

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

MINUTES OF REGULAR MEETING, August 18, 2010 at 7:30 p.m.

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

Members Present: Jack Mannette, Robert Little, Kathleen Pippin, Marie DeSousa,
and Jason Bowsza
Members Absent: Danelle E. Godeck
Alternates Present: None
Alternate Absent: Jamie Daniel and Thomas Baker
Others: Catherine Cabral, Caroline Madore, Richard Pippin, Mark
Simmons, John Burnham, Gilbert Hayes, Teresa Hill, Elizabeth
Burns, Len Norton , and Chrissy Caruolo
Press: K. Loucks (Journal Inquirer)

I. Call to Order

Chairman Jack Mannette called the Regular Meeting to Order at 7:30 p.m., in the East Windsor Town Hall.

II. Appointment of Alternates

Chairman Jack Mannette indicated that Board Member Danelle E. Godeck is not in attendance, and Alternates Jamie Daniel and Thomas Baker is also not in attendance; therefore, there are only five members of the Board of Finance in attendance.

III. Approval of Minutes

Minutes of June 16, 2010 Regular Meeting

An error was noted in the July 21, 2010 Regular Meeting Minutes. An amendment to the minutes in Section V, Paragraph 3 is noted.

“First Selectwoman Denise Menard Moody’s...”
to
“Mr. Jack Mannette indicated Moody’s...”

An error was noted in the July 21, 2010 Regular Meeting Minutes. An amendment to the minutes in Section VI, Subsection d, Paragraph 1 is noted.

“Mr. Mannette disagreed.”

to

“Mr. Mannette disagreed. Mr. Mannette indicated the Board has always gotten a copy of the report in July.”

An error was noted in the July 21, 2010 Regular Meeting Minutes. An amendment to the minutes in Section VI, Subsection g, Paragraph 9 is noted.

“Mr. Mannette indicated this request was rejected at the last meeting.”

to

“Mr. Mannette indicated this request was rejected at the last meeting. Mr. Mannette also objected to the fact the savings of furlough days would be to pay for overtime.”

It was **MOVED** (DeSousa) and **SECONDED** (Little) and **PASSED** (U) (J. Bowsza abstained) that the Board of Finance approve the minutes of July 21, 2010 Regular Meeting, as amended.

It was **MOVED** (Little) and **SECONDED** (Pippin) and **PASSED** (U) that the Board of Finance agrees to move the discussion of Agenda Item VII. New Business (B) Fire Truck and North Road Sewer Financing, Chrissy Caruolo Webster Bank to be done before IV. Public Input.

VII. New Business

B. Fire Truck and North Road Sewer Financing, Chrissy Caruolo Webster Bank

Fire Truck:

Ms. Catherine Cabral, Treasurer, introduced to the Board of Finance Ms. Chrissy Caruolo of Webster Bank to discussing financing of the fire truck and the North Road Sewer Project. She first started discussing the financing of the fire truck. She indicated to the Board the present note is coming due on October 15, 2010. She noted the Town has five years to payoff this note. The principle payment is approximately \$140,000. There are two options in which the Town can finance the remaining balance of the fire truck. The first option is to continue the same path the Town is currently on and acquire another one year note. The second option is to acquire a four year bond, lock in four year financing. She gave to all the Board Members a handout explaining in detail the two options aforementioned. She indicated the time table the bank would need in order to complete the first option, which would be three to four weeks, and the second option which would be six to eight weeks. She indicated if the Board was to decide the second option, she would have to be notified and start the paperwork in two weeks.

A brief discussion was held among the Board Members, Ms. Catherine Cabral, and Ms. Caruolo regarding different financing options.

It was **MOVED** (Little) and **SECONDED** (Pippin) and **PASSED** (U) that the Board of Finance agrees to continue the current path of the fire truck financing, by obtaining a short term note for one year and continue same until the fire truck is paid off within the next four years pursuant to the Town Meeting in which the purchase of the truck was approved.

