

**Board of Finance
Town of East Windsor
11 Rye Street
East Windsor, CT**

MINUTES OF REGULAR MEETING, March 17, 2010 at 7:30 p.m.

These minutes are not official until approved at a subsequent meeting.

Members Present: Jack Mannette, Danelle E. Godeck, Robert Little, Kathleen Pippin, Jason Bowsza, and Marie DeSousa
Members Absent: None
Alternates Present: Thomas Baker and Jamie Daniel
Alternate Absent: None
Others: Denise Menard, John L. Burnham, Richard P. Pippin, Jr., Catherine Cabral, Timothy Howes, and Dale Nelson

I. Call to Order

Chairman Jack Mannette called the Regular Meeting to Order at 7:32 p.m., in the East Windsor Town Hall.

II. Appointment of Alternates

Chairman Jack Mannette indicated that all Board Members are in attendance and no appointment of an alternate will be necessary.

III. Approval of Minutes

It was **MOVED** (Little) and **SECONDED** (DeSousa) and **PASSED** (5) (D. Godeck abstained) that the Board of Finance approves the minutes of February 17, 2010 Regular Meeting.

IV. Public Input

None.

V. Communications

Chairman Jack Mannette commented on receiving copies of correspondence from Attorney McKenna regarding the Town Charter. Board Members acknowledged the receipt of the copies and indicated the subject matter would be discussed at a future meeting.

VI. 2010-2011 Budget – Board of Selectman

Denise Menard, First Selectman, addressed the Board in regards to her proposed budget for 2010-2011. She had given out a copy of the slide presentation to all Board Members for their review. Using a slide presentation, she discussed her proposed budget. The first slide was entitled “Fiscal Year 2010-2011 – Proposed Town Budget Summary of Expenditures”. This slide gave a summary of Expenditures of the following departments: Town Government, Public Safety, Public Works, Sanitation and Waste Removal, Conservation of Health, Recreation, Insurance and Benefits, Miscellaneous, Capital Improvement Plan, and Debt Services. The slide compared the approved budget appropriation for 2009-2010 versus budget requests for 2010-2011. The approved budget for 2009-2010 was in the amount of \$13,405,427 and the proposed budget for 2010-2011 is in the amount of \$13,696,006, an increase of approximately \$290,579 or 2.17% increase. The proposed budget she discussed does not include the budget proposal of the Board of Education.

The second slide was entitled “Fiscal Year 2010-2011 – Proposed Town Budget, Capital Improvement and Debt Service”. She discussed the figures on this slide to the Board Members. The total Capital Improvement Program is in the amount of \$737,758.00 and total Debt Services is in the amount of \$1,832,200.00. A pie chart was shown describing the 2010-2011 Proposed Town Budget. The fourth slide Ms. Menard discussed was the proposed budget including the Board of Education expenditures. The slide compared the expenditures of 2009-2010 and budget requests of 2010-2011 and the percentage of change for each department, including Board of Education. When comparing the figures, an increase of 5.03% was indicated.

Ms. Menard then began to discuss the projected revenue for 2010-2011. The slide also compared the revenue from 2009-2010. After working the numbers for expenditures, revenues, and taxes; an increase of approximately \$3,388,254 from last year’s budget. The current mill rate is 21.75 which was an increase last year of 0.84 from 20.91. The current proposed mill rate is 24.89 or an increase of 3.14.

A discussion was held between the Board Members regarding the comparison of the 2009-2010 town budget, 2010-2011 proposed town budget, and the proposed 2% default budget and the differences between them. Another slide of pie charts was shown again explaining the proposed revenue and expenditures for 2010-2011.

Ms. Menard proposed a budget of \$13,696,006 for 2010-2011 which represents a 2.17% increase over the 2009-2010 budget. She summarized the budget showing the Board Members the past year of budget numbers. She indicated the increase of some expenses were unavoidable, such as, salary increases and employee benefits.

A lengthy discussion was held among the Board Members, First Selectman Denise Menard, and Ms. Catherine Cabral regarding revenue and expenditures.

