

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

**MINUTES OF REGULAR MEETING,
January 19, 2011 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,
and Marie DeSousa
Members Absent: Jason Bowsza (arrived at 7:43 p.m.)
Alternates Present: Jamie Daniel
Alternate Absent: Thomas Baker
Others: Catherine Cabral, Dale Nelson, Richard Pippin, Samantha Lee,
John Burnham, Gilbert Hayes, Denise Menard, Craig Wentworth,
Leslie Zoll
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 Mr. Jason Bowsza is not present at this time, but is expected. Alternate Member, Jamie Daniel is in attendance, however, Alternate Member, Thomas Baker was unable to attend this due to work obligations.

It was **MOVED** (DeSousa) and **SECONDED** (Godeck) and **PASSED** (U) that the Board of Finance appoints Ms. Jamie Daniel a voting member until such time Mr. Bowsza arrives.

III. Approval of Minutes

Minutes of December 15, 2010 Regular Meeting

An error was noted in the December 15, 2010 Regular Meeting Minutes. An amendment to the minutes in Section VI, Subparagraph c, Paragraph 2 is noted.

“He requested that he would like a more up-to-date Revenue Comparison Report”

to

“He requested that he would like a more up-to-date Revenue Report replace the Revenue Comparison Report.”

An error was noted in the December 15, 2010 Regular Meeting Minutes. An amendment to the minutes in Section VI, Subparagraph d, Paragraph 2 is noted.

“Ms. Cabral gave the Board Members a report entitled “Budget by Department Town of East Windsor 2009-2010” for their review which is no different than the report the Board Members received last month.”

to

“Ms. Cabral did not give the Board Members a report entitled “Budget by Department Town of East Windsor 2009-2010” for their review as it was no different than the report the Board Members received last month.”

An error was noted in the December 15, 2010 Regular Meeting Minutes. An amendment to the minutes in Section VI, Subparagraph e, Paragraph 1 is noted.

“He has recently spoken to the Chie of Police...”

to

“He has recently spoken to the Chief of Police...”

An error was noted in the December 15, 2010 Regular Meeting Minutes. An amendment to the minutes in Section VII, Subparagraph c, Paragraph 3 is noted.

“...line item transfers are note required for...”

to

“...line item transfers are not required for...”

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

IV. Public Input

None.

V. Communications

Chairman Jack Mannette indicated that he has received a phone call from a Board of Finance Member in East Granby inquiring about who the Town of East Windsor's auditor and the cost of same. He asked if anyone had any objections to letting East Granby know this information. There was no objection.

VI. Town Auditor – BlumShapiro – Leslie Zoll

Ms. Catherine Cabral introduced Ms. Leslie Zoll, Manager of BlumShapiro to discuss the annual audit. She gave to all Board Members reports entitled "Town of East Windsor Financial Statements June 30, 2010", "Town of East Windsor, Connecticut Federal Single Audit Report June 30, 2010", and "Town of East Windsor, Connecticut State Single Audit Report June 30, 2010". Mr. Mannette indicated those reports were sent electronically to all of the members of the Board of Finance previous to this meeting. Ms. Zoll first began discussing in detail the independent audit page. Pages 1 and 2 discuss what BlumShapiro are responsible for when conducting an audit such as reviewing financial statements. Within that description, it also indicated it was the opinion of the audit that the financial statements given were presented fairly, in all materials respects, and respective financial portion of the governmental activities, each major fund and the aggregate remaining fund information of the Town of East Windsor, Connecticut, as of June 30, 2010 and the respective changes in the financial position of the year then ended, in conformity with the accounting principles generally accepted. Pages 3 through 8 are entitled "Management's Discussion and Analysis". She indicated it is written by the Treasurer and gives the audit a quick snap shot of the financial statements. Page 9 is the Statement of Net Assets and Page 10 Statement of Activities. She indicated the Town of East Windsor net assets at the end of the year were \$45,870,825. Pages 11 and 12 are the Balance Sheet – Government Funds, which reconciles the Statement of Assets.

She then discussed Page 13 Statements of Revenues, Expenditures and Changes in Fund Balances – Government Funds where she discussed the total governmental fund balance was \$5,671,967. Page 14 reconciles that aforementioned figure. Page 15 is the Statement of Fiduciary Net Assets – Fiduciary Funds and Page 16 is the Statement of Changes in Plan Net Assets – Fiduciary Funds. She indicated the net assets held in trust for pension benefits at year end were \$11,556,326. This is an increase of approximately \$2,000,000.

She then described further in the report of Pages 17 through 34 which included notes to the financial statements, notes of disclosure, income statements, and general information regarding the town's assets and liabilities. Pages 35 through 40 are budget statements prepared by the town. Pages 41 through the end of the report are additional schedules.

Mr. Jason Bowsza entered the meeting at 7:43 p.m.

