

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

**MINUTES OF BUDGET WORKSHOP – SPECIAL MEETING
Tuesday, March 30, 2010 at 7:00 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: Jamie Daniels
Alternate Absent: Thomas Baker
Others: Catherine Cabral, Timothy Howes, Dale Nelson, and other townspeople
Press: K. Loucks (Journal Inquirer)

Chairman Jack Mannette called the Budget Workshop Special Meeting to Order at 7:00 p.m., in the East Windsor High School, Board of Education Meeting Room, 70 Main Street, East Windsor, Connecticut.

Chairman Jack Mannette instructed the Board the purpose of the meeting is for the Board Members to look at the budget as presented and to discuss additional expenses to be added to the budget, including the post-employment benefits, as well as any cuts to the budget. Ms. Catherine Cabral gave to each Board Member a large packet of paperwork relating to the proposed budgets entitled “Budget Building Town of East Windsor 2010-2011 - 3-24-10 Proposed Budget”, “Budget Building Town of East Windsor 2010-2011 – with insurance/salaries”, Tax Percentage Budgeting Based on New Grande List”, “Salary Increases at 2%”, and “Department Salaries”. Ms. Cabral indicated she has added a line item OPEB (post employment benefits) under the general fund in the amount of \$108,000. She indicated she would like some input from the Board as where to put this line item or if it should go into another line. She recommended the OPEB goes under the health insurance line while other Board Members felt it should be in the pension line.

A discussion was held among the Board Members regarding where the OPEB item should be placed.

Ms. Cabral answered questions the Board Members had of why the numbers were different than the number which they were given on March 17, 2010. They were instructed adjustments which have been made since March 17, 2010; therefore, the figures are a little different. Ms. Cabral indicated the health insurance line decreased; however, the life and dental insurance premiums have not yet been confirmed and this line will increase or decrease depending on the quote. Currently, it is estimated a 10.75%

increase for the purposes of budget discussions. Ms. Cabral did not feel the quote will be higher than the 10.75%.

Chairman Jack Mannette wanted an explanation of the increases listed in the salary portion of the budget. Ms. Cabral indicated the document which describes the 2% salary increases are unaffiliated and contractual increases. Mr. Mannette also wanted a discussion to be held regarding the accrued wages and the totals of same. He indicated for the fiscal year 2009-2010, a total of approximately \$140,000, are in accrued wages and for the upcoming budget 2010-2011, approximately \$162,000 plus Board of Education of approximately \$89,000, which totals approximately \$251,000 in anticipated accrued wages. Ms. Cabral explained these figures are not really a carry over from the year before, but the last payroll of the fiscal year. She explained this current year, 8 days will be considered for the accrued wages or 27th payroll, and in the year 2010-2011, 9 days will be considered for the 27th payroll or approximately \$100,000. Board Members wanted to know why these figures were not included in the last budget. Ms. Cabral indicated the figures may not have been budgeted; however, the figures have been included in financial statements. She further explained that every year salaries are budgeted pursuant to contractual obligations, however, due to the way the calendar falls, every year the accrued wages are a different figure. Mr. Mannette indicated the accrued wages last year were in the amount of \$260,000 and the auditor had flagged this expense. Ms. DeSousa asked if the extra money is rolled into the next fiscal year. Ms. Cabral indicated the extra funds are not rolled over. Ms. Cabral further explained some towns do budget for the accrued and others do not. Unfortunately, this upcoming budget year of 2010-2011, the cycle is at the highest. She noted a separate line for this expense in the budget entitled "27th Payroll" and the estimate is approximately \$250,000. Concerns about budget overlap were addressed. Ms. Cabral indicated any funds over would roll into the general fund balance shown at the end of the year. The figure of \$250,000 includes Board of Education salaries. With the additions made, the total budget would be \$33,772,015.

Mr. Mannette complimented Ms. Cabral for all of her reports which she presented to the Board. The next topic discussed was tax percentage based on new grand list. Referring to the document she prepared, Ms. Cabral discussed the tax percentages based upon the grand list figures. There are three columns in the document based upon a zero increase, two percent increase and proposed budget increase. The percentages ranged from 100% through 98% tax revenue received. Mr. Mannette commented about the recent audit wherein it was recommended to use a lower percentage than 100%. As Ms. Cabral's report indicates, if the proposed budget was to be passed, and only 98% of tax revenue was received, the town would be short approximately \$536,000.