VII. Monthly Reports

a. Treasurer

Ms. Catherine Cabral, Treasurer, addressed the Board of Finance. She discussed the memorandum dated March 11, 2010 to all Board Members and Ms. Denise Menard, First Selectman. The document is broken down in four subjects: Cash, Tax Collections, Assessor Information, and Treasurer Update. As of February 28, 2010, the cash position of the Town is as follows: Webster Bank \$5,941,474; New England Bank (formerly Enfield Federal Savings) \$536,378; TD Banknorth \$572,651; STIFF \$1,484,504; and MBIA Class \$36,453.

b. 2009/2010 Budget by Department Report

Ms. Cabral gave a sheet to all Board Members entitled "Revenue Comparison" which broke down State Funds, Town Clerk, Building Department, Tax Collector, and Total Fiscal Year from years 2005-2006 through 2009-2010. She discussed the Town Clerk Revenue which has been down since 2008. On February 28, 2010, the percentage of revenue received is approximately 60% up from the same time last year which was only 44%. The Building Department is also up from the figures from last year.

Ms. Cabral then gave all Board Members a copy of the latest Tax Collector Report prepared by Ms. Samantha Lee, Tax Collector. She indicated the report gives more information on collections. Mr. Bowsza asked if the Tax Collector's Office has implemented sending notices to delinquent taxpayers, and if so, has it been successful in collecting those taxes. Ms. Cabral commented the Tax Collector's Office has been sending out those notices and has some success in collecting the delinquent taxes. More follow-up notices are being sent.

A discussion was held among Mr. Bowsza, Ms. DeSousa, Ms. Menard and Ms. Cabral regarding funds which have been received from the State and any additional monies which are due to the town. Mr. Mannette expressed his concerns about monies received from the State and any current shortfalls. Ms. DeSousa commented that action has already been taken in many departments including, but not limited to, hiring freezes and non-essential spending. Ms. Menard mentioned the aggressive tax collection has also been implemented. Ms. Cabral indicated the next meeting she will have those figures for the Board for their review.

Ms. Cabral indicated she could not comment on the Assessor's Report. The Assessor was unable to attend this evening. However, she passed out the results of the grand list for the Board Members to review.

c. Monthly Transfers

Chairman Jack Mannette began discussing the requests to transfer funds. He indicated Ms. Cabral added an additional invoice in the amount of \$297.00 from Robinson & Cole. The transfers requested are as follows:

\$2,178.79 from Account No.: 1-01-50-8410-8-890-0000-0 Contingency to Account No.: 1-01-10-1020-3-334-0000.0 Regular Town Audit.

\$1,072.00 from Account No.: 1-01-50-8410-8-890-000-0 Contingency to Account No.: 1-01-10-1020-3-336-0000.0 GASB-OPEB.

\$30,979.15 from Account No.: 1-01-25-3183-7-799-0600-0 Road Improvements to 1-01-55-9445-7-799-0650-0.LOCIP.

Ms. Cabral explained all of the transfer requests in detail to the Board Members. The first request is additional services performed by Blum and Shapiro during the town audit. The second request is related to expenses in drafting ordinance changes. The third request relates to monies already expended by LOCIP.

Mr. Mannette wanted clarification of the last request. It was his understanding the funds in the LOCIP comes from the State. Ms. Cabral explained every year the State reimburses municipalities in March for capital improvement projects. The amount every year is approximately \$75,000.

A discussion began among Board Members, Ms. Menard, and Ms. Cabral regarding the proposed transfers. Ms. DeSousa inquired if any of these transfers are required to go to a Town Meeting before final approval. Ms. Menard and Ms. Cabral both confirmed it is required to go to a Town Meeting.

It was **MOVED** (Little) and **SECONDED** (Godeck) and **PASSED** (U) that the Board of Finance recommends to a Town Meeting the following transfers:

\$30,979.15 from Account No.: 1-01-25-3183-7-799-0600-0 Road Improvements to 1-01-55-9445-7-799-0650-0.LOCIP.

