

**TOWN OF EAST WINDSOR
BOARD OF SELECTMEN
11 RYE STREET
BROAD BROOK, CT 06016
First Selectman's Office – (860) 623-8122**

Special Meeting Minutes

Tuesday, April 22, 2014 at 6:00 p.m.

Board Members

Denise Menard – First Selectman
Jason E. Bowsza – Deputy First Selectman
Steve Dearborn – Selectman

Dale A. Nelson – Selectman
James C. Richards – Selectman

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

1. CALL TO ORDER

First Selectman Denise Menard called the Special Meeting to Order at 6:00 p.m. in the Town Hall Conference Room.

2. ATTENDANCE

Present:

Denise Menard, First Selectman
Jason E. Bowsza, Deputy First Selectman
Steve Dearborn, Selectman
Dale Nelson, Selectman
James C. Richards, Selectman

3. PUBLIC PARTICIPATION

None

4. UNFINISHED BUSINESS

Discuss Recommendation to the Board of Finance of an Added Appropriation of up to \$100,000.00 for Unanticipated Special Education Costs for Fiscal Year 2013-2014.

First Selectman Menard distributed a memo from the Town Treasurer, attached hereto as Attachment A.

Theresa Kane, Superintendent of Schools, updated the Board of Selectmen on the status of the Board of Education's request. The Excess Cost Grant total was reduced by an additional \$50,000.00. With this loss in income, the Board of Education request is for the entire \$100,000.00.

Ms. Nelson said she is against the added appropriation. It was the consensus of the Board of Selectmen to not consider this as an added appropriation. Theresa Kane was asked if the Board of Education has a contingency budget, she said they do not. She said the nurse's suite at the middle school could be held off until next year at a savings in the Board of Education budget of \$57,000.00.

Motion was made by James Richards to transfer \$50,000.00 from budget line item 7345 Liability, Auto and Property to the Board of Education budget. There was no second to the motion. Motion died.

Steve Dearborn suggested the Town should outsource to save money. After some discussion it was decided it was too late to realize any savings for FY 2013-2014 from outsourcing. Jason Bowsza asked how excess cost is determined and the current status of the Board of Education budget.

Mr. Bowsza asked if there were alternatives to layoffs and how many students have left the school system. Ms. Kane said she did not know and stated this problem is the result of the year after year 2% budget. Mr. Dearborn suggested teachers be asked to reduce their pay increases. Ms. Kane stated teachers gave by going to a higher deductible insurance plan.

Motion was made to transfer \$25,000.00 from Contingency and \$25,000.00 from Liability, Auto and Property to the Board of Education budget and forward to Town Meeting if needed. It was MOVED (Richards) and SECONDED (Dearborn).

There was discussion on the motion. Mr. Dearborn said the town needs to use some of the money from the contingency fund for Public Works. Mr. Richards said this is a result of the 2% budget. Dale Nelson said she is not sure the Board of Education has exhausted all the possibilities but will approve no more than \$50,000.00. Mr. Bowsza said there is still 20% of the year left and we don't know if all Board of Education funds are accounted for.

At 6:50 p.m. the meeting was moved from the Town Hall Conference Room to the Treasurer's office. The meeting reconvened at 7:00 p.m.

Theresa Kane stated 96.26% of the Board of Education budget has been committed.

Motion PASSED. In favor – S. Dearborn, D. Nelson and J. Richards; Opposed – J. Bowsza.

5. NEW BUSINESS

Discussion of Request to Purchase Town Parcels

Motion was made to allow First Selectman, Denise Menard, to work with USA to purchase town parcel Map 113, Blk 17, Lots 5 & 6. It was MOVED (Nelson) and SECONDED (Bowsza). Motion PASSED. In favor – J. Bowsza, S. Dearborn, D. Nelson and J. Richards; Opposed – None.

Motion was made to allow First Selectman, Denise Menard, to open discussion with USA and adjacent property to the west regarding purchase of right of way, Map 113, Blk 17 and Lot 000P139. There was discussion to extend the opportunity to purchase the parcel to the abutting owner to the west of the parcel being discussed. It was MOVED (Nelson) and SECONDED (Richards). Motion PASSED. In favor – J. Bowsza, S. Dearborn, D. Nelson and J. Richards; Opposed – None.

6. ADJOURNMENT

Motion to adjourn made by (Richards) and seconded by (Nelson). The meeting was adjourned at 7:24 p.m.

Board of Selectmen
Special Meeting

4/22/2014

Respectfully Submitted,

Denise Menard
First Selectman

DM/hv

A

TO: Denise Menard
FROM: Kimberly Lord 
SUBJECT: Status of FY14 budget
DATE: April 22, 2014

The current budget has been 78.83% expended, with 10 weeks remaining in the fiscal year. Two departments (Public Works and Town Property) are already over-expended, due to the severe winter weather, WPCA fee increases and electricity costs. We will be requesting a transfer of \$40,000 from the contingency fund next month in order to offset those overages, and both departments have been placed on a "hard" spending freeze.

After careful examination of all the individual line items in the expenditure budget, I found one line that has a potential surplus: Department 7345, LAP Insurance benefits. All four quarterly payments have been made, and any additional expenses for the year- payments to CIRMA for bonding of employees, re-classification of EWFD LAP insurance payments, etc, would still leave an estimated surplus of \$50,000 that could be transferred to the Board of Education if the Boards of Selectmen and Finance so desired.

However, I would mitigate that information with the bad news we face on the revenue side of things. 2012 was a revaluation year, and the original grand list figure of \$932,307,382 submitted by the Assessor in January 2013 as the basis for the tax collector's revenue budget was reduced significantly (by \$192,000 tax dollars) by the time all the revaluation appeals were completed before the July tax bills were mailed. Additionally, since July 1, the tax receivables have been reduced by another \$120,000 tax dollars due to assessor adjustments (motor vehicle pro-rates, businesses deleted, etc). Tax revenue was budgeted at 100% of the grand list last year, so it is going to be very difficult for the tax collector to meet the original revenue estimates. You can't collect something if it no longer exists, and even though prior-year tax collection has remained strong, the available back tax receivable shrunk significantly this year due to the collection of \$800,000 in delinquent taxes last year. The supplemental motor vehicle list makes up for some of the shortfall, but the collector only has six months to collect this tax before the end of the fiscal year; 100% collection is impossible.

Another area of concern is the state revenue projections. The original revenue estimates were completely changed by the time the legislative session ended, but the town's budget had already been approved at referendum. The town budgeted for a "hold harmless grant" of \$148,000 that never materialized. Instead the town received a restricted grant that can only be used for pavement maintenance and road materials. Restricted grants cannot be used to offset spending in the general fund budget.

The Board of Finance has already approved the use of \$200,000 in fund balance to offset the mill rate increase in FY 15. I would caution against reducing the fund balance by another \$100,000 in additional appropriations this year. The town could probably transfer \$90,000 to the Board of Education if necessary (remainder of contingency and LAP surplus) and the Board of Education would have to find the rest in their budget. However, the use of \$90,000 would stretch the town extremely thin. In addition to the hard freeze of spending in the two departments listed above, a "soft" freeze is in effect for all other departments. It's going to be tight through the end of June.

I've attached the expenditure and revenue budgets for your review.

Kim