Mr. Mannette inquired with Ms. Zoll why some reports, such as the one on Page 40 does not agree with final reports he has received entitled “Budget By Department”. He admits, some of the differences are small, but he would like an explanation of why these figures are different. Ms. Zoll explained to Mr. Mannette with the audit process comes many adjustments and the material that she was given she is required to report any differences, but the differences are not significant. She indicated she could not comment on previous reports the Board of Finance has been given, but the financial reports she has received were given to her during the audit in November. Ms. Cabral tried to give an explanation about the differences and Mr. Mannette commented the he would talk about this subject later.

The two other reports Ms. Zoll discussed were the Federal Audit and the State Audit. She began discussing the Federal Audit. The first page discusses the independent auditors’ report on compliance with requirements that could have a direct and material effect on each major program, on internal control over compliance in accordance with OMB Circular A-133. Pages 3 and 4 are the Schedule of Expenditures of Federal Awards. Some of those grants are only temporary, such as the ARRA grant. She indicated that on the federal audit the accounting policies of the Town of East Windsor, Connecticut, conform to the accounting principles generally accepted. She then began discussing the State Single Audit Report in detail, which is the same format as the federal report. She did indicate one finding which is not considered a weakness, but must be reported. The special reporting requirements for the property tax relief for manufacturing machinery and equipment and commercial vehicles were filed late.

The other two documents she discussed were standard statements given to the Board of Finance regarding the audit and the process. There were no issues to report.

The last document she discussed was the management letter. This is commonly used as suggestions and recommendations of the auditor. This does not suggest weaknesses, but to use the letter to relay future standards in accounting principles.

A discussion was held among the Board Members and Ms. Zoll regarding future policies and procedural changes in financial reporting, including changes in Gaspe and fund balance policies. Ms. Cabral indicated a fund balance policy is in place and will send a copy of that policy to all Board Members for their review along with Gaspe 54.

Mr. Mannette inquired it if was possible to request from the auditor to have the audit done by the end of October so it would be easier to compile the annual town report. Ms. Zoll indicated it would be possible, however, the town would have to

request that time frame, the availability of the auditor, and the financial records of the town have to be finalized before an earlier audit could be performed. Mr. Mannette indicated he would put this subject on an agenda to discuss further. Ms. Menard and Ms. Cabral commented that before the audit can be performed all of the year end transfers have to be approved by not only the Board of Selectmen and Board of Finance, but some need to be approved by Town Meetings. This process is lengthy and may not be possible to complete in that time frame.

Mr. Mannette thanked Ms. Zoll for her presentation.

Board Recessed at 8:11 p.m.

Board Reconvened at 8:16 p.m.

VII. Monthly Reports

a. Tax Collector's Report

Ms. Catherine Cabral introduced Ms. Samantha Lee, Tax Collector to the Board to discuss the report "Tax Collector's Report to Board of Finance 7/1/2010 through 12/31/2010" 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 2010-2011 and the corresponding grand list years. The current year tax collection is at approximately 61.35% and overall collection is approximately 64.46%. She indicated that her office will receive the escrow checks probably by the end of the month and therefore the revenue will increase.

b. Treasurer's Report

Ms. Catherine Cabral, Treasurer, addressed the Board of Finance. She gave to all the Board Members a memorandum dated January 14, 2011 for their review. The document is broken down in four subjects: Cash, Tax Collections, Assessor Information, and Treasurer Update. As of December 31, 2010, the cash position of the Town is as follows: Webster Bank \$3,271,053; New England Bank (formerly Enfield Federal Savings) \$673,736; TD Banknorth \$574,516; STIFF \$584,125; and MBIA Class \$36,543. She also discussed the Revenue Comparison Report for the month of December. The tax collection percentage was very good.

Mr. Mannette inquired if he could have a monthly revenue report along with the comparison report. Ms. Cabral indicated due to the budget season it will be difficult to produce all those reports. Mr. Mannette inquired with the Board if it would be acceptable to only have the comparison report done on a quarterly basis and a monthly revenue report. It was agreed.

c. Assessor's Report

Ms. Catherine Cabral indicated that the Assessor was unable to attend this meeting, but did send a report dated January 14, 2011. The final 2009 based Appeal case which was heading to pretrial in November, 2010 was postponed again, this time by the Plaintiff. The next scheduled date for the pretrial is February 14, 2011. Negotiations continue.

The motor vehicle supplemental grand list assessments gross are \$10,510,116 less exemptions of 1,067,720 with a resulting net of 9,442,396. Note that collectable in January, 2011 is \$226,583.51.

d. Tax Collector's Report

Ms. Catherine Cabral indicated the report "Tax Collector's Report to Board of Finance 7/1/2010 through 11/30/2010" 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. The current year tax collection is at approximately 54.17% and overall collection is approximately 55.73%.

Mr. Mannette indicated the Revenue Comparison Report which was emailed is dated November 30, 2010. He requested that he would like a more up-to-date Revenue Comparison Report. Ms. Cabral commented that due to the audit, she was unable to produce such a report currently, but she will try to compile that report for the Board's review.

e. Transfers

Ms. Cabral indicated there is only transfer which needs to be discussed. Originally, the transfer request of \$365.00 from the Full Time Salary to Longevity was submitted because it was not funded in the 2% over last year's budget. This longevity is for the full time assistant to the Town Clerk and it is contractual.

