

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

MINUTES OF REGULAR MEETING, October 20, 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, Marie DeSousa, and Jason Bowsza
Members Absent: None
Alternates Present: None
Alternate Absent: Jamie Daniel and Thomas Baker
Others: Catherine Cabral, Denise Menard, Dale Nelson, Dave Menard, R Richard Pippin, John Burnham, Gilbert Hayes, Caroline Madore, L Linda Sinsigallo, Chief Edward DeMarco, Deputy Chief Roger Hart, and others
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 all Board Members were in attendance.

A motion was entertained by Mr. Bowsza and seconded by Ms. Desousa that the Board of Finance agrees to add an item to the agenda VI. Old Business, c. 2009-2010 Transfers. A discussion was held. Mr. Mannette indicated that an email was sent requesting the expense report prior to the meeting; however, a response from the Treasurer's Office indicated that due to the lack of personnel in the office, unfortunately, the report will not be available until the evening of the meeting. Mr. Mannette indicated he does not have that report to review. He also indicated the three transfers which are being spoken of, have been rejected at previous meetings due to error in department transfers and expense reports. Therefore, he feels that he will receive the report this evening and the transfers can be put on the agenda for the November meeting. Ms. DeSousa disagreed. Mr. Bowsza commented that he has motion for a discussion of the transfers due to the ongoing process for the audit and if the Board waits until the November meeting, it will jeopardize the audit.

A vote was taken.

In Favor – D. Godeck, M. DeSousa, J. Bowsza, and K. Pippin
Opposed – R. Little

Motion Passed.

It was **MOVED** (Bowsza) and **SECONDED** (DeSousa) and **PASSED** (U) that the Board of Finance agrees to add the following agenda items: VII. New Business, b. Discussion of Police Commission Request of Added Appropriation; c. Discussion of Police Commission Capital Improvement Request; and III. Previous Minutes, b. Minutes of September 23, 2010 Emergency Meeting.

III. Approval of Minutes

a. Minutes of September 15, 2010 Regular Meeting

An error was noted in the September 15, 2010 Regular Meeting Minutes. An amendment to the minutes in Section VI, Subsection d, Paragraph 3 is noted.

“...the report of August 18, 2010 indicated...”

to

“...the report of June 9, 2010 indicated...”

An error was noted in the September 15, 2010 Regular Meeting Minutes. An amendment to the minutes in Section VI, Subsection e, (Fire Department) and Paragraph 2 is noted.

“A discussion was held among the Board Members regarding the fire department equipment, transfer process, and availability of grants.”

to

“A discussion was held among the Board Members, including Kathleen Pippin regarding the fire department equipment, transfer process, and availability of grants. Ms. Pippin was adamant about not authorizing new extrication equipment. She indicated that the between the two departments, they could share the extrication equipment. During these hard economic times, the fire departments are constantly asking for funding of new equipment and the departments have to be able to survive with what they have.”

It was **MOVED** (Bowsza) and **SECONDED** (Godeck) and **PASSED** (U) that the Board of Finance approves the minutes of September 15, 2010 Regular Meeting, as amended.

b. Minutes of September 23, 2010 Emergency Meeting

A motion was entertained by Mr. Jason Bowsza and seconded by Ms. Kathleen Pippin to approve the Minutes of September 23, 2010 Emergency Meeting. A

discussion was held. Ms. DeSousa indicated the meeting was noticed as an emergency meeting to approve the resolution for the fire truck funding to send the issue to a Town Meeting. However, the meeting was noticed as an emergency meeting and not a special meeting. Mr. Mannette indicated he had gotten an email from Ms. Mary Higgins of the Town Clerk's Office indicating the meeting was noticed properly. Ms. DeSousa indicated maybe this approval should be tabled until this issue can be clarified. Mr. Jason Bowsa withdrew his original motion for approval of the minutes.

It was **MOVED** (Bowsza) and **SECONDED** (DeSousa) and **PASSED** (U) that the Board of Finance table the approval of the September 23, 2010 Emergency Meeting Minutes until clarification of the issue addressed until the November Regular Meeting.

IV. Public Input

Ms. Dale Nelson, 51 Omelia Road, addressed the Board. She directed her comments to the Chairman Jack Mannette. She gave three examples of why she believes the Chairman should step down as Chairman of the Board of Finance. Among those examples were, not having Board packets available to all Board Members more than 24 hours prior to the meetings, not attending executive sessions which he was requested to attend by the Board of Selectmen, and not attending seminars and/or formal training offered by the Board of Selectmen regarding Robert's Rules of Order. At the end of her remarks, she again asked the Chairman to step down as Chairman of the Board of Finance.

