

Board of Finance Minutes
May 12, 2009 Meeting

Ms. DeSousa called the meeting to order at 7:30 p.m. at the East Windsor High School, Room N4.

Board of Finance members:

Marie DeSousa, Chairman
Jack Manette
Robert Little
Joanne Kubick
Jason Bowsza
Al Floyd (scheduled late arrival – Mr. Floyd arrived at 8:19)
Cathy Pippin, Alternate
Adam Mehan, Alternate
Treasurer, Cathy Cabral

MOTION: That Adam Mehan be a voting member until Al Floyd arrives
Made by Mr. Bowsza, seconded by Ms. Kubick
ALL MEMBERS IN FAVOR. MOTION CARRIED

Ms. DeSousa indicated she forwarded the public hearing minutes to the members via email earlier today and the latest proposed budget as of 5/4 was available for members. An informal exit poll survey was done after the public hearing by a group of residents, who appeared to be residents with school age children, and Ms. DeSousa briefly read the questions and indicated the majority response was the budget was too low. The documentation was present at this meeting for anyone to review.

Ms. DeSousa took a moment to comment on the fact that today while driving by she noticed that the Warehouse Point Fire Department is renovating the overhead doors in the back of the firehouse. It was curious as that project is funded as currently part of proposed CIP for this year - \$31,000 for overhead doors – not sure where they got \$30,000 2009/2010 budget item, not sure where they got the money to begin that project. It was noted the budget has not yet been approved, but the door project has started. If the department has funds for that now – as it is the 08/09 budget year - should that request come out of the proposed CIP plan? The Treasurer was unaware of where the WHPFD got the funds to start this process and no one on the Board had any additional information as to what might be going on. Throughout discussion this evening the cost of the WHPFD truck, the principal interest, the resulting cost to repair to the doors to house the fire truck as well as what, if anything the Board can do with this situation was discussed in general. No action was taken in this regard but individual comment can be seen below.

Ms. DeSousa asked the individual board member to discuss their thoughts of the public hearing and their opinions on the proposed budget.

Joanne Kubick – would not support any further cuts at all. It was inquired if she would support restorations? She would like to see the BOE restored a certain amount of money

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but unknown of what dollar amount and felt that percentage-wise BOE was hit greater than other departments, over and above that they are greater percentage of the budget. She also realized that people at public hearing were primarily those supporting the education portion. She recalled hearing an understanding of economic times, understanding of not being able to raise taxes significantly but not to cut any further – across the board. At this point the Board worked hard for this proposed budget and this is the budget she supports to put out there.

Adam Mehan – As to the fire department issues mention, he does not have enough information to warrant changes to the proposed budget. Overall budget think support as it is right now, without any further cuts.

Kathy Pippin - support 3.9% - is not thrilled, but know why has to do. She noted an issue was taken with the contracts but that is not the Board of Finances job. Mostly educators at the public hearing and she thought place would be packed and hit with everything. Instead, talk was held by a controlled group trying to keep jobs and education kids. She did make a statement that holding children back is not on the Board of Finance as “we love the children too”.

Robert Little was not sure what to do about the WHPFD issue and the attitude “to do it anyway” and the \$30K is earmarked for something. When mention was made of freezing funds, Ms. Cabral indicated quarterly payments to fire department are already done for the year and as the project is apparently in progress, it is being paid in 08/09. Mr. Little would rather see the money in contingency which will need money. He felt based upon cuts made to supplies he feels the town is going to run short – basic staples were easy cuts and people are going to run out of paper, items like that. He indicated he does not support putting anything back in.

As an aside, Ms. DeSousa asked Mr. Howes and Mr. Pica (present in the audience on behalf of the Board of Education) if anything might transpire change the numbers the Board of Finance has in the budget – the answer was no.

Mr. Bowsza spoke at length regarding the 6% figure for anticipated cut in revenue and his inquiries and research regarding state funding. He has been paying attention at the state level and ccm – still the BOF anticipates 6% cut in revenue. The only place he has hear that 6% figure, is on this board. CCM has not followed up with the legislature and it is anticipated flat funding across board – things hit are grants East Windsor does not get chunk of pie for. Mr. Bowsza 6% in reduction state revenue is way overplayed. As an example, after speaking with individuals in government, Enfield is anticipating, based on what there delegation telling them, they can expect their state revenue funding stream to be what it was last year. From revenue side this Board is looking more toward worse case, than not. Enfield looking at 4% and Mr. Bowsza thinks East Windsor is looking at 1.7 to 2%. Mr. Bowsza has looked hard at all budgets and the Board asked leaders to look at departments – and he thinks some made cuts were made that were not warranted and the Board of Finance will not know the effect. Ms. DeSousa refuted this statement detailing communications and letters to and from Departments providing the Board with

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information. Bowsza stated the Board sat hours of budget presentations, changes were then made without him comfortable with what changes are. At public hearing saw there was a large turn out and the petition by parents and more than 80% people spoke in favor of maintaining budget or restoring it – and that needs to be considered.

Ms. DeSousa read a May 7 email from Senator LeBeau in response to an inquiry about the 15% cuts. A portion of the email referenced CCM is worse case and probably not happen. And it was suggested to cut expenditures 5 to 7% and detailed where it might come from.

Ms. DeSousa does not know if 6% is over and if it comes in different – the board has the authority of town meeting to disburse it where it needs to go. Ms. DeSousa would hate to go to 2% and find lost more than that and have budget passed with no money to justify it. Again the town meeting avenue is the authority to restore monies to the Board of Education, or whatever appropriate department.

