

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

MINUTES OF REGULAR MEETING, February 17, 2010 at 7:30 p.m.

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

Members Present: Jack Mannette, Robert Little, Kathy Pippin, Jason Bowsza, and Marie DeSousa
Members Absent: Danelle Godeck
Alternates Present: Tom Baker
Alternate Absent: Jamie Daniel
Others: Denise Menard, Catherine Cabral, Leslie Zoll

I. Call to Order

Chairman Jack Mannette called the Regular Meeting to Order at 7:32 p.m., in the East Windsor Town Hall.

II. Appointment of Alternates

Chairman Jack Mannette indicated that a Board Member is not in attendance and Mr. Tom Baker is in attendance and should be appointed as an alternate member.

It was **MOVED** (Little) and **SECONDED** (Pippin) and **PASSED** (U) that Mr. Tom Baker be approved as an alternate.

III. Approval of Minutes

It was **MOVED** (Little) and **SECONDED** (Pippin) and **PASSED** (U) that the Board of Finance approves the minutes of January 20, 2010 Regular Meeting.

IV. Public Input

None.

V. Communications

Chairman Jack Mannette commented on receiving emails from the Town Treasurer, Catherine Cabral regarding current revenues and the Fire Department Audit dated June 30, 2009. He has sent those reports to all Board Members. Board Member Jason Bowsza indicated the reports looked great. Selectwoman

Denise Menard indicated those reports are filed in the Town Clerk's office and the Board of Selectman will review those reports.

VI. Acceptance of Revised Agenda

It was **MOVED** (Little) and **SECONDED** (Pippin) and **PASSED** (U) that the Board of Finance approves the revised agenda adding item "2008/2009 Annual Audit Report – Blum & Shapiro" before item "Treasurer".

VII. 2008/2009 Annual Audit Report – Blum & Shapiro

Ms. Leslie Zoll of Blum and Shapiro addressed the Board of Finance. She is the representative of Blum and Shapiro who over sought the audit of the Town of East Windsor's financial records for the 2008/2009 fiscal year. All Board Members have a copy of the report. She discussed the lengthy report referring to page numbers so the Board Members could follow her presentation. The report begins by stating Blum and Shapiro, in their opinion, the financial statements and materials are in conformity.

The report was discussed page by page beginning with Pages 3- 8 wherein management discussed and analyzed reports of the Town of East Windsor. A summary of the fiscal year was written. Pages 9-16 include Exhibits 1-6. She reported the net assets have decreased from the year before, down \$1.9 million. Other exhibits which were discussed included long term receivables and assets and retirement funds. Pages 17-35 discussed notes of financial statements; most didn't change in the fiscal year. She did note on Page 33, a footnote, it disclosed information regarding liability of post-employment benefits the town provides. The actuary report indicated an obligation of \$254,000. Page 37 indicates where the budget stands and it was under budget approximately \$733,000, due to a revenue shortfall projection which came under \$369,000. Page 42 discussed the balance sheet of the general fund which shows a balance of \$3.1 million. Page 43 is the Tax Collector report which is currently at a 97%, however, due to the present economy, it is not anticipated that number to get better, it will most likely decline.

Other reports which are required to be filed to the State and Federal governments were also discussed. The State audit report requires certain testing on the present formula of any State financial assistance received. She referred to Pages 3-5 of the report where it is indicated the Town of East Windsor received \$7.5 million. Ms. Zoll indicated most of this report is Board of Education related and special reports known as ED 01. She discussed various other programs which were tested. She did indicate one noncompliance item, M55A which needs to be filed by March 15 for assistance, and it wasn't filed on time.

Ms. Zoll then discussed the letter on internal control of financial statements and any deficiencies which were found. The report found significant deficiencies

which were described on Page 7. It was defined as controlled deficiencies and an audit was done to make numerous adjustments in the accounts payable and accounts receivable in the general ledger. The recommendation to correct this problem is to have the proper training of the Treasurer's Office staff and to maintain the training and procedures throughout the year.

The Federal audit was discussed; she indicated it is very similar to the State audit. Compliance testing was completed. The Federal awarded only \$700,000. There were no significant findings on this report.

A lengthy discussion was held among Chairman Jack Mannette, Mr. Jason Bowsza, Ms. Marie DeSousa, Ms. Denise Menard, Ms. Catherine Cabral, and Ms. Leslie Zoll regarding the report including how to correct and prevent future deficiencies in reports by implementing employee training, adopting policy and procedures, and professional development.

It was **MOVED** (Little) and **SECONDED** (Pippin) and **PASSED** (U) that the Board of Finance takes a recess from the current meeting at 8:26 p.m.