Mr. Thomas Stremper, 54 Harrington Road, addressed the Board. Mr. Stremper is a member of the Police Commission. He wanted to address the Board regarding added appropriations which the Police Commission is requesting. This evening the Board will hear the request from the Police Commission and he is hoping the Board will consider the request. The level of service the Police Department gives to the citizens of the Town of East Windsor is extraordinary and in order to keep such services to that level, some appropriations are needed.

Mr. Mannette indicated he was not sure of what appropriations the Police Commission is requesting. Ms. DeSousa remarked those were added agenda items which were motioned by Mr. Bowsza earlier in the meeting.

Ms. Marie DeSousa, 10 Rice Road, addressed the Board. As a resident of the Town of East Windsor, she had attended Board of Selectmen meetings and is embarrassed that the Board of Selectmen and Board of Finance cannot cooperate and work together as a team. She indicated that four of the five Selectmen from the town were in attendance at this meeting. She takes pride as a Board of Finance Member and she takes offense when the Board of Finance is criticized for lack of communication with the Board of Selectmen. Henceforth, she would like both Boards work together for the citizens of East Windsor.

Mr. Gilbert Hayes, 143 Rye Street, addressed the Board. He indicated he was present at this meeting to personally invite the Board of Finance to a forum to work together with the Board of Selectmen and Board of Education in regards to the upcoming budget season.

Ms. Denise Menard, 73 Miller Road, addressed the Board. She wanted to clarify some confusion regarding negative balances in some departmental budgets. She did some research of previous years budgets from 2002-2003, 2003-2004, and 2004-2005. She had given copies of her notes to all of the Board Members for their review. She indicated every year, budget by department balances by the end of closing the budgets the bottom lines were in the positive. All those previous budgets were legal budgets.

V. Communications

Chairman Jack Mannette indicated a letter was received from Ms. Catherine Cabral, Treasurer which will be discussed later in the meeting

Just before the monthly reports were given to the Board, First Selectwoman requested that there are two items on the agenda this evening and if possible, could those items be taken out of order. Mr. Mannette questioned why. Ms. Menard indicated the items are regarding a legal matter and attorneys were present if the Board had any questions and the town was being billed for those attorneys. Mr. Mannette indicated they could wait to discuss the settlement and that the Board of Finance has no interest in the details of the litigation. The Board of Selectmen is asking for the appropriation and the Board of Finance only wants to know the figures so the matter can be closed. A discussion continued among Ms. Menard, Ms. DeSousa, and Mr. Mannette.

VI. Monthly Reports

a. Assessor's Report

Ms. Caroline Madore, Assessor, addressed the Board of Finance. She gave a copy of her report dated October 15, 2010 to all the Board Members for their review. She attached a list of real estate property appeals which indicate 5 cases have been settled with the Superior Court Stipulations. The final case is heading to pre-trial on November 18, 2010. The cost of the legal fees for processing these Appeals, from June, 2010 through the end of September, 2010 is \$7,668.00 including an Appraiser's fee of \$1,200.

Personal Property Declarations to business owners and taxpayers who own unregistered motor vehicles, for the Grand List of October 1, 2010, are on their way. She continues to make on-site visits to businesses to establish a relationship and view the type of business. The visit allows Ms. Madore

establish a relationship with the taxpayer and/or agent. The Board of Assessment Appeals Hearings were held on Monday, September 13, 2010. Four appeals on motor vehicle issues relating to the October 1, 2009 Regular Grand List and the October 1, 2008 Motor Vehicle Supplemental List were heard. The result was a total assessment reduction of 2,757 which equals a tax loss of \$66.16.

It was **MOVED** (Little) and **SECONDED** (Bowsza) and **PASSED** (U) that the Board of Finance agrees to move the discussion of Agenda Item VII. New Business, b. Discussion of Police Commission Request of Added Appropriation; c. Discussion of Police Commission Capital Improvement Request.