North Road Sewer Project:

Ms. Chrissy Caruolo indicated she has been speaking with Ms. Cabral regarding the options for financing the North Road Sewer Project. She indicates the due to the grant from the USDA, no short term financing can be used and the loan has to be used after the monies have been expended from the grant. There are two options for financing either borrow from the town or issue notes. When notes are issued, the estimated administrative costs are \$20,000. Mr. Mannette indicated that according to the newspaper article he read, the funding would have to be approved at a Town Referendum. Ms. Caruolo indicated the bond counsel; Robinson & Cole would be drafting the resolution which would include time frame, short term financing, and other various important information. Mr. Mannette would like to make that resolution available to the public before the referendum. Ms. Cabral indicated the grant is very specific on how the financing must done. Ms. Caruolo gave the Board Members two handouts which were schedules of payments which are possibilities. The schedules listed a loan of \$2,180,000 at 3.25% over forty years, payments beginning in 2011 and the other in 2012. Ms. Caruolo explained each schedule in detail.

A lengthy discussion was held among the Board Members, Ms. Caruolo, and Ms. Cabral regarding financing options and requirements of the grant.

Mr. Mannette indicated the financing would have to be decided upon after the referendum has taken place. It is his hopes that the referendum is successful.

IV. Public Input

None.

V. Communications

Chairman Jack Mannette remarked about a letter he received from Mr. Tim Howes, Superintendent of Schools, regarding the teacher contract negotiations.

Mr. Robert Little is the representative of the Board of Finance and it was asked if Mr. Little was unable to attend the meetings, could an alternate be appointed to take his place. Ms. Kathleen Pippin volunteered for the alternate position. However, Mr. Howes informed the Board that under State Law no alternate can be appointed and therefore, if Mr. Little cannot attend, no representative of the Board of Finance will be at those meetings. Mr. Little indicated he has attended a meeting and would like to add a segment to the agenda of this Board's agenda for updates on the negotiations. He indicated the Town will have to give a financial presentation when the negotiations get to the mediation portion. The financial portion will most likely be presented by First Selectwoman Denise Menard and Treasurer, Catherine Cabral. Ms. DeSousa indicated she didn't want to legally compromise the negotiations by having updates given to the Board of Finance. Mr. Mannette indicated there was no need to have it put on as an agenda item. Mr. Little indicated the ground rules were discussed at the last meeting and the meeting will operate as an executive session.

VI. Monthly Reports

a. Treasurer's Report

Ms. Catherine Cabral, Treasurer, addressed the Board of Finance. She discussed the memorandum dated August 12, 2010 to all Board Members. The document is broken down in four subjects: Cash, Tax Collections, Assessor Information, and Treasurer Update. As of July 31, 2010, the cash position of the Town is as follows: Webster Bank \$10,196,509; New England Bank (formerly Enfield Federal Savings) \$556,832; TD Banknorth \$573,691; STIFF \$560,044; and MBIA Class \$36,492. She also discussed the Revenue Comparison Report for the month of July. She indicated no State funding was received in July and the Town Clerk's figures were lower than the year before, however, the tax collection percentage was good.

A discussion among Ms. Cabral, Mr. Mannette, and Mr. Bowsza was held regarding the reports regarding the different percentages from prior years to the current year.

b. Tax Collector's Report

Ms. Catherine Cabral indicated the report "Tax Collector's Report to Board of Finance 7/1/2010 through 7/31/2010" was emailed to all Board Members. She asked the Board if they had any questions regarding the contents of the report. She indicated the report shows percentage of collection for the fiscal years 2008-2009 through 2009-2010 and the corresponding grand list years.

A brief discussion was held between Ms. Cabral and Mr. Mannette regarding the tax collection from last year. Mr. Mannette indicated revenue collected from taxes last year was approximately 99% and he has a concern when an

audit was performed the tax collection was 2% short. Ms. Cabral indicated that he was looking at different reports and overall the tax collection is much better than it was in previous years. She did indicate that the final reports are not yet completed and are still be calculated for the upcoming audit.

c. Assessor's Report

Ms. Catherine Cabral addressed the Board in behalf of Ms. Caroline Madore, who was not in attendance, regarding a memorandum dated August 13, 2010 entitled "Assessor's Status Report". The report indicates that in the past month, the Assessor's Office has been working on many levels, which include: assisting in the North Road Sewer Expansion; real estate and personal property field work is in full swing for the October 1, 2010 grand list; personal property audit letters have been sent; and, continuing to work with the Town Attorney to complete interrogatories and discovery requests. Pretrials are scheduled for August 26, 2010 at New Britain Superior Court.