It was **MOVED** (Little) and **SECONDED** (Pippin) and **PASSED** (U) that the Board of Finance reconvenes the current meeting at 8:34 p.m.

VIII. Treasurer

a. Monthly Report

Ms. Catherine Cabral, Treasurer, addressed the Board of Finance. She discussed the memorandum dated February 12, 2010 to all Board Members and Ms. Denise Menard, First Selectwoman. The document is broken down in four subjects: Cash, Tax Collections, Assessor Information, and Treasurer Update. As of January 31, 2010, the cash position of the Town is as follows: Webster Bank \$4,655,867; New England Bank (formerly Enfield Federal Savings) \$517,444; TD Banknorth \$572,388; STIFF \$2,452,659; and MBIA Class \$36,447. Ms. Cabral then gave all Board Members a copy of the latest Tax Collector Report prepared by Ms. Samantha Lee, Tax Collector. She indicated the report gives more information on collections. Chairman Jack Mannette inquired why the reference of the grand list year 2008 for real estate and automobiles. Ms. Cabral explained in detail the difference between the fiscal year and grand list year. She tried to get more current data year to year; however, her collections are classified under grand list year and not fiscal year.

b. 2009/2010 Budget By Department Report

Ms. Cabral gave a sheet to all Board Members entitled “Revenue Comparison” which broke down State Funds, Town Clerk, Building Department, Tax Collector, and Total Fiscal Year from years 2005-2006 through 2009-2010. She first discussed the Tax Collector category which shows equal or slightly above percentages throughout the fiscal years. Town Clerk figures were discussed by Chairman Mannette and Ms. Cabral. Mr. Mannette wanted an explanation of the figures. Ms. Cabral indicated to him the Town Clerk is in line and is up due to the conveyance tax fees. Ms. Cabral indicated she could not comment on the Assessor’s Report. The Assessor was unable to attend this evening due to illness. However, she doesn’t have the results of the grand list as of this evening, but does plan to have that information by the end of the month.

Chairman Jack Mannette asked about budget by departments and the transfers which were requested at a Special Meeting on December 29, 2009. Those transfers were approved, yet the transfers do not reflect those accounts currently. Ms. Denise Menard, First Selectwoman, indicated those transfers and other transfers from the Town Clerk’s office have to be approved in a Town Meeting and once approved at that meeting, the transfers will be completed.

A lengthy discussion between Chairman Jack Mannette and Ms. Denise Menard, First Selectwoman regarding the legal process of transfer funds and the budget process for all departments.

c. Monthly Transfers

Chairman Jack Mannette began discussing the request to transfer \$10,000 from Account No.: 1-08-55-1025-7-799-0473-0 CNR Site Improve to Account No.: 2-66-40-6315-3-825-0000-2Boundless Playgrounds. He had one question regarding the transfer of funds and the grant for the boundless playground. He would like a detailed explanation of the funds for this project which is Parks and Recreation and CNR Site Improvement and the grant for the Boundless Playground. This project was not included in the normal budget.

A discussion began among Board Members, Ms. Menard, and Ms. Cabral regarding standardizing transfers from different departments. Ms. DeSousa commented on using the minutes from the departments meetings when transfers are requested. Ms. Cabral gave an example of the Police Department wanting to consolidate the donations fund into one general fund and not breaking down the donations into different categories. This subject started a

lengthy discussion regarding how the Police Department is allocating their donations.

d. Accounts Payable

First Selectwoman Denise Menard discussed with the Board a report entitled “Town of East Windsor Payables to be posted as of 2/11/10”. She discussed the process of paying the invoices. She and Ms. Cabral meet twice a week go over the outstanding bills. When she began as First Selectwoman, she started date stamping each and every item that came into her office so it could be discovered where the invoices were being held up. Ms. Cabral began by explaining the process of how invoices are paid. The invoice is first forwarded to the department of origin. Once that department signs off, the item is placed on the list to be discussed at a meeting. This is process could take up to one month. Once the invoice is approved, it is forwarded to the Treasurer’s Office. The invoice priority is done by the date of the approval for payment not the date of the invoice. It could take approximately four to six weeks from the approval date to be paid. It is a long process, but Ms. Menard and Ms. Cabral are trying to speed up the process.

Chairman Jack Mannette indicated to Ms. Manard and Ms. Cabral he has received complaints from vendors waiting for their payments. When asked by Board Member Marie DeSousa of the names of such vendors, Mr. Mannette did not have the list with him. Ms. DeSousa then began speaking of some vendors, such as, Walmart. Ms. DeSousa wanted to know who they should be contacting when an invoice is outstanding. Ms. Cabral explained that Walmart is a charge card and ordinarily 30 day turn around. They have tried to contact Walmart so they can extend it to 60 or 90 days, but they won’t change their policy even though they are dealing with a municipality.