2010-2011 Transfer – Police Commission

Chief Edward DeMarco, Deputy Chief Roger Hart and Ms. Catherine Cabral addressed the Board. Ms. Cabral indicated the first topic for discussion was the 2010-2011 transfer which was discussed at the Board of Selectmen meeting last evening. Board of Selectment recommended the transfer of \$87,500 to the Town Counsel and Legal Other Account of which \$15,000 will be reimbursed by CIRMA. Mr. Mannette was confused on what the topic was being discussed. Chief DeMarco and Deputy Chief Hart began to clarify to the Board of Finance the transfer which is being recommended is a simple resolution of back pay for a former police officer. The money is a settlement which has been made with the officer. Mr. Mannette inquired where the money is being transferred from. Ms. Cabral recommended the Contingency line and to transfer it into the Town Counsel and Other Legal Line.

A discussion was held among Mr. Little, Mr. Mannette, and Ms. Cabral regarding which lines the funds should be taken from.

Mr. Mannette indicated the transfer has to go to a Town Meeting and when that meeting is presented the citizens of the town need to be told this is for a settlement of a law suit, the plaintiff in the case was Ronald Durette, a former police officer, and the town has no other choice than to pay the settlement. The settlement is legally binding.

It was **MOVED** (Bowsza) and **SECONDED** (DeSousa) and **PASSED** (U) that the Board of Finance approve the transfer of \$87,500 from the Contingency Fund Account No.: 1-01-50-8410-8-890-0000-0 to the Claims and Litigation Account 1-01-10-1015-3-366-0000-0, \$15,000 of which will be reimbursed by CIRMA and to recommend to Town Meeting.

VII. New Business

b. Discussion of Police Commission Request of Added Appropriation

c. Capital Improvement Request

Chief DeMarco addressed the Board regarding the added appropriation and request for capital improvement request. He indicated he did send a letter and was under the impression he would be assigned a date by the Board of Finance to give his presentation to the Board of Finance. At this time, he is not prepared to discuss this matter.

A discussion was held regarding the procedure in which the Police Commission may request added appropriations. At the end of the discussion, Chief DeMarco indicated he would contact First Selectwoman Denise Menard to discuss the procedures.

b. Treasurer's Report

Ms. Catherine Cabral, Treasurer, addressed the Board of Finance. She gave to all the Board Members a memorandum dated October 15, 2010 for their review. The document is broken down in four subjects: Cash, Tax Collections, Assessor Information, and Treasurer Update. As of September 30, 2010, the cash position of the Town is as follows: Webster Bank \$6,994,069; New England Bank (formerly Enfield Federal Savings) \$603,362; TD Banknorth \$574,027; STIFF \$560,282; and MBIA Class \$36,518. She also discussed the Revenue Comparison Report for the month of September. The tax collection percentage was good.

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

c. Tax Collector's Report

Ms. Catherine Cabral indicated the report "Tax Collector's Report to Board of Finance 7/1/2010 through 9/30/2010" 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 2010-2011 and the corresponding grand list years.

d. Expense Report

Ms. Cabral gave to the Board Members two Revenue reports for their review. One report was entitled "Preliminary Revenue Report Fiscal Year 2009-2010" and "Revenue Report Fiscal Year 2010-2011". General questions were asked of Ms. Cabral regarding the reports which were answered. She then began discussing a letter she has sent, dated October 18, 2010 addressed to the Board of Selectmen and Board of Finance. The letter is regards to the clarify some of the confusion and misunderstandings related to the Board of Finance

meeting discussions. The letter discusses the audit date being moved, which it cannot because of the signed contract of June 15, 2010 which committed the town to a specific date. The delay in approving 2009-2010 transfers is delaying the completion of the audit which will cause a statement of noncompliance due to the negative departmental or salary balances. The letter also discussed the material weakness in internal control over general ledger maintenance for the 2008-2009 audit. The state and federal audits clearly state there is no material weakness in the internal control over financial reporting. This issue has been addressed with the auditors and the Board of Finance on February 17, 2010. Upon her review of the 2008-2009 financials, a misstatement of \$800,000 was found in the fund balance appropriation in the previous year's financial report, before her tenure as Treasurer. The error was corrected. Finally, the Board has been informed of increased accountability in the funds and of procedures being updated throughout the year. There have been considerable changes to tighten internal control and improve reconciliation in the general ledger for all of the funds. A list of the changes was attached to the letter.

e. 2010-2011 Transfers

▪ **Water Pollution Control Authority**

Ms. Cabral indicated the transfer of \$25,000 from the Contingency Fund to WPCA Roof Replacement. The WPCA submitted a five year roof repair plan with the start dates, buildings, and costs.

