

TOWN OF EAST WINDSOR  
BOARD OF FINANCE MINUTES  
September 16, 2009

Ms. DeSousa called meeting to order at 7:31 P.M at the East Windsor Town Hall, 11 Rye Street.

In Attendance:

Marie DeSousa, Chairman  
Jason Bowsza  
Jack Mannette  
Kathy Pippin, Alternate  
Adam Mehan, Alternate

Unable to attend:

Bob little (scheduled)  
Al Floyd (schedule)  
Joanne Kubick (not scheduled)

Also in attendance:

Cathy Cabral, Treasurer  
Denise Menard. First Selectman  
Kevin Leslie, WPCA Superintendent  
Paul Anderson, WPCA Chairman

I. APPOINTMENT OF ALTERNATES

**Motion: To appoint Kathy Pippin and Adam Mehan as full members for this meeting**

**Made by: J. Bowsza, seconded by J. Mannette**

**All in favor. Motion carried.**

II. PREVIOUS MINUTES

A. MINUTES OF AUGUST 19, 2009

**Motion: To approve the regular meeting minutes of August 19, 2009.**

**Made by: J. Mannette, seconded by K. Pippin**

**All in Favor. Motion carried**

B. SPECIAL MEETING PRESENTATION SEPTEMBER 2, 2009

**Motion: To approve minutes of special meeting on September 2, 2009**

**Made by: J. Mannette, seconded by K. Pippin**

**All in favor. Motion Carried**

III. PUBLIC INPUT : None

IV. COMMUNICATIONS; None took place

V. RECOMMENDATIONS FROM THE BOARD OF SELECTMAN

A. TO ADDRESS ANY ITEMS FROM THEIR MEETING OF SEPTEMBER 15, 2009

M. DeSousa was not able to make the meeting yesterday. No motions coming from the Board of Selectman.

**Motion: to go out of agenda order to discuss New Business  
Made by: J. Mannette, seconded by Bowsza  
All in favor. Motion carried.**

### **VIII. New Business**

C. RECOMMENDATION FROM THE BOS 9/01/09 MEETING – FNDING FOR THE ENGINEERING OF THE NORTH ROAD SEWER USDA APPLICATION FOR FEDERAL ASSISTANCE FOR THE USDA APPLICATION FOR UP TO \$27, 000 AND TO SEND TO TOWN MEETING, IF NECESSARY.

M. DeSousa read to Board an email received from Kevin Leslie. He wanted to make sure the proper information was presented.

Kevin Leslie, WPCA Superintendent presented to the Board the recommendations for the North Road Sewer project. Mr. Leslie discussed the process of the application to the USDA for Federal assistance. Project funding maximum grant is 40% -45 % of eligible cost.

To qualify for funding the USDA application needs to be completed which requires a lot of information and they won't consider the project without it. East Windsor according to the USDA qualifies for the grant now, however in 2010 when the census comes, East Windsor may become ineligible when the population breaks.

The sewer will be 10 feet deep for any future expansion. K. Leslie explained that it will be 3.6 M. for the project construction only. Additional engineering cost will be \$26, 600.

K. Leslie explained that the town can fund the project solely through Lots and there are now 27lots at \$133,333 per lot. He also stated that the entire project can be bonded or funded through CIP but it will be too expense to do it that way.

40% grant was assumed

J. Bowsza asked that if a home owner can have their home assessed at 40% if this they follow the funding recommendation.

Property tax goes up whenever sewer is built no matter what

Conversation ensued on home assessments.

M. DeSousa clarified that the recommendations will be the best

J. Mannelle explained that if the sewer project goes through they will be assessed something.

P. Anderson stated that it will come back to the Town.

K. Leslie explained that the original design cost requested was \$ 44, 000.

Expended was \$32, 000 and it will be a deficit of \$3,407.

He went on to say that all the USDA wants additional specific engineering before approval and it will be \$26,600 for the additional engineering cost.

To do Russo engineering is less than the \$44,000, the next closest is \$71, 000

P. Anderson stated that if the Town applies and they get it they are good.

K. Leslies stated that they are not trying to rush this project. If the BOF wants this they will go forward, but explained that this will benefit Town and be an asset for the Town in the future.

J. Bowsa asked if State level funding was looked at.

It was stated that they have asked for a project like this for at least the last 15 year

P. Anderson explained that the problem is that the funding system is done by priority.

DeSousa clarified that whatever decision is made it still has to go in front of the Town Meeting.

P. Andersen stated that this will be good for the future of the Town.

J. Bowsza asked how long it will take from the fist shovel to completion. About 180 days

The next USDA comes out in October and the timing will be just right for the project to begin.

