

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

**MINUTES OF BUDGET WORKSHOP SPECIAL MEETING,
Wednesday, May 12, 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: Jamie Daniel
Alternate Absent: Thomas Baker
Others: Denise Menard, John L. Burnham, Richard P. Pippin, Jr., Mark Simmons, Gilbert Hayes, Catherine Cabral, Timothy Howes, Dale Nelson, and a approximately a hundred townspeople
Press: K. Loucks (Journal Inquirer)

Chairman Jack Mannette called the Budget Workshop Special Meeting to Order at 7:43 p.m., in the East Windsor High School Cafeteria, 70 Main Street, East Windsor, Connecticut.

Mr. Mannette asked if the audience could keep their voices down so the Board will be able to hear each other speak.

Mr. Mannette started off by saying the referendum of May 11, 2010 failed. He would like to canvass all of the Board Members to voice their opinions as to the budget failure. He also asked members of the Board of Selectmen to join the meeting. He also informed the Board the proposed budget is due in the Town Clerk's Office by noon on May 13, 2010.

Ms. Marie DeSousa started the round table by saying she understood the message of the voters that a 16% tax increase is too high. She did want to say as a disclaimer the town owes \$1.5 million which was taken from the rainy day fund, and money can not be taken from this fund any longer. She is taking under consideration of what the voters had to say and understands that the budget has to be decreased. She commended the Board of Selectmen for meeting last night and coming up with their recommendations. She agrees with adding back the .5% tax revenue and not funding a 27th payroll. She would like know from the Superintendent if he has information regarding any possible reductions to the Board of Education budget which would include early retirement packages and healthcare savings before any monies are cut from the Board of Education.

Mr. Jason Bowsza began to speak about the outcome of the referendum and indicated the voters sent a clear message to lower the budget and the tax increase because the spending

is too high. He attended the Board of Selectmen meeting last night and indicated the Board of Selectmen had some good ideas to bring the spending down. He mentioned Selectman John Burnham's ideas of taking \$50,000 from the library, \$100,000 from Park and Recreation, and \$100,000 from the Senior Citizen Center. He also mentioned stopping trash collection; however, the trash collection would have to be paid by the residents in some other way. He recommends what the Board of Selectmen has recommended but he has also made some recommendations of his own. He passed out a sheet of cuts which he feels can be made. The handout was given to all Board Members and members of the Board of Selectmen. The bottom line of his suggestions is a savings or reduction of approximately \$1 million. Those reductions included cutting printing costs, cutting recording secretarial costs, 27th payroll of the town and Board of Education, reduction to the Broad Brook Fire Department, Warehouse Point Fire Department, and Police Department, adding the .5% tax revenue, and reducing the Board of Education bottom line. Other reductions he suggested is from the capital improvement projects; such as, police cruiser, Board of Education van, East Road Bridge, highway truck replacement, half fund the Town Hall boiler project and half fund the WPCA roof. Other reductions include Broad Brook Library and Cemetery Association. He is also suggesting the recording of the ARRA Grant monies as revenue.

A lengthy discussion was held among the Board Members, Timothy Howes, Superintendent of Schools, and Ms. Catherine Cabral the accounting procedures for the ARRA Grant monies. There are different ways to record the ARRA Grant and towns record the money differently, there is no standard accounting procedure. The money can be treated as revenue; however, the monies have to be matched dollar for dollar with expenses. The ARRA Grant will sunset 2010-2011. After all of the different options, the Board looked to Ms. Catherine Cabral, Treasurer, to make a decision on how the monies needed to be recorded. It is her recommendation the monies be recorded in a grant line.

Mr. Jason Bowsza described in detail his list of proposed reductions. First Selectwoman Denise Menard wanted to clarify that all of the recommendations on Mr. Bowsza's list are not all the recommendations of the Board of Selectmen; such as, reductions to the fire department, police department cruiser, Board of Education van, and half funding the boiler replacement at the Town hall and WPCA roof. She would entertain a discussion regarding those proposals. However, the projects listed on Mr. Bowsza's list are needed and some reductions cannot be had. Mr. Bowsza indicated he stood by his list of reductions.