\$2,178.79 from Account No.: 1-01-50-8410-8-890-0000-0 Contingency to Account No.: 1-01-10-1020-3-334-0000.0 Regular Town Audit.

\$1,072.00 from Account No.: 1-01-50-8410-8-890-000-0 Contingency to Account No.: 1-01-10-1020-3-336-0000.0 GASB-OPEB.

Ms. Cabral wanted to update the Board of the training which has taken place in her office in the past month. Ms. Sherry Turner, trainer, has been in her office and has trained her staff how to produce financial reports efficiently. The new payroll system is in place and it is working well. Mr. Mannette seemed happy that her office is benefiting from the training.

Ms. Cabral reported to the Board of the counterfeit bill which has been passed in the Town Offices. Apparently the bank has notified them of the counterfeit bill and has sent the bill onto the Federal Government to confirm same. Because of this recent event, Ms. Cabral has made all departments aware of the current problem. Ms. Menard remarked that due to the current problem, she is having a detective from the police department come to a staff meeting to speak on how to detect such counterfeit bills.

Mr. Mannette asked if anyone had any questions regarding the Expense Report dated February 10, 2010. Mr. Little had a question regarding negative balances in the report. A discussion was held briefly and it was asked if this matter could be tabled until the next meeting.

It was **MOVED** (Bowsza) and **SECONDED** (DeSousa) and **PASSED** (3-2) that the Board of Finance table until the next Regular Meeting to discuss the negative balance questions.

d. Budget Overruns and Added Appropriations Accounts Payable

Ms. Godeck discussed that back in January CCM was recommending that municipalities require a policy on budget overruns. First Selectman Denise Menard and Ms. Cabral started researching what policies other towns have in place for budget overruns. She passed out copies of the current budget and asked the Board Members to follow along as she gave an example of how budget overruns are addressed. In explaining her example, she indicated the transfer of funds from one line to another didn't affect the bottom line of the budget. A policy has been written with by Ms. Menard, Ms. Godeck, and Ms. Cabral, which has been given to all Board Members for their review.

A lengthy discussion was held among all Board Members, Ms. Menard, and Ms. Cabral regarding the policy proposal. It was decided it that at the next meeting Ms. Menard, Ms. Godeck and Ms. Cabral will report further on this subject.

e. Pension Contributions/ARRA Monies

Ms. Cabral passed out two informational forms to the Board Members entitled “ARRA Funding” and “Town of East Windsor Pension Plan and Trust”. Mr. Mannette indicated he received an email showing a shortfall in the amount of \$148,000 in the Board of Education fund. He wanted an explanation as to where that money is going to be put in the budget. Ms. Cabral tried to explain at the end of the year, to see exactly what those figures are going to be. Ms. Cabral discussed the 2010-2011 pension contribution figures. Mr. Mannette and Mr. Bowsza continued to discuss the shortfall of \$148,000. Mr. Timothy Howes, Superintendent of Schools, who was in the audience, stood up and tried to explain to the Mr. Mannette how the Board of Education pension accounts operate. He gave a history of the pension accounts since 2001. He explained that the Board of Education, since 2003, has funded the pension accounts and prior to that date, the town supported those accounts.

A lengthy discussion was held among Board Members, Ms. Cabral, and Mr. Howes in regards to the Board of Education pension and funding of same.

Ms. Cabral began to speak of the handout she passed out regarding the ARRA Funds. She discussed the figures comparing ARRA funding of 2009-2010 and 2010-2011. She also discussed SFSF Educational Grants. Mr. Howes gave he Board a brief explanation of how the ARRA monies are given to towns and how the funds are expended by the Board of Education. He also wanted to let the Board know of the grant “Race to the Top”. The State of Connecticut has not qualified for this grant. Only twelve States have been accepted.