A discussion was held between Mr. Mannette and Ms. Cabral regarding the transfer. He would like to have the representatives from the WPCA to come before the Board and explain the WPCA structure. Ms. Cabral indicated she would request that from the WPCA.

It was **MOVED** (Bowsza) and **SECONDED** (Godeck) and **PASSED** (4-1)(K. Pippin opposed) that the Board of Finance approves the transfer of \$25,000 from Contingency Fund Account No.: 1-01-50-8410-8-890-0000-0 to WPCA Roof Replacement Account No.: 1-01-55-9447-7-799-0912-0, as presented and recommend to a Town Meeting, if necessary.

▪ **Gas and Oil**

Ms. Menard indicated to the Board that the Town has received a prepay invoice on September 13, 2010 for fuel oil and diesel. This agreement was entered into for two years by the previous Superintendent of Schools, Mr. Timothy Howes. The Town is committed to this agreement. The rate in which the fuel oils are being purchased, seem to be good rates compared to the market. The heating oil is at a cost of \$2.23 per gallon and diesel is at \$2.38 per gallon. The cost also includes storage fees and delivery fees.

A discussion was held among the Board Members.

It was **MOVED** (Bowsza) and **SECONDED** (DeSousa) and **PASSED** (U) that the Board of Finance approve the transfer of \$38,544.83 for prepayment of diesel fuel for 2010/2011 from Contingency Fund Account No.: 1-01-50-8410-8-890-0000-0 to Gas & Oil Account No.: 1085/620 and to transfer \$37,455.64 for prepayment of No. 2 heating oil for 2010/2011 from Contingency Fund Account No.: 1-01-50-8410-8-890-0000-0 to Gas & Oil Account No.: 1085/620 and to forward to a Town Meeting, if necessary.

f. Invoices

- **BlumShapiro**

Ms. Cabral submitted an invoice from BlumShapiro dated September 14, 2010 for professional services rendered in connection with the audit of the financial statements as of June 30, 2010 in the amount of \$5,000. Mr. Mannette asked if anyone had any questions regarding the invoice. Ms. Godeck commented that it is strange to pay for a service which has yet to be performed and maybe in the future this Board should revisit who will be selected for the audit next year. Mr. Mannette signed the invoice for payment.

- **US Bank**

Ms. Cabral submitted an invoice from US Bank dated September 16, 2010 for certifying, registrar, paying, and escrow agent for the bond for the fire truck. The invoice is in the amount of \$500. Mr. Mannette inquired if anyone had any questions. Mr. Mannette signed the invoice for payment.

VII. Old Business

a. 2009-2010 Annual Report/Audit Schedule

Mr. Mannette began speaking of the annual report which has to be completed. Mr. Mannette indicated he had sent an email to all Board Members requesting volunteers to help with the report. He gave a copy of all of the emails which were exchanged between the Board Members regarding the subject. He began to poll all of the Board Members. He began with Ms. DeSousa. She indicated she has already done her report in draft form. She gave a copy to all Board Members. She is being asked to submit the Finance Board report due on November 10, 2010. Mr. Robert Little is assigned the annual department head and board chairman photographs to be taken and delivered to Judith Rajala by November 10, 2010. Mr. Little acknowledged. Ms. Kathleen Pippin was asked to be responsible for the delivery of all information to the consultant

preparing the Annual Report for the printer. Approximate due date is December 9, 2010. Ms. Pippin acknowledged.

Ms. Godeck indicated the information is based upon the completion of the audit which will not be finished until the end of the year. Mr. Mannette indicated the anticipated audit date is December 3, 2010. Ms. Menard didn't believe it would happen that early and Ms. Cabral indicated the audit has to be completed by December 31, 2010.

A discussion continued regarding the dates of the completion of the audit, the town meeting and the financial reports.

b. 2009-2010 Transfers

Mr. Jason Bowsza indicated there are three pending transfers from 2009-2010 which action needs to be taken on. Those departments are Registrars, Insurance & Benefits, and Collection & Disposal. Mr. Mannette indicated those transfers are closed. The transfers were turned down at previous meetings. Ms. Cabral indicated the registrar transfer is to pay the phone company for shutting off a telephone line which is not being used. Since the beginning balance is zero, the transfer has to be made.