d. Expense Report 2009/2010/Requested Transfers

Mr. Mannette indicated that he has yet to receive an end of the year expense report. Ms. Catherine Cabral remarked that she had conversations with the First Selectwoman, and it was decided that a preliminary final expense report would be prepared. However, this report was not in its final form. She instructed the Board it takes several months to post all the invoices and expenses, due to the process involved. Mr. Mannette indicated the Board was faced with a bunch of transfers from 2009-2010 budget. However, the Board does not have an expense report. He suggested the report be prepared and he would recommend tabling all of the requested transfers for the 2009-2010 budget for one month in order to give the Board a chance to analyze the transfers. He then gave an example of the first transfer listed regarding an adjusted salary. He wants a report to see the figure in that line because he remembers a transfer in May regarding a salary account. He indicated he just wants to try to understand and be confident that departments are not overrunning their budgets. Ms. Cabral disagreed with Mr. Mannette indicated delaying the transfers another month, delays the process of approving the expenditures. Once the Board of Finance approves the transfers, some transfers have to go to Town Meeting before the transfers are complete. She reiterated delaying the transfers this evening, is delaying the process. She indicated the First Selectwoman and herself have taken the time to do all the postings and getting the transfers ready for presentation. All of the transfers are considered year end transfers in order to close out the books. Mr. Mannette indicated if there is no report, how can the transfers be approved. He is concerned with departments wiping out any negative balances they may have within their budgets, and therefore, they have overrun those budgets. It is a matter of principle to talk about where and why these transfers are needed. He, again, indicated he needed a report to formulate his opinion and would

like to delay the transfers for one month. Ms. Cabral indicated the Board has had all of the balances as far as the process is presently for year end, and there are no differences. The balances are in the parameters before overruns in salary lines and departments are not negative, in order to follow the procedures, the transfers have to be approved. She indicated she had a preliminary report available for the Board for their review. Mr. Mannette indicated he would look at the report, but he would need time to look at the report, the transfers to find out where departments are and why changes are being made. He, again, indicated he would like to table the transfers. Ms. Marie DeSousa disagreed.

A motion was entertained by Mr. Robert Little to table the 2009-2010 Requested Transfers until the next Regular Meeting scheduled for September. Ms. Kathleen Pippin seconded the motion.

A discussion was held. Ms. Marie DeSousa indicated it was a disservice to the table the minimum transfers which are being requested. She read from the Board of Selectmen minutes which the transfers were recommended to the Board of Finance. In those minutes, the transfers were explained in detail. She requested the Board moves forward regarding the requests so the books can be closed and be prepared for the yearly audit. A vote was taken.

In Favor – Kathleen Pippin and Robert Little

Opposed – Marie DeSousa and Jason Bowsza

Mr. Mannette indicated he would vote to break the tie and his vote was in favor. The motion passed 3-2 to table the transfer requests 2009-2010 for one month.

A discussion was held between Mr. Mannette and Ms. DeSousa regarding the transfers and how the process of same. It was indicated a Special Meeting may be in order to approve the transfers in a timely manner. Mr. Mannette indicated that it should not be assumed the transfers will be approved, just because they were recommended by the Board of Selectmen. Ms. Cabral remarked all the transfers are year end and have gone through various stages of approval before they come before the Board of Finance for approval. Mr. Mannette commented that his concern of negative accounts during the audit process and departmental overruns. Ms. Cabral indicated the transfers needed to be approved in because services have been performed and contractual obligations. Mr. Mannette insisted the departments have to have accountability for their budgets and were told not to overrun those budgets. If there are overruns, there has to be reasons for those overruns because it is the responsibility of the Board of Finance to make sure departments are operating within their budgets all year to prevent overruns. Ms. Cabral indicated the First Selectwoman and herself have reviewed the budgets with the department

heads at staff meetings and has explained the process of transferring funds. Mr. Mannette again indicated that nothing is guaranteed. Ms. Cabral again told Mr. Mannette the process begins long before the transfers are finally presented to the Board of Finance for approval. Ms. DeSousa commented that delaying the approval of the transfers for one month, effects the town meeting schedule and will probably delay the process six to seven weeks. She is concerned about the delay interfering with the completion of the audit.

e. 2010-2011 Tranfers

Mr. Mannette commented about the transfer list from last month. He indicated some of the transfers were listed for the wrong account. The account listed ended in 800 and should have been 890. He gave his list to Ms. Cabral to make the appropriate changes