A lengthy discussion was held among Board Members and Ms. Cabral about estimating the tax revenue percentages. Mr. Robert Little was concerned about the tax revenues and believes estimates should be based upon 98% tax revenue and not 100%. His concerns about the current tough economic conditions and not being able to collect the taxes at 100% could be setting the Town up for a revenue shortfall. Ms. Cabral agreed with the estimating the tax revenue percentages lower than 100%, but believed it should be slow

process and should be middle of the road between 99% - 98.5%. Mr. Jason Bowsza did not agree. He felt those who pay their taxes were going to be penalized. Mr. Mannette voiced his concerns indicating historically tax revenues are not at 100%. He indicated other towns only budget at 90% tax revenues and this issue needs to be addressed and settled during this budget process.

Mr. Mannette lead the discussion among Board Members regarding the current budget proposals and what process the Board of Finance plans to undertake in order to present the budget to the townspeople and what will be acceptable to the taxpayers of the town. Presently, the budget proposed will have an increase anywhere from 9% to 17.5%. Ms. Cabral indicated the bargaining units have been approached regarding furlough days but a response has not yet been received. Mr. Little commented the proposed furlough days are not going to make that big of a difference. Ms. Cabral remarked the furlough days may add additional savings to the projected numbers, but was unable to give that figure currently until a response from the bargaining units.

Mr. Mannette indicated the Board will be going through the proposed budget, line by line, to discuss any increases or decreases within each department. He asked each Board Members who was present, to give their opinion of the current proposed budget. Ms. Kathleen Pippin indicated she wanted to go through the budget proposals before she could form an opinion. Board Secretary Danelle Godeck commented the budget, as presented, has no extra fluff in it. Most of the increases are contractual obligations. The public has to understand, if reductions are made, services will have to be reduced or eliminated. The figures currently are preliminary, they will change. The percentage of the increase should be explained to the public of what the mill rate increase will be and what that increase means in terms of dollars. Mr. Robert Little mentioned his concerns about collecting tax revenue and the projection percentages used. Taxes are being collected at 98% currently and not 98.5% or 99%. He feels the taxpayers will not buy in any shape or form an increase in taxes of 10%. Taxpayers who are retired and on fix incomes do not have the extra funds to spend on such a tax increase. Ms. Marie DeSousa commented it is a disservice to the town being so conservative. She feels no budget will pass at the three referendums and the town will have to circum to a 2% increase. The taxpayers need to know if this is the case; the town will be unable to afford certain services provided by police and schools. She felt that the town was too conservative in good times and did a disservice to the town. Mr. Jason Bowsza indicated he doesn't support what Gaspie says, estimating tax revenue and overpaying taxes without reason. No one supports tax increases without purpose. The town needs important services, such as, police and schools, and we must protect those services.

Mr. Mannette asked Ms. Cabral if she could do a report showing the Board Members mill rate numbers on the proposed budgets including any adjustments which have been made. Ms. DeSousa voiced her concerns of the town's infrastructure and the current ranking among towns. She mentioned the proposed budget is a realistic budget that the town needs. However, a public hearing will be needed to hear the concerns of the taxpayers. Mr. Mannette remarked about charts he prepared to show the budgets over the last few years of where all the money is allocated. The salaries and benefits portion of the budget

have increased throughout the years, however, services have not. Mr. Mannette indicated the only growth the town has seen in past years is in salaries and benefits. Ms. DeSousa disagreed with focusing on salary increases. She believes it is a disservice to the town to just focus on one category.

Mr. Mannette starting giving examples of salary increase in other departments, such as, Board of Education. He indicated the Board of Education has an increase in salaries of approximately 11% and all other services are decreased by 5%, such as, supplies and transportation costs. Ms. Godeck commented the salary increases are contractual. With that being said, Mr. Mannette indicated the issue at hand is assets and liabilities in the last two years. The town's assets have decreased and the liabilities have increased. The general fund has decreased 5.8%. He stated the town is spending more than it's taking in. Mr. Mannette asked Ms. Cabral if she could draft reports with different scenarios of the budget including tax increases and mill rate increases. Mr. Mannette also voiced his concerns with the worse case scenario if the town rejects the budget three times, an automatic 2% increase will take effect. He would like to review the budget line by line. Mr. Little commented at this point, he would prefer not to go line by line. He indicated the departments were told to try to come in at a zero increase over last year's budget, some departments did. However, other departments did not, such as, education, police, and fire. He felt the Board should send the budget back to those departments with a request to make every effort for a zero increase over last year. He felt to give the responsibility to the departments to make the reductions and not this board.

