinieri asked if this is a measurement issue. We can't get the original ductwork and the engineering that was slated and what changed in between sort of our engineering review and reality.

Mr. Kotait responded it's an unforeseen condition. The size of the ductwork that was engineered did not fit above the ceiling and we couldn't find this out until we took the old ceiling down. We looked at the existing structure and that's when it was revealed. Mayor Montinieri asked so what's different, the ceiling height or the duct design. Mr. Kotait responded the size of the duct cannot be changed because of the space that it is feeding. So what changed is the location, it's

above the roof right now. Mayor Montinieri commented so you have to put this outside. Mr. Kotait responded that instead of it being above the ceiling like this one, it's above the roof. Mayor Montinieri commented that there is a reference in here about a credit on the installation. Where is that going to be relative to the amount that is being proposed on this roughly? Mr. Kotait responded the Design Team they are looking into value engineering, the duct installation so we are expecting a credit and return once that design is finalized. So we don't know what that is at this point it sounds like. Ms. Fortunato responded Rusty is negotiating that right now. It will still fall within what is acceptable practice. We are not trading off anything there. Value engineering is trying to realize some of the savings there to offset the cost for the roof. It was originally at a higher price and this is the lowest price that we have been able to get at this point for this work.

Councilor Rell asked if O&G has worked with other schools or commercial properties that have had this similar type of ductwork exposed to the elements on a roof and have they held up. Mr. Kotait responded yes a lot of times, it is very common to have it on the roof.

All Councilors present, including the Chairperson voted AYE. The motion passed 9-0-0.

ORDINANCES, RESOLUTIONS, APPOINTMENTS FOR INTRODUCTION

Mayor Montinieri announced the following introduction.

An ordinance amending the Code of the Town of Wethersfield Chapter 10, Article IX changing the membership of the Youth Advisory Board.

MINUTES

Councilor Kotkin moved **“TO APPROVE THE DECEMBER 1, 2014 MEETING MINUTES”**, seconded by Councilor Martino.

All Councilors present, including the Chairperson voted AYE. The motion passed 8-0-1. Councilor Manousos abstained.

PUBLIC COMMENT

Gus Colantonio, 16 Morrison Ave. thanked the Town Manager that the pot hole at the end of his street got filled in and looks much better. The road has been there 5 or 6 years. Roads generally last between 10 and 15 years; the pot hole was uncalled for; the only reason why the street was paved this way was due to no inspector there. He is bothered that if something happens to him and if he cannot pay his taxes, the town has the right to come and sell his house to take the taxes. After 41 years of paying taxes which is much more the amount than he has paid for the house, is sad. and it's scary if you lose your house.

Mr. Bridges commented that on Morrison Ave. on that washout, water is topping that curbing and is washing that out. They are going to fix the curb.

ADJOURNMENT

At 8:55 p.m., Councilor Kotkin moved "**TO ADJOURN THE MEETING**" seconded by Councilor Martino. All Councilors present, including the Chairperson voted AYE. The motion passed 9-0-0.

Dolores G. Sassano
Town Clerk

Approved by Vote of Council
January 5, 2015

Minutes were amended on page 6 to change the spelling of Bazzinet to Bazinet.