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2017 FEB -7 P 3:47

**Town of Stafford
Board of Finance
Warren Memorial Town Hall
Regular Meeting
February 6, 2017 7:00PM**

David Walsh
TOWN CLERK

Board Members Present:

David Walsh, Gary Fisher, Jane Slater, Chair, Fran Moriarty, and Brian Bagley

Board Alternates Present:

Steve Geryk, Mike Pifer, and Conrado Ulloa

Board Members Absent:

Mark Richens

Board Alternate Absent:

1. **Call to order** – Jane Slater, Chair called the meeting to order at 7:00PM
2. **Establish a quorum**- David Walsh made a motion to seat alternate Mike Pifer. Fran Moriarty seconded the motion and the Board approved unanimously. A quorum was established.
3. **Approve minutes**– Upon motion of David Walsh and seconded by Fran Moriarty, the Board approved unanimously the minutes from the January 9, 2017 regular meeting.
4. **Policies and Procedures** – no action taken
5. **New Business**- Memo received from the Superintendent of Schools was added to the agenda. The memo discusses a draft of the Internal Services Fund Policy. The board members reviewed the draft and discussed the policy.

After lengthy discussion Fran Moriarty motioned to revise the draft to omit paragraph 4 “The Boards’ authority over reserves totaling 16% or less of the budgeted expenditures will be based on the percentage of contributions”, and increase the reserve to 25% as recommended by our current auditors, O’Connor Davies, LLP. The motion was seconded by David Walsh. Members voted unanimously and the motion carried. (Draft Attached)

6. **Old Business** – David Walsh had members review a statement that he would like noted in the minutes of this meeting. Mr. Walsh motioned to include the statement in the minutes and Brian Bagley seconded the motion. Members voted unanimously and the motion carried.

The Stafford Board of Finance expresses its deep sadness at the passing of fellow board member, Theodore (Ted) Rummel. Mr. Rummel served with distinction as a member of the Board since 2011. The entire Stafford community benefited from his intelligence, dedication, and knowledge of fiscal matters. Above all, Mr. Rummel was a gentleman who treated everyone with respect. He established a model of positive civic activism for all of us to follow.

7. Adjournment – Upon Motion of David Walsh and seconded by Fran Moriarty the meeting adjourned at 8:05PM

Respectfully Submitted,



Lisa Baxter

Recording Secretary

**Town of Stafford Self-Insured Medical/Rx and Dental Programs
Internal Services Fund Policy**

The Stafford Board of Finance (BOF) requires that a Reserve be maintained as part of its self-insurance program to ensure its future solvency.

For the purposes of this policy, budgeted expenditures will mean all annual administrative costs, medical, and Rx and dental claims and other program costs approved by the Stafford Board of Finance (BOF), Board of Selectmen (BOS) and Board of Education (BOE) (hereafter referred to as "the Boards").

The Boards shall build and work to maintain a Reserve equal to (25%) of annual budgeted medical/Rx and dental expenditures. The Reserves will be available for use to:

- Stabilize premium cost increases; or
- Meet unanticipated self-insurance financial needs; or
- Fund potential run-out claims should the employer move back to an insured arrangement

Reserves shall be calculated based on the final self-insured renewal report of the fiscal year, once the incurred but not reported (IBNR) is finalized. The IBNR is generally available in December each year.

In the event that the Boards decide to appropriate Reserves to stabilize premium costs for the upcoming fiscal year, the following will be true:

- The amount appropriated from Reserves shall be budgeted as a "use of Reserves", and when combined with the Employee and Employer contributions from the Board group, will be sufficient to cover the total gross budget for the upcoming fiscal year. "Use of Reserves" shall at all times be included in the budgeted expenditures total for the purposes of calculating the amount of Reserves.