Again, Mr. Bowsza stated the only place he heard the inflation of revenue loss was at E.W. Board of Finance meetings. He felt that CCM has to lobby the towns, it is a business for them and they need to do well by their client, which is this town. After reexamine reality today the Board could reevaluate. Bowsza looked at state aid last year; projections of the Governor, democrats and republicans this year which is “apples to apples” in terms of state aid only (he is not referencing fund balance, property tax – just state aid). His point with the Town of Enfield reference was to example an assumption another town was making. Mr. Bowsza indicated 6% is a drastic difference from 1.7%.

Jack Mannette found Mr. Bowsza’s comments interesting. From financial responsibility standpoint have to remember politics involved in Hartford due to upcoming elections. Even at 6% if by chance cuts go higher than that – fund balance is critical. If have to take money to compensate for additional short fall would put town in serious financial position. In looking at E.W. and what have – the fund balance is at a critical level. Jack worries about risk to playing with number – need guideline. CCM has not reduced estimate yet. Board picked 6% - lets go with that – to do anything else is expressing risk. Jack believe should have lower budget – significant point he wished to make is if you split salary and benefit portion away – all other expenses 17.65% reduced from last year – which is operating departments. Other side salaries and benefits – budget increases salaries and 3.32% over last year budget. Simple analysis will say every dollar of tax increase ask town to pay will go to salaries and benefits. Simple math and that puts Board of Finance in position that is not favorable. Either everyone gave minus or equal or all go higher. The alternative is to add money in so everyone gets +3% across board and you look at 7% tax increase. Do not think taxpayers receptive every penny increased is to salaries and benefits – people getting money not suffering while everyone else is.

At this point discussion took place among the members regarding unions and contracts and the choices the Town has to make and the response the unions can make. The differences in local vs. state unions were discussed, as well as how mechanically the unions work. Also discussed in general were union negotiations and how they proceed

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and Ms. DeSousa provided some insight as to how she has personally been involved with union negotiations, bargaining units and how they proceed and operate. The hierarchy of the unions and how they operate – across the state level – were discussed. As today's negotiations effect how they proceed tomorrow.

Mr. Mannette stated if the Board of Finance does not have the ability to sell the tax increase to public and people turn it down – then the result is there and the town cannot provide the funds. Mr. Mannette noted when the people of E.W. know every dollar of tax increase is to wage and benefits they will evaluate in their own perspective and either accept or reject it. Good chance it will be rejected – the Board of Finance acts from there.

The thought that if the projected revenue is better that will be months away and what can be saved at that point in the Fall. If find out in October when legislature adopts budget and town knows the number, if lower than anticipated – what damage done and can the town re institute some of funding lapses and have positive impact on community. Someone referenced article about Canton – statement if there plan does not come true and is more favorable – but they may not do in salary and benefit – but in expense area. Difficult if had to reduce staff; but East Windsor has cut its services substantially and those certainly could be re instituted. East Hartford is doing the same thing – passed a budget contingent on if the town doesn't get money from state, then layoffs will occur. Ms. DeSousa read the article that stated this concept where decisions are made, with concessions built in as the state level piece is unknown. Federal stimulus packages and the state of affairs are up in the air as well.

Ms. DeSousa stated at this stage inclined to take what we have and go forward to town meeting with it and hope that it passes. The State situation was elaborated on and how it effects the town was discussed. Built into the budget is a 6% revenue loss which was the consensus of the board previously.

MOTION: To restore \$100,000 to Board of Education and restore \$50,000 to townside and submit budget for annual budget meeting on May 19.

Made by Bowsza, seconded by Mr. Mehan

DISCUSSION: Ms. Kubick asked the impact and it was discussed it would be over 4 % . (Mr. Floyd arrived immediately after this motion was made – the second held). Ms. DeSousa brought Mr. Floyd up to speed on the latest motion. Mr Floyd stated the discussion he heard at meeting sentiment for no more cuts and some for put more back. His personal 3.994% is as much as Board will be able to pass. Ms. Kubick did not feel there was a big enough response to support increase; majority heard from were representative of education budget; but also did not see an overwhelming number of people to indicate a huge number of townspeople want to see money increased over the 3.99%. Ms. DeSousa indicated that the town is conservative and in good times it was tough to get some budgets sold and now when times are bad and say 3.99% is doable, but anything higher Board might have to go back to drawing board and suffer in the long run. Ms. DeSousa as chairman felt it this proposed budget was the fiscally responsible way to

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go with caveat at town meeting that says it indeed calculated 6% and too frugal and extra revenue dollars in then force a town meeting to restore is the better option to go.

Mr. Bowsza indicated his motion intended to facilitate discussion he felt needed to take place regarding emails circulated to needed be rediscussed. The Board discussed the content of the emails referenced and that these items were discussed during meetings as well. At this point the board reviewed documents and discussed specifics as to what was restored and the cuts that remained. Mr. Bowsza also made the motion in response to petitions signed and people who spoke at public hearing, and conversations with people at home to talk budget, thinking the Board missed the mark. More discussion took place regarding the comfort level with the 6% revenue cut figure, which was referenced as a safe ballpark and/or between liberal and conservative estimate.

Mr. Bowsza rescinded his motion and Mr. Mehan rescinded his second.
MOTION RESCINDED.

Ms. DeSousa reiterated that she thinks the Board can sell 3.99% if they stay united.

MOTION: To submit to the annual budget meeting on May 19, 2009 the 3.99% budget as set forth at public hearing on May 5th.

Made by Mr. Bowsza, seconded by Ms. Kubik

In favor: KUBICK, FLOYD, BOWSA

Opposed: LITTLE MANNETTE

MOTION CARRIED

MOTION: To adjourn at 8:38 p.m.

Made by Mr. Bowsza, seconded by Ms. Kubick.

ALL MEMBERS IN FAVOR. MOTION CARRIED

Respectfully submitted,

Cynthia D. Croxford
Recording Secretary