Secretary Danelle Godeck indicated she was in agreement with Mr. Bowsza's handout as well as the reductions the Board of Selectmen are recommending. She agrees with eliminating the 27th payroll for town and Board of Education, adding the .5% tax revenue, not to fund the East Road Bridge, and also cuts to the Broad Brook Library and Cemetery Association. Other areas won't hurt, with small cuts to printing and secretarial. But she agrees with cuts across the board to all budgets. She asked about the Board of Education van and if it wasn't purchased, what jeopardy would that be to the Board of Education. Mr. Timothy Howes indicated the two vans the Board owns currently are a 1984 and 1998 which are in need of repair and have over 200,000 miles on each. The reason for such a

high cost is because the van is an ADA van. He did indicate the van could also be shared by the town, but the van will primarily be used for transporting special education students.

Mr. Robert Little voiced his opinion indicating he was against removing the 27th payroll for the town and Board of Education. He was also against adding back the .5% tax revenue. He is concerned that budgets have overruns and at the end of the year, money is very tight and where will the money come from. He inquired why the Board Brook Library would get no funding. Mr. Bowsza indicated he did not realize the Board of Selectman also cut the library funding to \$2,500 and indicated he would take that off his list. Mr. Little also suggested funding half of the East Road Bridge project. He could not give an answer on where to cut other than salaries and benefits. Ms. Marie DeSousa inquired which salaries and benefits would he suggest. Mr. Little indicated all. Mr. Bowsza indicated the unions would have to be approached, which could cost the town a significant amount of money in legal fees. Mr. Little then indicated he would vote the default 2% budget to be proposed. He did not agree with cutting from the capital improvement projects.

Ms. Kathleen Pippin indicated she did not want the 27th payrolls removed and she would like the East Road Bridge taken care of. She is afraid something terrible may happen at the bridge site if it isn't repaired. She does not want to be responsible if someone gets hurt and/or killed. She agrees with not funding the cemetery.

First Selectwomen Denise Menard indicated the Board of Education should also be brought up and be involved in the budget discussion considering they are responsible for half of the budget. Chairman of the Board of Finance, John Pica-Sneed was invited to sit with the Board of Finance and Board of Selectmen during the meeting.

Selectman Gilbert Hayes indicated he was adamant to take out the funding for the East Road Bridge in the amount of \$126,000 due to the fact there may be grants available to help the town fund the bridge. He also indicated he had no knowledge of the dangers involved at the East Road Bridge site. He knows that the Melrose Bridge has been closed and there have not been any problems there, according to his knowledge. He admitted he could be wrong though. He addressed the recommendations of the Board of Selectmen and agrees with all of the recommendations including the elimination of the 27th payroll.

Selectmen Richard Pippin indicated he has talked to many townspeople and they feel the salaries and benefits are out of control in town. He understands most of the increases are contractual obligations and many cannot be changed. He believes the Board of Selectmen and Board of Education budgets need to be cut and they should share the burden to be fair.

Selectman Marc Simmons discussed the elimination of trash collection and does not agree. He believes the town needs to provide trash collection or the public will be upset. He does not agree with elimination of the purchase of a new cruiser for the police department. The police department is in need of a new car.

First Selectwoman Denise Menard indicted the police cruiser is an essential expense. The cars are driven twenty-four hours per day, seven days a week. The East Road Bridge project can be put on hold while the town can look for government grants to pay for the construction.

Selectman John Burnham discussed cuts to the library, senior center, parks and recreation, and the police department. He believes all the projects which are being considered in the capital improvement plan should be funded. The Town Clerk's assistant position should not be filled. His position on the trash collection was either pay for it in taxes or pay for it out of pocket, either way; the citizens are going to pay for it.

First Selectwoman Denise Menard indicated she stood by the recommendations of the Board of Selectmen. She commented on some of the ideas which Mr. John Burnham and Mr. Jason Bowsza put forth. One of the concerns about trash collection, she doesn't believe it is possible to change the trash before the July 1, 2010. This could be an issue to be addressed for the future. The contract was recently negotiated and is in place for another four to five years. She did have sympathy with Ms. Pippin's comments about the East Road Bridge, but reassured her, the bridge would be closed at both ends by two old police cruisers. The money saved in not funding the project is approximately \$126,000 and maybe the town can find grants available to fund the project. She again reiterated that she stood by the recommendation of the Board of Selectmen reducing their budget by 42% with additional cuts from the Board of Education of 58%, would reduce the budget approximately \$1,078,000 or 1 mill.