A discussion was held regarding the transfer requested by the registrar. Mr. Mannette did not understand why money was being used when the town did not have a local primary. It was explained to Mr. Mannette the use of the phone line was because of the referendums which have been recently held.

It was **MOVED** (Bowsza) and **SECONDED** (DeSousa) and **PASSED** (U) that the Board of Finance approves the transfer of \$201.00 from Salary Temporary Line Account No.: 1-01-10-1050-1-104-0000-0 to Local Primary Account No.: 1-01-10-1050-8-811-0000-0 and to forward to a Town Meeting, if necessary.

The next transfer discussed was Collection and Disposal in the amount of \$2,253.00. Mr. Mannette indicated that transfer was denied at a previous meeting. Ms. Cabral indicated the account is still open. Mr. Bowsza indicated if this transfer is not approved, it will have a negative impact on the audit. Mr. Mannette indicated it was denied because departments are constantly overspend their budgets. Ms. Cabral indicated it is a contractual obligation. Mr. Mannette insisted that departments cannot go over their budgets and need to get appropriations before spending the money. Ms. Menard and Ms. Cabral remarked the transfers have been presented for the last two months and have been denied. Mr. Bowsza indicated denying the transfers will have a negative impact on the audit. The discussion continued among Mr. Bowsza, Mr. Mannette, and Ms. Menard.

A motion was entertained by Ms. DeSousa and seconded by Ms. Bowsza that the Board of Finance approves the transfer of \$2,253.00 from Life/Health Insurance Account No.: 1-01-25-2195-2-200-0000-0 to Collection Account No.: 1-01-30-4205-5-547-0000-0 and forward to a Town Meeting, if necessary. A discussion was held and Mr. Mannette indicated it was his opinion that nothing has changed and in not transferring the funds would give the auditor an opportunity to write-up the violating departments to teach them a lesson. Ms. Godeck did not agree with Mr. Mannette's opinion and told him that his last comment was totally inappropriate. The discussion became a little heated and Ms. Pippin voiced her opinion that she feels Mr. Mannette is trying his best and he is a volunteer as well as she is.

A vote was taken:

In Favor – M. DeSousa, K. Pippin, J. Bowsza, and D. Godeck
Opposed – R. Little

Motion passed.

The last transfer request is in the amount of \$9,769.50 from Heart and Hypertension to Town Counsel and \$394.00 from Heart and Hypertension to Probate Court.

A motion was entertained by Ms. DeSousa and seconded by Mr. Bowsza to approve the transfer of \$9,769.50 from Heart & Hypertension Account No.: 1-01-35-7345-2-210-0000-0 to Town Counsel Account No.: 1-01-10-1015-8-800-0000-0 and the transfer of \$394.00 from Heart & Hypertension Account No.: 1-01-35-7345-2-210-0000-0 to Probate Court Account No.: 1-01-10-1055-8-802-0000-0 and to forward to a Town Meeting, if necessary. A discussion was held. Mr. Mannette indicated that back in June, \$28,500 was spent in legal fees.

A vote was taken:

In favor: J. Bowsza, D. Godeck, K. Pippin, and M. DeSousa
Opposed: R. Little

Motion passed.

VIII. New Business

a. Discussion of Town Counsel & Legal Expenses for 2009-2010 and 2010-2011. Reference Jack Mannette's email dated October 7, 2010

Mr. Mannette indicated he had written an email (a copy given to all Board Members) dated October 7, 2010 addressed to the First Selectwoman Denise

Menard and also copied to Board of Selectmen and Board of Finance members. The email indicated that after he had reviewed the Budget by Department reports, he wanted to discuss the legal expenses from the Legal Accounts. He listed all the accounts which he was questioning in the email. He was requesting an explanation of all of these expenses so it could be reviewed at the October Regular Meeting of the Board of Finance.

Ms. Menard responded to Mr. Mannette's request and explained to him that the legal details could not be shared with the Board due to the confidentiality issues. However, the legal expenses have been extremely high due to the Charter Revision.

A lengthy discussion was held regarding the legal fees.

IX. Adjournment

It was **MOVED** (Godeck) and **SECONDED** (DeSousa) and **PASSED** (U) that the Board of Finance adjourns the October 20, 2010 Regular Meeting at 10:03 p.m.

Respectfully Submitted,

Denise M. Piotrowicz
Recording Secretary