A lengthy discussion continued among Board Members, Ms. Menard, and Ms. Cabral over the length of time it takes for the town to pay its vendors.

d. Pension Contribution/Special Meeting Discussion

Ms. Cabral indicated a meeting is scheduled for February 24, 2010 at the Town Hall at 5:30 p.m. to explain options. The meeting will also discuss invoices that need to be paid to Blum and Shapiro for the audit performed and Robinson and Cole for pension work. Chairman Mannette asked Ms. Cabral for the exact figures for payment to Blum and Shapiro and Robison and Cole and what impact the payments would have on the accounts. Ms. Cabral addressed his concerns. Chairman Mannette also wanted to make sure all legal notices and amounts have been issued for the meeting on February 24, 2010. He was assured it was.

IX. Old Business

a. Revaluation (10/01/2012) – Pending Information from Assessor

Due to the illness of the Assessor, Ms. Carol Madore, this subject is tabled until the next meeting.

b. Negative Expenditures

It was **MOVED** (Bowzsa) and **SECONDED** (DeSousa) and **REJECTED** (3-2) (Little, Pippin, Baker opposed) that the Board of Finance table the item “Negative Expenditures” to the next meeting due to the late hour.

First Selectwoman Denise Menard gave to all Board Members a packet of information of emails regarding negative expenditures dating back to 2008. The packet also contained information dating back to 1998 and 2001. Chairman Jack Mannette indicated he didn’t recall the memorandum dated March 19, 2008, but at the last meeting he was given proposed rulings. Board Member Danelle Godeck took it upon herself to do some research and has put together a proposal on how this subject should be handled. Some Board Members commented they had never seen this proposal and requested copies of same. Ms. Menard indicated she would get copies to all Board Members. Chairman Mannette asked all Board Members read this proposal which includes a guaranteed town meeting every month. This would be a new policy proposal. Ms. Menard asked if she and Ms. Cabral could review the suggested changes and discuss this subject again at the next meeting. At that time, Ms. Godeck will be in attendance and since she has done the proposal, she should be at the meeting to discuss same.

A discussion was held among Board Members regarding policy change.

It was **MOVED** (Bowzsa) and **SECONDED** (DeSousa) and **PASSED** (U) that the Board of Finance tables the item “Negative Expenditures” to the next meeting.

b. Status of New Revenue Status Report

Chairman Mannette indicated this was previously discussed in the meeting.

X. New Business

a. 2010/2011 Budget Workshop Schedules

Chairman Mannette discussed the budget meeting dates which are currently scheduled. Meetings are scheduled for March 18, 20, and 22, 2010.

According to the Superintendent of Schools, he will have his budget books delivered to the Board of Finance by March 1, 2010. He has invited the Board Members to the Board of Education Meeting on March 3, 2010 to hear the presentation of the budget. Board of Selectmen budget will be presented on March 15, 2010 if not on that date it can be March 16 or 17, 2010. Total budget of the Board of Selectmen will be presented on March 17, 2010. First Selectwoman indicated according to the new charter revisions, the Board of Education presents to the Board of Finance directly and not to the Board of Selectmen. The Board of Selectmen presents its budget directly to the Board of Finance.

A lengthy discussion was held among Board Members and Ms. Menard regarding the new town charter guidelines and when budget proposals are required to be presented in a public hearing. Dates were discussed for budget workshops. Those dates are March 26, 30, 31, 2010 and April 7, 13 and 14, 2010. It was suggested the meetings should be scheduled from 7:00 p.m. to 9:00 p.m.

Ms. Menard indicated she cannot give a legal opinion in regards to the new charter revisions, but will get a legal opinion from the town attorney.

b. 2010/2011 CIP Request

After reviewing requests, the CIP came up with a number of recommendations. Ms. Cabral passed out to all of the Board Members a ledger sheet along with an email discussing the CIP recommendations. A brief overview represents a 2% of the budget guideline funding. Reasoning behind their decision was the scoring of projects from high priority to low priority. CIP will be looking for approximately \$313,000 from the budget to fund the project requests.

A discussion was held between the Board Members and Ms. Menard regarding the CIP requests.

XI. Adjournment

It was **MOVED** (Little) and **SECONDED** (Bowzsa) and **PASSED** (U) that the Board of Finance adjourns the February 17, 2010 Regular Meeting at 11:02 p.m.

Respectfully Submitted,

Denise M. Piotrowicz
Recording Secretary