A discussion among Board Members and Ms. Cabral regarding the OPEB and 27th payroll was had and any overages of this year's current budget.

Mr. Mannette's mentioned his concerns of raising taxes in the current economic conditions. He feels many households will not be able to afford the tax increase. It was then discussed how additional revenue can be raised. A discussion of what surrounding towns are doing to balance their budgets with decreasing revenues.

Mr. Mannette again requested that the Board go through the budget line by line. Traditionally, this is how the Board of Finance reviews the proposed budgets. A conversation of grant funds and where the grant funds are listed and expended took place between Ms. DeSousa and Ms. Cabral. Ms. Cabral explained the Board of Education grants and other various town grants.

The first budget to be looked at was the Selectman's Proposed Budget. It was mentioned the budget has an increase of approximately \$200,000. There are no increases in the budget other than contractual increases. Mr. Mannette asked if there were any recommended changes to the proposal. Mr. Little reiterated his comment from earlier that he thinks the Board should send it back to the Selectman's Office and request decreases. The consensus was to let it stay as it was presented.

The next subject was legal fees. It was suggested by Ms. DeSousa that litigation status should be checked to see what is still pending and what has been settled. If the cases

pending have declined, maybe this line can be reduced. Questions regarding the registrar's request of an additional \$8000 were discussed. The registrar must budget for the referendums which may take place during the budget season. According to the new charter, three referendums can take place and each referendum can cost approximately \$4000. Mr. Little again reiterated his comment from earlier that he thinks the Board should send the budget back to the departments and request decreases so there won't be a need for three referendums, and possibility passage on the first referendum saving \$8000. A discussion continued regarding the registrar's line, costs of referendums, pole worker expenses and overage if three referendums are not needed. It was decided to add additional monies to the registrar's line a total of \$4,389.

The next line discussed was Probate Court. Mr. Little indicated that particular line should not be touched because of the current changes in the probate court system. Mr. Bowsza indicated any changes made to the system will be State funded and not town funded.

Advertising and printing line was discussed. Mr. Mannette indicated \$1700 has to be added to this line. The budget has to be printed and given to the public in a timely manner. Copying costs are approximately 11 cents per page. Postage costs would be approximately \$6000. However, the Reminder Press would only cost approximately \$1700 to print. Bulk mailing costs were discussed and it was determined it was only pennies in savings. After a discussion, it was determined to increase the advertising and printing line approximately \$1000.

Mr. Mannette discussed an increase to the recording secretary line for the Board of Finance. Twelve regular meetings at \$125 increased \$25 per meeting; additional eight meetings for budget workshops and public hearings, and four miscellaneous special meetings. The total of twenty-four meetings at \$125.00 per meeting would increase this line about \$1000. Postage of \$200 would be cut due to the fact all correspondence by and for the Board of Finance is done electronically. The office supply line for the Board of Finance will be kept at \$400 for supplies, such as, paper and recording tapes.

The next department to be reviewed by the Board was the Public Safety. Mr. Mannette asked if anyone had any comments on the public safety hearing officer. Questions arose regarding the hearing officer.

The Police Department proposed budget was increased by \$58,000. No new positions were requested, and it was generally felt no further cuts can be had. Other departments which were discussed were: fire department, public works, sanitation and waste, ambulance services, recreation including library funding, park and recreation, insurance, and contingency fund.

Mr. Mannette asked Ms. Cabral for the next meeting, to bring in reports, such as, revenues, adding OPEB to the proposed budget, and tax revenue projections. The subject of tax revenues and projections was brought up again to discuss. No agreement was reached regarding this issue and will be brought up again at a subsequent meeting.

It was **MOVED** (Little) and **SECONDED** (Bowsza) and **PASSED** (U) that the Board of Finance adjourns the March 30, 2010 Budget Workshop Special Meeting at 9:04 p.m.

Respectfully Submitted,

Denise M. Piotrowicz
Recording Secretary