A. Mehan asked if this funding will be for next year. The next round of funding it will qualify for the next

P. Anderson stated that the approval will come sooner.

A, Mehan asked for clarification on the Town not qualifying if the census went over 10,000

C. Cabral mentioned that a threshold is needed because it is over \$20,000

**Motion: to recommend this funding to Town Meeting**  
**Made by: J. Mannelle, Seconded by K. Pippin**  
**All in favor. Motion carried**

**Motion to go back to agenda order**  
**Made by: J. Mannette, seconded by K. Pippin**  
**All in favor. Motion carried**

VI. TREASURER'S REPORT  
A. MONTHLY REPORT

C. Cabral discussed information on her report

D. Menard asked if this was normal for tax collection. She would think that more people will pay more at once at the end of the year.

The ECS is \$104,000 more that we are getting however we are using 1.25mil from our fund balance  
The other issue is that we talked last month about the 14% of the ECS money if the Board of Ed. filed  
If they use we will be short 768,000 in revenues in expenditures

J. Mannette made statement about the ECS and how we were lucky we got exactly what we asked, but now if they have a grant which we have no control they can come and take it away.

M. DeSousa stated that the intent of the stimulus was for new programs.

J. Mannette we should have counted on 14% less.

A question was asked if 14% of ECS money need to be spent on new program

D. Menard stated that is does not, but the part that came from stimulus has to go towards new programs.

All towns are concerned that they would be short in money. They wanted someone to come and explain it to the Board.

D. Menard stated that they can't change the budget we are obliged to pay that amount of money form the budget.

K. Pippin asked if anything like this being brought up in Board of education, but no one has been recently

D. Menard will try y to find out more from the outside

The Board of Finance will get a hold of Tim and ask what he has done .If he hasn't done anything then we don't need to have him. If it will impact budget we need to invite him.

J. Mannette in looking at budget we lost money total lost \$64,000 is that correct? About 1%.

A Mehan asked if \$400,000 will automatically get into fund balance.

C. Cabral if all the rest of fees are projected or over projected then they do.

J. Bowsza asked hypothetically that adding appropriation from fund balance we can pull that out of fund Balance if we wanted to.

C. Cabral responded that it won't be prudent but there are instances when they have on *certain* situations. It's like a rainy day fund but we try not to dip into it. The auditor's uses a % to keep our credit healthy.

## B. CCM BUDGET RELATED MATERIAL

D. Menard informed the Board that there are two spots available for this conference. They do workshops all day and it is very informative.

They have a keynote speaker and throughout the day they have workshops. They are well run by Attorney's and CCM staff.

M. DeSousa is interested in attending.

C. Cabral will be attending.

D. Menard stated that is \$50 now but will go up.

BOF does not have a training line item

M. DeSousa wants to make sure that they can use the Board of selectman budget for this training.

D. Menardv stated it will come out of her budget. She would like to know who will go besides M. DeSousa

C. Cabral stated that they follow the auditor's

M. DeSousa asked about the anticipated date for budget closure

It will be closed out for the auditors who will come at end of October.

Last year's budget is not closed

M. DeSousa asked when the budget will be closed

The balances are made by Cathy's office. It is not really final until the auditors are done in November

J. Mannede expressed that the Board has never received the final report and they are looking for this

M. DeSousa stated that she knows Cathy is trying to get everything final for audit once she gets there, they would like to see it so that they can use it.

J. Mannede stated that this year is important for them to have a summary so that they can compare this year and last years.

C. Cabral stated that all the closing entries have been done for 07-08 therefore there is a final document but not until the auditor closing adjustments will it be final.

Everything Cathy submits is the Town's final budget and what the auditors do is their final report

As soon as she can get the BOF the information she will.

VII. OLD BUSINESS

A. DISCUSSION OF 2008-2009 ANNUAL REPORT

J, Bowsza has volunteered to coordinate that effort. A letter went out to all departments asking for their reports to Jennifer Brown due by September 21, 2009

J. Bowsza stated that so far the Billing Commission, VNA, Town Clerk has responded.

M. DeSousa stated that they need to make a decision on who will get it in the past we have used Judy Rajara

We pay her from the Board of Selectman's budget

J. Bowsza asked how much she was paid.

M. DeSousa stated that it may have been approximately \$595

In addition we would need a disc of the pieces that she does. Last year we did not get a disc we only got a PDF.

M. DeSousa stated that she may have gotten a disc and she gave it to Judy. She also stated that they need to meet statutory deadline and Judy does that.

B. \*REVALUATION (10/01/2012) – PENDING FOLLOW-UP INFORMATION FROM THE ASSESSOR CAROL MADORE

C. Cabral shared, Assessor, Carol Madore's memo. Report stated that she will report on the Executive session to the Board, but there was nothing further to report at this time

VIII NEW BUSINESS

A. BONDING - NEW FIRE APPARATUS FOR WAREHOUSE POINT FIRE DEPARTMENT DUE FOR DELIVERY AND PAYMENT IN FULL

An email was received about money for the apparatus for the Warehouse Point Fire Department that will be received within the next month

Town meeting approved the apparatus.