Chairman Jack Mannette inquired with Chairman of the Board of Education, Mr. John Pica-Sneedeen if the Board of Education and/or Mr. Timothy Howes had any ideas how to reduce the Board of Education budget if the budget didn't pass at the referendum. Early retirement packages offered to the teachers may reduce the budget along with savings from health insurance. The Board of Education has not yet made any reductions until it is told to do so by the Board of Finance. Mr. Mannette indicated to Mr. Pica-Sneedeen the figures are needed this evening due to the fact the notice to the Town Clerk is due tomorrow. Mr. Pica-Sneedeen did not have an answer because he has to meet with the other Board Members to discuss what should be cut. He would need more time. Mr. Mannette asked if there were any contingencies in place in case the budget was not passed at the referendum. Mr. Pica-Sneedeen still indicated he needed more time. Mr. Howes did confirm the health care savings. Board of Education originally budgeted for 10% higher rate, and the health insurance carrier has confirmed only a 6.9% increase over last year. A slight savings will be had there of approximately \$50,000 to \$80,000. He also indicated that four teachers have approached the Board and are interested in taking the early retirement package. The utilities costs are expected to decrease due to the replacement of boilers in the schools. He indicated he will be going over his budget line by line to determine where the cuts can be made.

Chairman Jack Mannette began to discuss the budget process and believes the town is headed to a 2% spending increase over last year's budget. He addressed the concerns Ms. DeSousa had with the language of describing the increases to the public. She feels

the way the budget is explained is confusing and the public needs to have some clarification. The budget presented was a 16.17% tax increase and not a spending increase. The spending increase was only 5.8%. Mr. Bowsza and Ms. Menard also agreed the wording is confusing and misleading to the public and has to be clarified. Ms. Godeck commented on the newspaper article wherein it was misquoted. She indicated the 2% spending increase over last year's budget will equal to a 10.89% tax increase. She would also like this to be clarified for the public.

Mr. Mannette continued speaking about the budget and assumes the budget which will be put in place will be the 2% spending increase over last year's budget. With this in mind, he is concerned where the cuts are going to come from considering the cuts will have to be made in the amount of \$1.2 million. He wanted to look over Mr. Bowsza's suggestions. The issue he is concerned about is the elimination of the 27th payroll and adding the .5% tax revenue. The auditor suggested making these changes and he does not wish to fail another audit. He believes it is the responsibility of the Board of Finance to pass the next audit and does not want to have any shortfalls in revenue, considering taxes have not been collected at 100%. Other concern he had was the raiding of the capital improvement projects. In December, all departments met before the budget process began and were told to absorb the current budget. Every year, shortfalls exist and the capital improvement projects suffer. The only other place where cuts can be made are in the salaries and benefits lines. The salaries and benefits are outpacing the growth of the town and the gap has to be closed. He first wanted to recognize the town side of the budget indicating they did an excellent job with their proposed budget and absorbed a lot of the costs. However, in looking at every department, the salaries and benefit lines are up. He would like the increases of \$91,000 for salaries and benefits on the town government side to be absorbed. Maybe some employees can be asked about early retirement options so the town can absorb those salaries and not replace those jobs. Therefore, no one has to be laid off and be hurt by the cuts. He then began speaking about the Board of Education budget. He doesn't know if the Board of Education didn't understand the financial position of the town or what the Board of Finance expressed when asked to keep to a zero growth budget. The Board of Education budget has an increase of 11% in salaries and benefits due to contractual obligations. However, their expenses decreased 5%. Mr. Mannette inquired where the extra \$400,000 from the transportation line. Mr. Howes indicated that was due to special education. He tried to explain how those lines fluctuate time to time depending on how many special education students are in the district. Mr. Mannette indicated he understands making cuts are not easy; however, it has to be done.

A lengthy discussion was held between Mr. Mannette and Mr. Howes regarding special education transportation, grants, NEASC, salaries and benefits, and ARRA monies. Joining the discussion was Ms. Denise Menard, Ms. Marie DeSousa, and Mr. Jason Bowsza.

A motion was entertained by Ms. Marie DeSousa recommending the proposed cuts of the Board of Selectman totaling \$448,936 which include elimination of the East Road Bridge project in the amount of \$126,000; decrease Assessor line by \$25,000; eliminate the 27th

payroll in the amount of \$162,435, and to add the .5% tax revenue back in the amount of \$135,501 Mr. Jason Bowsza seconded the motion.

The vote was taken:

In Favor – Mr. Jason Bowsza, Ms. Marie DeSousa, and Ms. Danelle Godeck

Opposed – Mr. Robert Little, Ms. Kathleen Pippin, and Mr. Jack Mannette

The motion failed.

