

BOARD OF FINANCE
MINUTES OF JULY 15, 2009

Ms. DeSousa called the meeting to order at 7:30 p.m. at the East Windsor Town Hall, 11 Rye Street.

Attendance:

Marie DeSousa, Chairman
Jack Mannette
Robert Little
Joanne Kubick
Jason Bowsza
Kathy Pippin, Alternate
Adam Mehan, Alternate

Unable to attend: Al Floyd (unscheduled)

Also in attendance: Treasurer, Cathy Cabral
Assessor, Carol Madore

I. APPOINTMENT OF ALTERNATES

**MOTION: To appoint alternate Adam Mehan as a full member for this meeting
Made by Ms. Kubick, seconded by Mr. Bowsza
ALL MEMBERS IN FAVOR. MOTION CARRIED**

II. SPECIAL MINUTES

A. SPECIAL MEETING MINUTES – JUNE 24, 2009

**MOTION: To accept the Special Meeting minutes of June 24, 2009.
Made by Mr. Bowsza, seconded by Ms. Kubick**

**Discussion: Ms. DeSousa indicated these were filed within the correct
timeframe, within 48 hours, but were not posted on the website in that
timeframe.**

In favor: Bowza, Kubick, Little, Mehan

Abstain: Mannette

MOTION CARRIED

PUBLIC INPUT – NONE

IV. Communications - The following were for the boards information and discussion if any, took place as follows:

A. LEGAL BILLINGS

Ms. DeSousa commented on the costs of this in the future.

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B. JACK MANNETTE'S MEMORANDUM OF JULY 6, 2009

Mr. Mannette stated that he talked with Attorney McKenna who stated the opinion regarding FOI was Attorney McKenna's personal opinion.

C. JULY 2, 2009 MEMORANDUM FROM DENISE MENARD TO ROBERT LITTLE

The cost of copying and labor was noted.

D. E-MAIL CORRESPONDENCE FROM THE BOARD OF SELECTMEN

Clarification was sought regarding salaries and transfers and timing of information to be received; reference was made to Board of Selectmen minutes, as well as documents previously provided during the budget process. Clarification was made regarding the ZEO salary in that the former ZEO left the position and was replaced at a lower salary.

Inquiry was made regarding a specific document which shows budget figures, although no specific title was noted for the record as to what this document was titled. It was noted that this document is provided at budget time, but Mr. Mannette requested an updated sheet that closes out this budget cycle as he was looking to see where the budget stands today rather than tomorrow. At this time, discussion ensued regarding whether this document being referred to was a public document and Mr. Mannette detailed what the town attorney has provided regarding this issue.

KUBIC POINT OF ORDER – RETURN TO AGENDA

The Board continued discussion and individual opinions as to whether this was a document that is a public document and whether it was feasible for the Treasurer's office to provide an updated document at this time due to the workload this time of year. This document (title unknown) will be on the next regular meeting agenda.

V. RECOMMENDATIONS FROM BOS – none

**MOTION: To go out of agenda order to Item IX and to enter into executive session at 7:55 p.m., pursuant to C.G.S. § 1-200 (6) Regarding Pending Litigation to include the Board of Finance, the Assessor Carol Madore and the Treasurer Cathy Cabral. Made by Mr. Bowsza, seconded by Ms. Kubick
ALL MEMBERS IN FAVOR. MOTION CARRIED**

**MOTION: To come out of executive session at 8:15 p.m
Made Mr. Mehan, seconded by Mr. Bowsza Mehan, Bowsza
ALL MEMBERS IN FAVOR. MOTION CARRIED**

No action taken

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**MOTION: To remain out of agenda order to New Business, Item VIII
Made by Mr. Mehan, seconded by Ms. Kubick
ALL MEMBERS IN FAVOR. MOTION CARRIED**

Carol Madore, Assessor, came before the Board. Ms. Madore stated that the Town faces a Revaluation again and the cost that is associated with that. She inquired the possibility of doing that in-house and sought the boards input in that regard. Ms. Madore thoughts are to do as much of in-house as possible, inputting, staff handles appointments for reviews; and it would also be that they would not see every home that year, field worker has already started that. This field worker (Mr. Cahill) will start on more long term next year, which will be a cost, more money. The Assessor needs direction from the Board and if it is determined they do not want the reval work done in –house she will hire it out. Currently the Assessor and the contract employee Mr. Cahill do the inspections. Cahill is a subcontractor, with insurance, on minimal hours this year – due to budget – at \$25,000. Previously he was at \$40,000. Ms. Madore will need to increase his work due to reval – but understands the Board’s concerns with cost.