M. DeSousa stated that the only thing they need to know is how they will pay for this.

We can get a short term note the % rate is very low or leasing it will still be low at about 4.5%

M. DeSousa does not think leasing is an option  
But C. Cabral clarified that the approval was for lease or bonding.

To do short term now will help in the long run

**Motion: To authorize the short term note to pay for the Warehouse Point Fire Department apparatus subject to final approval at the next BOF meeting  
Made by: J. Mannette, seconded by J. Bowsza  
All in favor. Motion carried**

Discussion ensued about how this will play out.

This discussion occurred before it was purchased and we had all the information.

J. Mannette stated that we are authorizing it but at the next meeting we are asking for proof. We don't pay them until they have it. The email states that the money should be ready for Sept 8<sup>th</sup>.

C. Cabral stated that the short terms are very low.

#### B. GASB 45

M. Desousa distributed copies of a slide show presentation by J. Sielman

M. DeSousa asked if they were a year behind

C. Cabral stated that they have to disclose this year. If they make a commitment it works in our favor  
If we talk about bonding we have to consider this.

She has a plan for a gradual increase. She has calculated this for us to help us.  
We are not doing full amount we are doing it gradually.

J. Mannette is it resetting in our budget then we are heading. We something in our budget already

C. Cabral in our budge reports we have for contributions

D. Menard stated we took the accrued time when last selectman resigned that was not used that until someone else was hired. If someone leaves and does not cash in we have to set that money aside. There is enough money to compensate.

C. Cabral stated that it will not be practical to pay all this at the same time

J. Mannette stated that all this is arbitrary and that for the first time Cathy was able to get a number. There is undisclosed amount (unfunded Liability) and this is what they calculate as a future amount and this will have a budget impact.

C. Cabral stated that if they don't do anything in their financial reports it becomes a liability and it affects their und balance. The 8% is the most beneficial.

We have to budget every year and then they will have to do the town ordinance have to be approved. The investment consultant will have to be hired.

Discussion ensued about the increase of 4% if nothing is done.

J. Bowsza explained that we don't have to do but if we don't it will catch up at some point and impact our funding

M. DeSousa explained that for the expenditure this is the last thing GASB has. They are trying to get financials to be like private industries so this is not the end. It's evolving and there will be more.

J. Bowza stated that by doing 8% @30 we have to only budget \$108, 000.

M. DeSousa stated that if they wanted to meet GASB requirement they need to do something.

C. Cabral feels that if the Board decides that they want to make a commitment then it is in our favor.

A. Mehan asked about the discount rate and why the 8% cost us less?

Cabral explained that 8 % is the most beneficial or lowest cost impact to us. That they can reasonably calculate. 4% is doing nothing if we do nothing overtime.

The discount rate is a growth rate.

J. Mannette stated that the discount rate is a growth rate and all they are doing is trying to make their numbers less.

M. DeSousa stated that they get the rate of return.

A. Mehan asked about the rate of return if the money is put in now.

C. Cabral is calculating a 4% increase.

The health benefits are increasing every year so they calculate @ 4%

J. Mannette and Adam are still questioning what the discount rate?

C. Cabral explained the pay roll growth rate is 4%

J. Mannette stated that could be the effects of inflation.

J. Mannette asked C. Cabral for guidance as to what should be done and that they will pay a price for the higher discount rate.

C. Cabral made the recommendation for the 8% because the budget impact is the least. She stated that Ms. Sielman was trying to give them the most beneficial rate.

J. Mannette questioned what the 8% is being based on

D. Bernard inquired on how they end up with the same amount in bank account as we go down. How is the 6% vs. the 8% we end up with the same amount?

C. Cabral stated that the shorter period puts them at a higher rate.

J. Mannette: can they tell us the impact of going the lowest % vs. the highest knowing

**Motion: To have BOF authorize the treasurer to implement post employment benefits of programs in accordance with the recommendation made by Millimann at an 8 % rate for an amortization period of 30 years (exhibit A.)**

**Made by J. Mannette, seconded by A. Mehan**

**Opposed by J. Bowsza**

**No action taken**

C. Cabral feels they need to make a financial commitment

J. Mannette making the commitment will help us in bonding

M. Desousa: the commitment has been made 2010/2011 we just have to find out what we do with the 2008/2009 budget.

Rebecca Sielman's report was discussed above.

IX. EXECUTIVE SESSION: None

X. ADJOURNMENT

**Motion: To adjourn at 9:37pm**

**Made by: J. Mannette, Seconded by A. Mehan**

**All in favor. Motion carried.**

Respectfully Submitted by

Carmen Garcia  
Recording Secretary