Ms. Marie DeSousa upset with the outcome of the vote and told Mr. Mannette shame on him because he didn't get his own way and walked away from the table and walked to the back of the room. Other people upset about the vote, walked out of the meeting.

Ms. Godeck began discussing how sitting with the Board of Selectmen, and reviewing their recommendations, they feel they have accurate data. She wanted to commend them for their efforts. Mr. Mannette indicated he is concerned about the auditor's report and the weakness of the financial status of the town considering the low balance of the contingency fund. He feels not taking the steps of the 27th payroll and the tax revenue shortfall of .5% is irresponsible. The town needs to develop North Road and will be looking in the future for bonding and he is concerned with the town's bond rating. Ms. Godeck reminded Mr. Mannette of the meeting recently with a financial advisor from Webster Bank wherein it was indicated the rating of the town wasn't as bad as first thought. Mr. Mannette countered her statement indicating the Webster Bank analysis was using old data and was not using the latest data the auditor used.

Ms. DeSousa and Mr. Bowsza agreed the auditors recommendations are a concern, however, given this current budget season, the town cannot fund all of the recommendations of the auditor. They suggested the next budget season the Board should entertain such accounting procedures recommended by the auditors. Since they were only recommendations and not mandates. Ms. Menard indicated she stands by the recommendations of the Board of Selectmen considering management of all departments agrees with the reductions. She also indicated that the bond rating of the town is not in jeopardy.

Mr. Mannette requested a motion to reduce the budget by \$783,000 and he was instructed that motion failed. Ms. Godeck indicated after the third referendum, and if the budget is not passed, the Charter driven budget of 2% increase over last year's budget or 10.89% tax increase. The voters have asked for a decrease, and she believes for the second referendum somewhere middle of the road between 10.89% and 16% should be entertained, maybe 13% spending increase.

A discussion among the Board Members regarding how much to cut from the proposed budgets and what new proposed budget for the referendum on May 25, 2010. Mr. Mannette indicated he wanted cuts from the Board of Education budget of approximately

\$780,000 and he would agree to the new budget proposal. Mr. Bowsza indicated his proposal cuts all departments, mostly CIP but it was a total of \$1 million.

A motion was entertained by Ms. Marie DeSousa indicating cuts from the Board of Education totaling \$460,000 which would include elimination of the BOE van of \$36,000; elimination of the 27th payroll of \$89,000; and a bottom line cut of \$325,000 and indicating cuts to the Board of Selectmen budget as recommended in the amount of \$448,424 which would equal a total cut of \$863,424. It was motion was not seconded.

Ms. Menard urged the Board of Finance to reconsider the recommendations put forth by the Board of Selectmen. She indicated the savings put forth of approximately \$1 million will be split between the Board of Selectmen and Board of Education with a 40-60% split. That would be a decrease of 1 mill.

Ms. Mannette, Mr. Little, and Ms. Pippin were insisting the Board of Education cut approximately \$700,000 from their budget.

Ms. Godeck agreed with having a 1 mill reduction and a 40-60% split between the Board of Selectmen and Board of Education to reduce the budget by \$1,078,000.

A conversation between all Board Members of the Board of Finance and Board of Selectmen was held discussing the split of reductions from the Board of Selectmen and Board of Finance. Ms. DeSousa ended the conversation by saying she felt it was her responsibility to vote in the best interest of the town and not on her own personal agenda. She agreed with Ms. Godeck that you can not go from a 16% tax increase to a 10.89% tax increase because options to the public is limited.

The Board recessed at 9:45 p.m.

The Board reconvened at 10:15 p.m.

After the recess was taken, Board Members and Ms. Catherine Cabral were working on figures to present to the Board. She had given the Board Members two different calculations. The first one being a decrease of \$1,078,000 and split the cuts BOE \$629,064 and BOS \$438,936; this option would be 10.99% tax increase or a 2.4% spending increase. The budget proposed would be \$32,655,853. The second option was to take the difference of the original budget from the proposed budget which is a total of \$616,056 difference. Split the difference of the cuts between the BOS \$246,422 and BOE \$369,643. This option would be a spending increase of 3.9% or tax increase of 12.9%.

A motion was entertained by Mr. Jason Bowsza and seconded by Ms. Danelle Godeck for discussion. Recommending the proposed cuts of the Board of Selectman and Board of Education totaling \$616,056, which cuts would be split 40% BOS and 60% BOE. The proposal would be a tax increase of 12.96% or a spending increase of 3.9%. A discussion was held among the Board Members.