VIII. Old Business

a. Polices and Procedures Manual

Ms. Cabral addressed the Board of Finance to discuss the Policies and Procedures Manual which was discussed at length at the last meeting. Mr. Mannette commented that a copy of the proposal from Blum and Shapiro was given to all the Board Members for their review. Ms. Cabral commented that most towns have Policies and Procedures Manual. Most of the recommendations of Blum and Shapiro including cash security issues, internal control in the audit, new policies on handling accounts payable and payroll are well taken and some have already been put into place. Mr. Mannette would like to have policy manuals in place due to the concern of the auditor in the last audit. He would like to have closure on this matter and inquired as to how long it will take for every department to have some type of manual. Ms. Menard informed Mr. Mannette that she has met with all of the departments and indicated manuals should be made for all procedures and policies. Mr. Mannette insisted that the auditors felt the town was inefficient in policy

manuals and would like to have a timeframe when the manuals will be completed. It was explained to Mr. Mannelle by Ms. Menard and Ms. Cabral manuals take time to complete and some are living documents which are constantly changing.

IX. New Business

a. March 24, 2010 Budget Public Hearing

Chairman Mannelle discussed the budget public hearing is scheduled for March 24, 2010, however, he did not know if he could get the notice to the newspaper in time. He believes it has to be five business days and he thinks he should have put the notice in the newspaper on Monday, March 15, 2010 to meet that requirement. Mr. Mannelle also wanted to discuss the format for the meeting. It was decided each person will be allowed three minutes to address the Board, which is a standard guideline for public hearings.

A lengthy discussion was then held among the Board Members as to who will be allowed to speak and the meeting. It was suggested that department heads, non-resident business owners, and students would be able to speak. Some Board Members agreed to allow all residents, including children to speak at the meeting; while others disagreed and didn't believe children (under the age of 18) and non-residents should be speaking at a public hearing.

b. Pension Board Representation

Mr. Mannelle asked Ms. Marie DeSousa if she would be interested in participating in Pension Board. According to the new charter, two members can be approved. A question was posed of the number of members appointed, not two but four. Mr. Mannelle wasn't completely confident if two or four members, but if anyone knew of the legal opinion of same, he would adjust the appointment from two to four. The four Board Members who are interested in the positions are: Ms. Marie DeSousa, Mr. Jason Bowsza, Mr. Robert Little, and Ms. Kathleen Pippin.

c. Salaries and Accrued Wage Data

Mr. Mannelle started the conversation by recalling the annual audit on Page 41 Schedule of Expenditures. He recalls asking Leslie from Blum and Shapiro to explain to him how wages are budgeted and accrued. Ms. Cabral tried to explain to Mr. Mannelle how accrued wages are computed. There are 26 payrolls in a year. However, there are times the first payroll of a year can be divided into the last fiscal year and the current fiscal year. In some towns, that payroll is considered the 27 payroll. She indicated that East Windsor does not budget the 27 payroll and because of that, the figure is different from year to year. Last year, the figure was \$212,000 which included the Board of

Education payroll. Mr. Mannette disagreed and indicated the amount was \$267,000 and is concerned with the budget and how these figures affect the budget this current year and next year. Mr. Mannette asked Ms. Cabral at the next meeting if she could produce reports and explain the accrued wage data. She agreed.

I. Connecticut Municipal Consortium for Fiscal Responsibility

Ms. Godeck addressed the Board indicating that Mr. Jason Mack from Granby reached out and invited the Board Members to a meeting who are not currently participating. They represent towns at the Capital. He reached out to the Board if they were interested in the opportunity of having him represent the town. Mr. Bowsza and Ms. DeSousa had questions regarding the group that Mr. Jason Mack is representing. It was decided to discuss this matter further sometime in September, after the budget process is completed.

e. Schedule for Webster Bank Financial Advisor

Ms. Cabral inquired with the Board when they would like to invite the representative from Webster Bank to address the Board. The advisor will discuss many financial topics, such as, bonding and short term/long term notes. Ms. Cabral will attempt to schedule her for the next meeting in April.

X. Adjournment

It was **MOVED** (Little) and **SECONDED** (Pippin) and **PASSED** (U) that the Board of Finance adjourns the March 17, 2010 Regular Meeting at 10:04 p.m.

Respectfully Submitted,

Denise M. Piotrowicz
Recording Secretary