

October 2, 2012

Town of East Windsor  
Special Town Meeting  
October 2, 2012

A Special Town Meeting of the Town of East Windsor was held at the Town Hall, 11 Rye Street, Broad Brook, CT on October 2, 2012. The meeting was called to order by First Selectmen, Denise Menard at 7:31 P.M. Motion was made by Alan Baker and seconded by Kathleen Pippin to nominate Dale Nelson to preside as Moderator. Linda Sinsigallo made a motion to have nominations cease, seconded by James Richards. Both motions passed unanimously. Town Clerk, Joanne M. Slater read the call to the meeting. Moderator, Dale Nelson read the statement of eligibility to vote.

The following resolution was introduced and read by Richard P. Pippin, Jr.

**Item #1: Resolved:** To transfer \$400.00 from Police Dept/Officers Salary (01/2145/125) to Human Services/Salary (01/5235/100) in the fiscal year 2011/2012.

Richard P. Pippin, Jr. moved that the foregoing resolution be adopted, seconded by Scott Morgan.

No discussion followed.

**The resolution passed unanimously.**

The following resolution was introduced and read by James Richards.

**Item #2: Resolved:** To transfer \$995.00 from the 27<sup>th</sup> Payroll (01/1194/114) to Selectman/Salary Full Time (01/1010/100) in the fiscal year 2011/2012.

James Richards moved that the foregoing resolution be adopted, seconded by Scott Morgan. No discussion followed.

**The resolution passed with 1 opposing vote.**

The following resolution was introduced and read by Linda Sinsigallo.

**Item #3: Resolved:** To transfer \$1,475.00 from the 27<sup>th</sup> Payroll (01/1194/114) to Treasurer's/Salary Full Time (01/1025/100) in the fiscal year 2011/2012.

Linda Sinsigallo moved that the foregoing resolution be adopted, seconded by Scott Morgan. Discussion followed.

**Bill Shultz:** How can we have transfers for 2011/2012 when that year has already closed?

**Dale Nelson:** These are all adjustments that are done at the end of the year so that we can pay everything and close out the books to have a zero balance.

**Denise Menard:** These are things that we are obligated to wrap up at the end of the year. Salary increases that affected the 2011/2012 budget that we have funding for. The 27<sup>th</sup> payroll is something that is projected at the beginning of the fiscal year. We had officers that have left so that they didn't get that 27<sup>th</sup> payroll.

**The resolution passed with 1 opposing vote.**

The following resolution was introduced and read by Linda Sinsigallo.

**Item #4: Resolved:** To transfer \$932.00 from the 27<sup>th</sup> Payroll (01/1194/114) to the Planning/Salary Full Time (01/1125/100) in the fiscal year 2011/2012.

Linda Sinsigallo moved that the foregoing resolution be adopted, seconded by Scott Morgan. No discussion followed.

**The resolution passed with 1 opposing vote.**

The following resolution was introduced and read by Jerilyn Corso.

**Item #5: Resolved:** To transfer \$115,825.44 from Road Improvements (01/3183/0600) to CNR/Public Works/ Road Improvements (08/1025/0484) in the fiscal year 2011/2012.

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Jerilyn Corso moved that the foregoing resolution be adopted, seconded by Scott Morgan. No discussion followed.

**The resolution passed unanimously.**

The following resolution was introduced and read by Scott Morgan.

**Item #6: Resolved:** To transfer \$32,255.65 from Capital Improvement Reserve/Assessor (01/9447/0110) to Capital & Non Recurring/Assessor (08/1025/0110) in the fiscal year 2011/2012.

Scott Morgan moved that the foregoing resolution be adopted, seconded by Richard P. Pippin, Jr. No discussion followed.

**The resolution passed unanimously.**

The following resolution was introduced and read by Bill Schultz.

**Item #7: Resolved:** To transfer \$1,265.00 from the 27<sup>th</sup> Payroll (01/1194/114) to Selectman/ Salary Full Time (01/1010/100) in the fiscal year 2011/2012.

Bill Schultz moved that the foregoing resolution be adopted, seconded by Scott Morgan. No discussion followed.

**The resolution passed with 1 opposing vote.**

The following resolution was introduced and read by Bill Schultz.