It was **MOVED** (DeSousa) and **SECONDED** (Bowsza) and **PASSED** (U) that the Board of Finance approves the transfer of \$365.00 to Longevity (Account 1-01-10-10030-1-106-0000-0) from Full Time Salary (Account 1-01-10-1030-1-100-0000-0).

d. Invoice

Mr. Mannette indicated he has received an invoice from Judith B. Rajala dated December 28, 2010 in the amount of \$595.00 for the design and production

services for the annual report. He asked if anyone had any objections to the invoice. No objections. Mr. Mannette signed the authorization for payment.

f. Discussion on YTD Expenses vs. Projected Year End Expenses

Mr. Mannette commented that at the last meeting Mr. Jason Bowsza requested to look at the reports to determine if there will be enough money to cover all expenses for the rest of the year. Mr. Bowsza remarked it is his concern with the confusion of the contingency accounts. Ms. Cabral commented of her concern of the contractual obligations that have to be funded for salaries which has not yet been funded. In looking at reports he is concerned the Town will be running out of funds in certain accounts before the end of the fiscal year. He noted the Legal Accounts which is at 64% spent. Another account which Mr. Mannette raised concerns about was the Registrars Account, which is already overspent. Mr. Bowsza's concern is where the differences are and how the town stands financially in the departments and is concerned about losing track of those expenditures.

A lengthy discussion was held among Mr. Mannette, Ms. Cabral, Mr. Bowsza and Ms. DeSousa regarding the potential of shortages in accounts at the end of the fiscal year due to contractual obligations, such as salary increases and insurance costs.

Ms. Cabral indicated that a meeting has been scheduled for all department heads to discuss this subject further.

VII. Old Business

a. 2009-2010 Budget by Department and Revenue Reports

Mr. Mannette began speaking of the audit which was presented this evening. He indicated when he received the audit, he looked through the reports given to the auditor and the reports given to him in November and he found some differences. He has sent an email to Ms. Menard and Ms. Cabral to assist him in balancing the changes. He is looking for a final report where all the numbers match. He would like the Board to have a discussion of same. Ms. Godeck remarked that when this question was posed to the auditor, she indicated it was simple adjustments that had to be made by the Treasurer's office. Ms. Cabral indicated she has not received those adjustments from the auditor as of yet, but once she does receive same she will forward it onto the Board Members.

A brief discussion was held between Mr. Mannette, Ms. Godeck and Ms. Cabral regarding the final report and closing of the 2009-2010 books.

**b. Discussion of Budget Overruns and Added Appropriations
General Rules**

Mr. Mannette indicated that Ms. Godeck has sent to all Board Members copies of the proposed revisions.

It was **MOVED** (Little) and **SECONDED** (Pippin) and **PASSED** (U) that the Board of Finance will delay the discussion of budget overruns and added appropriations general rules until the next regular meeting in February.

VIII. New Business

a. Review 2011 Finance Board's 2011-2012 Budget Hearings and Set Workshop Meeting Dates for 2011

Mr. Mannette commented that he has sent an email all Board Members regarding the budget schedule dates. He has the application to use the high school and middle school for the public hearings. Once he has confirmation of the locations, he will confirm those locations. He inquired budget workshop dates. The time frame is April 6 through April 22. He indicated the Town Hall may not be available for those meetings, and he will contact Ms. Nancy Masters to see if the Scout Hall will be available. After a brief discussion the following dates were agreed upon: April 6, 2011, April 8, 2011, April 12, 2011, and April 15, 2011. Those meetings will take place beginning at 7:30 p.m. and ending at 9:00 p.m.

b. Set Finance Boards 2011-2012 Budget Request

Mr. Mannette indicated he must submit the budget request for the Board of Finance. Last year \$3,400 was budgeted for the Board. That figure includes payment for the recording secretary of \$3,000 and office supplies of \$400.

A brief discussion was held.

It was **MOVED** (Godeck) and **SECONDED** (Pippin) and **PASSED** (U) that the Board of Finance requests \$3,400 for the budget of 2011-2012 as it was budgeted in the previous fiscal year.

c. Town Website 2010-2011 Budget Visibility

Mr. Mannette indicated he has requested approximately three months ago information to be posted on the Town's website, and yet it has not yet been posted. He believes it is important that budget information be posted on the website for the public. Ms. DeSousa indicated that Mr. Mannette should contact the Selectman's office to request that information be posted.

IX. Adjournment

It was **MOVED** (Little) and **SECONDED** (Pippin) and **PASSED** (U) that the Board of Finance adjourns the January 19, 2011 Regular Meeting at 9:40 p.m.

Respectfully Submitted,

Denise M. Piotrowicz
Recording Secretary