▪ **Approval of FY 2010, Section 5310 Grant for a new Dial-A-Ride Vehicle**

Ms. Cabral introduced to the Board Ms. Elizabeth Burns, Human Services Director and Ms. Teresa Hill, Transportation Coordinator at the Senior Center to the Board. They discussed a request for approval of \$12,000 Match for a Senior Center DOT 5310 Vehicle Grant. During the week of July 12, 2010 Ms. Hill received a letter from the State of Connecticut Department of Transportation stating that the Town of East Windsor has been awarded an Acceptance Certification for the Section 5310 Grant. At this time, they are requesting the 20% match. Ms. Burns explained the process of obtaining the grant and the reasons for the purchase of a new vehicle. At the present time, the fleet of vehicles consists of five and three of those vehicles are constantly in use. The other two are used as spare vehicles in case of emergencies. By replacing vehicles in the fleet every two to three years, money is being saved because the repairs are covered under warranty. Warranties on the vehicle cover 100% of labor and parts for 36,000 miles or 36 months. In addition, there is a five year, 60,000 mile warranty for the power train. If the vehicle is kept after the warranty period, the cost of maintenance and upkeep for the vehicles is very expensive. It has been discussed with Ms. Catherine Cabral, Treasurer, that there is money in the CNR account that would be available for the twenty percent match. The grant has time constraints and all of the paperwork needs to be completed by August 27, 2010.

Questions regarding the vehicle it would be replacing and what are the plans for that vehicle. It was discussed selling it through Southern Auto Auction, offer to Park Hill, or offering it to the Board of Education.

A brief discussion was held.

A motion was entertained by Mr. Bowsza and seconded by Mr. Little that the Board of Finance approves the \$12,000 for funding of a Senior Center DOT vehicle, contingent upon funding available in the Capital Nonrecurring Account.

A discussion was held wherein Ms. Pippin commented she wasn't against the funding of the new van for the senior center, however, it seemed to her CIP projects were constantly getting put to the side. She commended all the work which has been done to obtain grant, however, all departments have been told to freeze additional expenses. Mr. Mannette explained to her that the CNR account is money which has not been used or unassigned. No funds from CIP would be used for this purchase.

A vote was taken:

In Favor – Robert Little, Marie DeSousa, and Jason Bowsza

Opposed – Kathleen Pippin

Motion carried.

▪ **East Road Bridge**

Ms. Cabral introduced to the Board Mr. Len Norton to discuss the East Road Bridge. Mr. Norton has received a quote for the box culvert to replace the wooden bridge. The cost for the pre-cast concrete box culvert is approximately \$8,140.00. Mr. Norton explained to the Board he plans to use excavating contractors, to supplement Town forces to complete this project. The contractor with the lowest hourly rates estimated one week to complete the task and approximately \$40,000 in costs; however, he feels he can do the project with \$35,000. He has recommended the town allocate approximately \$50,000 for the project due to the cost of labor. The plan is to completely close the road for one week to complete the project.

A brief discussion was held among the Board Members regarding the cost of the project and the importance of completing the project, including safety concerns.

A motion was entertained by Mr. Little and seconded by Ms. Pippin that the Board of Finance recommends the transfer of \$40,000 from contingency fund to pay for funding of the East Road Bridge, and refer to Town Meeting if necessary.

A discussion was held. Mr. Bowsza indicated he was against the transfer due to the fact there is no known safety issue related to the bridge and the monies would be coming from the contingency fund.

A vote was taken:

In Favor – Robert Little, Marie DeSousa, and Kathleen Pippin

Opposed – Jason Bowsza

Motion carried.

The Board Recessed at 9:07 p.m.

The Board Reconvened at 9:14 p.m.

▪ **Recommended Transfers from Board of Selectmen**

Ms. Cabral gave to the Board Members transfers from the Board of Selectmen's meetings of July 27, 2010 and August 17, 2010 for their review. Mr. Mannette commented on the first listed transfer for legal in the amount of \$10.00 and questioned why all of the other departments are requesting a \$10.00 transfer, when some accounts are already in the negative. He believes the legal line should be exempt from the policy. The other departments who are requesting the \$10.00 transfer just to establish against a zero balance in the line. He gave an example of the assessor's postage line used \$300 last year. Ms. Cabral tried to explain to Mr. Mannette the assessor line last year had to do with the Charter process. She also explained that budgets need to be set and adjusted.

A lengthy and heated discussion was held among Ms. Cabral, Mr. Mannette, and Ms. DeSousa regarding the transfers requested and the current overrun policy.