**Item #8: Resolved:** To transfer \$817.00 from the 27<sup>th</sup> Payroll (01/1194/114) to Town Property/Salary/Full Time (01/1085/100) in the fiscal year 2011/2012.

Bill Schultz moved that the foregoing resolution be adopted, seconded by Nichole DeSousa. Discussion followed.

**Denise Menard:** The town property salary is for the janitor that takes care of all town property. He is under the public works contract and has retroactive pay.

**The resolution passed unanimously.**

The following resolution was introduced and read by James Barton.

**Item #9: Resolved:** To transfer \$7,000.00 from the 2009/WHP Fire Truck/interest (01/9500/9011) to the Capital Project- 2009 WHP fire truck (42/2150/0151) in the fiscal year 2011/2012.

James Barton moved that the foregoing resolution be adopted, seconded by Scott Morgan. No discussion followed.

**The resolution passed unanimously.**

The following resolution was introduced and read by James Barton.

**Item #10: Resolved:** To transfer \$800.00 from the LAP /Insurance & Benefits (01/7345/520) to Collection & Disposal (01/4205/547) in the fiscal year 2011/2012.

James Barton moved that the foregoing resolution be adopted, seconded by Scott Morgan. No discussion followed.

**The resolution passed unanimously.**

The following resolution was introduced and read by Jim Barton.

**Item #11: Resolved:** To transfer \$1,209.63 from CIP Current/Drainage (01/9447/0632) to CNR/Drainage Projects (08/1025/0483) in the fiscal year 2011/2012.

Jim Barton moved that the foregoing resolution be adopted, seconded by Scott Morgan. No discussion followed.

**The resolution passed unanimously.**

The following resolution was introduced and read by Marie DeSousa.

**Item #12: Resolved:** To appropriate \$253,545.00 from fund balance as recommended by the Board of Finance for the final payment for the 2009 WHPFD truck (01/9500/9011) in the 2012/2013 fiscal year.

Marie DeSousa moved that the foregoing resolution be adopted, seconded by Scott Morgan. Discussion followed.

**James Barton:** The minutes of the last Board of Finance meeting said that the payoff was around \$400,000 and this number is \$256,000. Is the money coming from somewhere else?

**Denise Menard:** I don't know if that is the correct number in the minutes, but I thought it was around \$150,000 for this year and \$117,000 for last year.

**Marie DeSousa:** The money equals the money in last year's budget and the money in this year's budget. This will cover the cost.

**Denise Menard:** So this transfer is just for the difference. This would be next year's payment that they are paying.

**Bill Shultz:** A few months ago we were tight for money and voted on a budget and cut funding. It is surprising that we have this amount of money this early on in excess of what we budgeted then.

**Denise Menard:** I prefer not to be the one to answer that. I will leave it to the Board of Finance since it was them who recommended this.

**Marie DeSousa:** (Spoke, but could not be heard either at meeting or on tape)

**Bill Shultz:** what is the amount of the entire fund balance?

**Denise Menard:** We don't have that number. Catherine Cabral did provide some back up information.

**Dale read the following information from Catherine Cabral:**

In regards to the \$253,545. Appropriation from fund balance please see the following information:

The debt service for the fire truck has been rolled over into short term notes for the past three years which have had a legal, financial advisor and interest costs associated with them every year.

Because of the short time frame we will be incurring the legal expense this year and up to 2% (approximately \$5,600.) of the total cost of monies rolled over in interest expenditures, should we decide not to appropriate the monies.

The rate of financing is larger due to the small amount of monies to be financed.

The resolution only supports a five year time frame for payoff of this debt, this being the forth year.

The Town will be incurring more debt service next year with the next phase of the North Road Sewer Project.

(the Town will not be able to absorb the additional \$110,000 to 120,000 plus new North Road Sewer(approximately \$76,000.) debt service and be able to support an increase in the fiscal 2013-14 budget process. Approximate increase in 2013-14 budget due to debt service would be about **\$200,000.**

2% of the 2012-13 budget would be \$678,078. or **\$274,611.** for the Town Government and \$403,467. increase of 2% over the present BOE budget.

Operating expenditures is used to run day to day operations.

Debt service is longer term and supports the overall Town expenditures.

Paying off debt service is a financial decision made to create a better financial standing and save in the long run.

