

TOWN MANAGER'S REPORT

To: Members of the South Windsor Town Council
From: Matthew B. Galligan, Town Manager
Subject: Town Manager's Report for 5/15/17 Town Council Meeting
Date: May 11, 2017

Board and Commission Items

It has come to my attention that Councilor Pendleton would like political parties to receive monthly attendance reports in order to address the issue of quorums. After reviewing the situation, I think the reports should go out quarterly. A monthly report would not give an indication if a person missed only one meeting, but a quarterly report would show meeting attendance patterns.

Councilor Pendleton also asked if every newly appointed board and commission member could receive FOI information when they are appointed. The Clerk of the Council and I have discussed this issue, and we decided that any new politically appointed members would receive a copy of the FOI memorandum from the Town Attorney with their appointment letter. If the newly appointed member has any questions, they can contact the Clerk of the Council or the Town Manager.

Fee Structures

Councilor Snyder asked for a spreadsheet of proposed fee structures for the next few years. Town staff are working on those schedules, and they will be distributed to the Town Council after this budget process is concluded. We will need time to review and discuss the fees. After those discussions, the Town Council can make a determination on whether to make changes to fees.

State Budget

It is my understanding that the State budget will be reviewed on Friday, May 12. The Governor will be reworking his budget, and both political parties will have their budget proposals for that date. Hopefully there will be more information for our meeting on

Monday, May 15, as we will have to set the Board of Education budget on that date. As these numbers come in on May 12, I will get them to you as quickly as possible by email as the Council packets will have been sent to you on May 11.

Retirement Health Savings (RHS)

There is a resolution to abandon the use of Retirement Health Savings (RHS). The RHS was established years ago to allow management employees to put their own money into this plan for future healthcare costs. It has come to our attention that the IRS rules have changed and now do not allow RHS money to go to heirs or beneficiaries if something happens to the employee. The money would come back to the Town to be put into an account, but the IRS cannot tell us what the money would be used for. There are 100 people in this program, and I know that many people had listed beneficiaries on their accounts when they signed up. I think it behooves us to end the RHS, and I need a resolution to end it. I do not believe the Town should benefit from the employee's money, especially when the IRS cannot tell the Town what the money should be used for if the Town were to take this money.

Again, I am recommending the disbanding of the RHS. I do feel it is a liability, and the Town should not be dictating the use of funds of individual employees. I know it may be a burden on some with the tax consequences, but a tax accountant should be able to mitigate some of the tax burden. My recommendation is that employees should go to their tax accountant to review how this money could be distributed to them and maybe put into another financial program that would meet their individual needs.

Once the RHS is closed, the ICMA will send a check to the Town. The Town will then have to distribute the funds to the employees through payroll so that taxes are taken out appropriately. It will be up the employee to decide how to secure their money in other programs.