

Town of Hampton
Board of Finance
Regular Meeting
May 12, 2021
7:00 pm
Zoom Meeting

Call to Order: The meeting was called to order at 7:02 p.m.

Roll Call: Members/Alternates Present: Kathy Donahue, Ed Adelman, Diane Gagnon, Jessie Samios, Nick Brown, Stan Crawford, Kathi Newcombe.

Others Present: First Selectman Allan Cahill, Selectman Bob Grindle, Fire Department Chief Richard Schenk, Robert Sagistano, Vice-President of Hometown Firefighter & EMS Services, Treasurer Ellen Rodriguez, Recording Secretary Dayna McDermott-Arriola.

Seating of Alternates

Motion: Jessie Samios, seconded by Ed Adelman, to seat Stan Crawford for Judy Buell. Motion carried unanimously.

Citizen Comments: Diane Gagnon reported that Highway Department Foreman Don Sholes is recovering from his accident at home and thanks the community for their support.

Presentation and Discussion of Fire Department Length of Service Award Program and Fund Deficit

The *Hampton Volunteer Fire Department LOSAP Program Actuarial Report* (attached) was presented and distributed to board members by Robert Sagistano, representing Hometown Firefighter & EMS Services, which administers Hampton's Fire Department Length of Service Award Program. Each element of the report, and its assumptions and calculations, was reviewed. According to the report, Hampton entered into the program in 2006, and because the program has not been properly funded, a deficit has compounded since its inception, resulting in a funded ratio of 11.9% of the accrued liability of \$507,234, with current assets of \$60,518, as of January 1, 2021. To rectify the deficit and properly fund the account, the report's recommended annual contribution ranges from \$35,557, for a 30-year amortization of the remaining unfunded liability, to \$62,978 for a 10-year amortization. These amounts do not include the annual plan service fee. Chairman Donahue requested recommended contribution amounts for 15 and 20 years. Kathi Newcombe asked what the annual contribution would be if the account was fully funded. Mr. Sagistano said that the annual contribution, with all fees included, would be approximately \$25,600, with a minimum interest rate, per contract, of 3.25%. Nick Brown requested a copy of the original contract, which assumed an interest rate of 5.5%. Fire Chief Richard Schenk asked if there could be adjustments to the policy, for example capping death penalty benefits; Mr. Sagistano replied that since entitlements are vested, they cannot legally diminish. Ms. Newcombe also inquired as to the responsibilities of the Plan Administrator, which include, according to Mr. Sagistano, issuing checks, and the development of the annual actuarial report. Mr. Schenk and Treasurer Rodriguez confirmed that the Fire Department received the report, but not the invoices, and that the Treasurer received the invoices, but neither the report nor recommendations for the annual contribution. Jessie Samios voiced several concerns, including data missing from the report, the accrual, and lack of notice, of the deficit, and the absence from the meeting of the plan administrator, as well as the past and current status of his license, per documents obtained from the State. Mr. Sagistano said he would request

the missing information from the actuary. An electronic record of the entire account was requested, including vouchers, invoices, and actuarial reports, which Chairman Donahue will forward to members when received. By general consent, it was decided to review all the information when it is received, as well as to determine the method of rectifying the deficit and annually funding the account.

Additions to the Agenda: Chairman Donahue recommended that additional items be added and noticed on the next Agenda, of particular importance to the public during the budget cycle.

Citizen Comments: To Joan Fox's questions, Treasurer Rodriguez explained that the "Business Card" expense was for the Town's credit card, and that "WWP" was an acronym for Willimantic Waste Paper. Ms. Fox also inquired as to a payment for Donahue Contractors for Sanitation and Trucking, and a payment to Pat Donahue. First Selectman Cahill explained that Donahue Contractors hauls materials from the Transfer Station to other destinations, and that the Town pays a quarterly lease for the use of the Transfer Station.

Adjournment: There being no further business, the meeting adjourned at 8:40 p.m.

Respectfully submitted,
Dayna McDermott Arriola
Recording Clerk

This is a draft version of the Minutes until approved by the Board of Finance.