Paying off debt or lowering overall debt also allows for better interest rates and credit ratings. The Government Finance Officers Association(GFOA) does not recommend taking monies from fund balance to reduce the taxpayer burden at budget time. It is not considered sound fiscal management.

Because the Town of East Windsor has discontinued this practice of designating from fund balance to reduce the budget, we have been able to keep a good bond rating (during the recalibration) which allows us to have better financing rates on borrowing.

We will be using monies from the fund balance that will not decrease the overall plan to grow the fund balance as the fund balance policy states( just under 1%).

I hope I have explained what was discussed sufficiently.

If not please feel free to ask for further explanation.

Thank you.

Catherine Cabral

Treasurer

Town of East Windsor

Telephone (860)292-5909

**Bill Schultz:** We have an approved town budget of around \$31 million, do we still have to stick to that total spending or because this comes from a different location, can we actually end up spending more than that amount this year?

**Kathleen Pippin:** This was an added appropriation for us.

**James Richards:** Will this actually increase the budget?

**Marie DeSousa:** Yes, that's my understanding.

**Dale Nelson, Moderator asked the voters to address themselves to the Moderator instead of talking among themselves. She stated that we are having trouble hearing them.**

**Jerilyn Corso:** My understanding from that meeting is that it is an added appropriation. It would be an added increased amount onto what was voted in on the budget.

**Linda Sinsigallo:** How can that be legal? We set a budget low, can we increase it?

**Denise Menard:** That is what town meeting is for.

**Alan Baker:** It's an added appropriation.

**Jim Barton:** Does any one have the figures on how much money we already spent on this purchase including legal fees, financing, payment & the interest?

**Denise Menard:** We could table this resolution until another town meeting and get that information. The Treasurer is not here and she's the one that has that information.

**Jim Barton:** No, I don't want to table it.

**Richard Pippin, Jr.:** I thought that at that meeting you weren't taking it out of the budget this year, that you were thinking that the funds that were already in the town like when you take it out of capital non-recurring or something. Isn't that an appropriation?

**Denise Menard:** Coming out of fund balance.

**Catherine Simonelli:** What is the current amount in the fund balance?

**Denise Menard:** I don't have that number. I wasn't given that number by the Treasurer.

**Catherine Simonelli:** So will it reduce the fund balance by approximately \$200,000?

**Dale Nelson:** Which would be 1%, if I read this right.

**Bill Schultz:** Just speculating, will the number given by the Treasurer that the fund balance is now at 11% and that this will decrease it by 1%. Is this a true statement?

**Dale Nelson:** Just under 1%.

**Denise Menard:** Without the Treasurer here, we are not going to speculate. We can call her if you want to, or we can table this resolution.

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**James Richards:** This doesn't affect the Fire Department in anyway whatever we decide today, does it?

**Dale Nelson:** Except that it pays off the fire truck.

**James Richards:** As far as the Fire Department truck, it won't be reposed, will it?

**Dale Nelson:** This is the 4<sup>th</sup> year of a 5 year plan, so we have another year to pay this truck off.

**Denise Menard:** It was the recommendation of the Treasurer that instead of going the 5<sup>th</sup> year which would have been a small amount for them to borrow, it would be more expensive to do that then to take the money out this year and pay it off in total. Each year we were doing short term financing which is you go out to get quotes just for that year for the balance of the loan of the fire truck and each year it was down by \$200,000 dollars. Now this next year would only be a very small amount. It would be unattractive to almost any lender. That's what I understood her to say.

**Richard Pippin, Jr.:** I do remember that there is a time limit on this thing, if we don't pass it tonight it's just going to have to stay. I believe the note is due next week. It's either we pass it tonight or basically we have to go another year with the loan.

**Jim Barton:** I believe its October 11<sup>th</sup>. We need to move this motion along.

**The resolution passed, 7 yes to 6 no and 3 abstentions. The three abstentions were from Dale Nelson, Denise Menard and Richard P. Pippin.**

James Richards made a motion to adjourn, seconded by Richard Pippin, Jr. The meeting adjourned at 8:10 PM.

Respectfully Submitted,  
Joanne M. Slater, CCTC

Attest: \_\_\_\_\_  
Town Clerk

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