The vote was taken:

In Favor – Mr. Jason Bowsza, Ms. Marie DeSousa, and Ms. Danelle Godeck

Opposed – Mr. Robert Little, Ms. Kathleen Pippin, and Mr. Jack Mannette

The motion failed.

After the motion failed Board Members from the Board of Finance and Board of Selectmen discussed their options. Ms. DeSousa insisted and Mr. Hayes agreed, when the budget is being presented to the public it has to be understand tax increase and spending increase are two different things. A discussion of what would be a fair spending increase and Ms. Cabral was giving the options to the Board Members for their review. Ms. DeSousa and Mr. Hayes agreed the 2.99% spending increase is fair and well presented. Ms. DeSousa understands the businessmen agree with the Economic Development budget and supports the infrastructure, so new businesses can be brought into the town. Mr. Mannette disagreed with Ms. DeSousa indicated the businesses can not afford an increase in taxes and referenced a newspaper article. He passed the article around the table for all Boards to review.

Ms. Catherine Cabral gave the Board another option to look at. She had figures which would be 3.5% spending increase, or a proposed \$32,979,708 budget. The split would be between the BOS \$446,102 and BOE \$669,154. After announcing her figures, she indicated the figures were incorrect.

She then gave a new set of figures 3.5% spending increase over last year's budget (2009-2010) would be a tax increase of 12.37% or a proposed budget of \$32,878,708. The split would be BOS \$446,102 and BOE \$669,154. Ms. Godeck had a question on the figures and why there was a \$200,000 difference. Ms. Cabral indicated she is using the present budget figure of \$33,753,853. Confusion between the Board Members was had. Ms. DeSousa asked Ms. Cabral if she could explain the figures. She tried to give an explanation but there was still confusion. Many discussions were being held between different Board Members, Ms. Cabral, audience members in trying work on the figures given.

A motion was entertained by Ms. Kathleen Pippin and seconded by Mr. Robert Little. Recommending the proposed cuts of the Board of Selectman and Board of Education totaling \$952,747, which cuts would be split 40% BOS \$381,099 and 60% BOE \$571,648. The proposal would be a tax increase of 11.68% or a spending increase of 2.99%. A discussion was held among the Board Members.

The vote was taken:

In Favor – Mr. Robert Little, Ms. Kathleen Pippin, and Mr. Jack Mannette

Opposed – Mr. Jason Bowsza, Ms. Marie DeSousa, and Ms. Danelle Godeck

The motion failed.

A motion was entertained by Ms. Danelle Godeck and seconded by Ms. Marie DeSousa. Recommending the proposed cuts of the Board of Selectman and Board of Education totaling \$1,019,662, which cuts would be split 40% BOS \$407,865 and 60% BOE \$611,797. The proposal would be a tax increase of 11.96% or a spending increase of 3.29%. A discussion was held among the Board Members.

Ms. Menard indicated she would recommend the split of \$339,895 BOS and \$509,843 BOE totaling a decrease \$849,738.

The vote was taken:

In Favor – Mr. Jason Bowsza, Ms. Marie DeSousa, and Ms. Danelle Godeck

Opposed – Mr. Robert Little and Ms. Kathleen Pippin

Mr. Jack Mannette abstained.

The motion passed.

After the motion passed, Mr. Mannette had questions as to how Ms. Cabral came up with the figures. She and Ms. Menard indicated they used last year's budget and increased it by 3.2% and decreasing the proposed budget by \$849,740. Mr. Mannette still needed clarification on how the figures were computed. Mr. Jason Bowsza attempted to explain how the figures were computed. He indicated his calculations. The current year's budget is \$31,864,452 and the proposed budget is \$33,733,853. The difference between the two numbers is \$1,868,401. A spending increase over the current year's budget of 3.2% would be \$1,019,662. The difference between the two is \$849,739 which represents cuts from BOE \$509,844 and BOS \$339,895. Ms. Menard indicated she would work more with the numbers in the morning as this meeting has officially gone into the next day.

Ms. Cabral indicated to the Board that the .5% revenue has not been taken out of the proposed budget and if the Board wishes to take out the .5% revenue, the tax increase will be higher.

It was **MOVED** (Little) and **SECONDED** (Godeck) and **PASSED** (U) that the Board of Finance adjourns the May 12, 2010 Budget Workshop Special Meeting on May 13, 2010 at 12:06 a.m.

Respectfully Submitted,

Denise M. Piotrowicz
Recording Secretary