A motion was entertained by Ms. Marie DeSousa to approve the transfers being requested. The motion was not seconded.

A discussion was held again discussing the overruns policy

A motion was entertained by Mr. Robert Little to accept the transfers as recommended by the Board of Selectmen except for the legal transfer and to management of the legal accounts as was done last year. Ms. Kathleen Pippin seconded the motion.

A discussion was held wherein Ms. Marie DeSousa crumbled up the Overrun Policy and instructed the Board she was going to leave the meeting. Mr. Mannette indicated she was out of order. Mr. Bowsza asked why not to include the legal line. Mr. Mannette explained the legal line was approximately \$150,000 last year.

A vote was taken:

In Favor – Robert Little and Kathleen Pippin

Opposed – Jason Bowsza and Marie DeSousa

Motion failed.

Ms. Cabral asked if the Board of Finance does not allow any of the transfers until the departments have expenditures, those lines will be negative. Mr. Mannette indicated everyone is learning the new rules due to the Charter Revision and those departments will not be responsible for those negative accounts. A brief discussion was held.

A motion was entertained by Ms. Marie DeSousa and seconded by Mr. Jason Bowsza to accept the transfers to the Town Counsel/Legal as presented dated August 11, 2010.

A vote was taken:

In Favor – Jason Bowsza and Marie DeSousa

Opposed – Robert Little and Kathleen Pippin

Mr. Mannette indicated there was a tie in the vote and he would vote in favor and therefore the motion passed regarding transfers to the town counsel/legal.

▪ **Assessor/Building/Tax Collector**

The next transfers listed were dated July 14, 2010, August 11, 2010 and August 12, 2010 requested from the Assessor's office, Building Department and Tax Collector for \$10.00.

A motion was entertained by Mr. Jason Bowsza and seconded by Ms. Marie DeSousa to accept the transfers of the Assessor dated August 11, 2010 in the amount of \$10.00; Building Department dated August 12, 2010 in the amount of \$10.00; and, Tax Collector dated July 14, 2010 in the amount of \$10.00.

A vote was taken:

In Favor – Jason Bowsza, Marie DeSousa, and Kathleen Pippin

Opposed – Robert Little

Motion carried.

- **Registrar**

Ms. Cabral explained the next transfer was requested by the Registrar's office in the amount of \$10.00 for the local primary account. Mr. Mannette indicated \$3900 already in this account and wanted to make sure all expenses were posted to this account. Ms. Cabral indicated she would check into that issue for Mr. Mannette.

It was **MOVED** (Little) and **SECONDED** (DeSousa) and **PASSED** (U) that the Board of Finance to postpone the approval of this transfer until the next meeting in September.

- **Capital Region Growth**

The next transfer which was discussed was Capital Regional Growth request of transferring \$2,085 from Contingency Account. Ms. Cabral indicated this money has already been expended. Mr. Mannette was concerned about the money already being spent and wanted it noted. Ms. Cabral indicated to Mr. Mannette that all departments are keeping within their budgets.

It was **MOVED** (Little) and **SECONDED** (DeSousa) and **PASSED** (U) that the Board of Finance approves the transfer of \$2,085 from Contingency Account to Capital Region Growth, as presented.

VII. Old Business

None.

VIII. New Business

a. 2009-2010 Annual Report

Chairman Jack Mannette indicated the annual report has to be completed. Last year, Mr. Jason Bowsza completed the report. Ms. Danelle Godeck is a new member of the Board, will be assigned the task of completing the annual report, unless she objects. Mr. Mannette had concerns about completing the annual report due to last year's delay in getting the financial reports due to the audit. Mr. Cabral indicated she would check with BlumShapiro.

c. Connecticut General Statutes Section 7-348

Mr. Mannette wanted to discuss this Statute. He has been speaking with Ms. Denise Menard, First Selectwoman regarding the statute wherein departments requesting appropriations under \$20,000 does not need a town meeting, however, any requests over \$20,000 would require a meeting, but the statute only referenced one transfer per department. Ms. Cabral wanted clarification

of this indicating other towns don't have town meetings on every appropriation over \$20,000. It was agreed further research would be done on this issue.

IX. Adjournment

It was **MOVED** (Little) and **SECONDED** (Pippin) and **PASSED** (U) that the Board of Finance adjourns the August 18, 2010 Regular Meeting at 10:02 p.m.

Respectfully Submitted,

Denise M. Piotrowicz
Recording Secretary