The Board was looking for cost analysis as to how much savings would be found by doing the reval in-house. Ms. Madore detailed that the last reval contract cost \$248,000. Ms. Madore detailed the many facets of reval. For the commercial portion she will hire this out as she is not comfortable doing commercial her own and needs another set of eyes. Mr. Cahill is a field worker another set of eyes and ears for the Assessor. He is not an appraiser. He is a knowledgeable field worker who has worked for revals in past; he does measurements, looks for differences. The Assessor would need someone to sit on the commercials. Discussion took place regarding “certified commercial” contractor and the preference for the licensing, which would assist should there be any future legal activities associated with the reval.

The Board felt there needs to be a focus on details on the in-house versus contracted costs and the effects of budget can identify what money would be needed; with a detailed analysis.

Ms. Madore also mentioned a possible soft ware change next year due to dissatisfaction with the current program and the pending revaluation. This leads to a potential \$40,000 upgrade software to another system, which is an integral part of revaluation. Again the Board suggested a detailed proposal for all of this and Ms. Madore stated that is why she is before the Board now as she needs to know how to handle for 10/11 budget– as there is some money aside for upgrade to system – her thought why upgrade a system the Assessor is unhappy with.

Ms. DeSousa likes to see the Board in agreement if things need to be looked at in different light. But it is important to keep this year budget intact. The Board would want Assessor to provide Finance Board with as much detail as possible if they are going to change the philosophy and the upfront costs associated with a change in procedure for

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Reval. This should include if there is a cost savings. Ms. Madore acknowledged this and reminded the Board that 2012 is next reval. If the town goes with contracted services, she will have to go out to bid next year – which is why she is here tonight, need to line up the philosophy (in-house or contract) 18 months ahead of time. The Board again stated that they need specifics for future meeting, with numbers to determine the best direction to go in. It would be helpful to have a detailed cost benefit analysis between doing in-house (with some outsourcing) vs. contracting the whole project out.

Possibilities for grant relief for they cost of reval was discussed. Ms. Madore outlined a history of that being done jointly in the past; she will keep an eye on grant potentials. It was the consensus of the Board that the assessor return with specific information as detailed above.

**MOTION: To return to agenda order
Made by Mr. Little, seconded by Mr. Mehan
ALL MEMBERS IN FAVOR. MOTION CARRIED**

VI. TREASURER'S REPORT

Ms. Cabral came before the Board to give her report as follows:

- A. Monthly report: Ms. Cabral detailed her memo dated July 15, 2009. She specified that Tax collections is 97.5% at this point to her knowledge.

It was inquired if there is no budget for state; at what point will that effect town, i.e. no check from State funded programs. Ms. Cabral stated that will be state aide around August, but currently are collecting tax monies so at the start, monies coming in; later it may snowball.

- B. Capital Asset Policy

Ms. DeSousa indicated this was approved at the last meeting, but there was concern as it was gone thru quickly at the last meeting. The opportunity for additional comment was given, no comments were made.

- C. INVESTMENT POLICY

The June 24, 2009 draft policy should be disregarded; please use the document provided with this meeting. This is document is drafted at the Auditors recommendation; the language is gleaned from multiple town

Ms. Cabral discussed the Section 8 “safekeeping agreement” which is a broad term.

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Page Three: Delegation Authority's and Ethics and Conflicts of Interestthere is a note of "assistant treasurer" and "deputy treasurer." There is no deputy treasurer in East Windsor, but the word "or" covers that.

The document references an Investment Oversight committee was discussed – it is an advisory committee, no decisions; who is a subcommittee of the BOF. If adopted it goes through the Board of Selectmen to put policy in place.

MOTION: To recommend that the Board of Selectmen adopt the "Town of East Windsor, Connecticut Investment Policy"

Made by Ms. Kubick, seconded by Mr. Bowsza

ALL MEMBERS IN FAVOR. MOTION CARRIED.

D. TRANSFERS

There are two sets of transfers for the board's consideration; transfers from Capital Improvement Plan to Capital Nonrecurring (CNR); and transfers from various accounts to cover shortages in other accounts. These action do not require a town meeting. This is 2008-09 budget transfers.

Ms. Cabral explained the process of transfers may be different than the process gone through in the past. She detailed what information she provided to the departments as they go through this process. She can surmise for the board, that annually the board can expect transfer details as follows: at the June meeting to have total transfers for yearend would not provide a good solid figure, but an estimation at point in time; for July while a majority start coming in by then (i.e. electric bills, etc) and a better picture is presented in July, it's the August meeting where she would expect to more concrete idea of where expenditures going for transfers.

Many things contribute to the necessity of these transfers. For example, Ms. Cabral detailed a 13th month and that she is trying to get procedures in line for working within a budget year – this is something being worked on with departments.

It was noted that tonight's two packets do not include a CIP to CNR transfer for the Town Hall window project; and there may be others if things not yet submitted result in the need for a transfer. Also, not to be addressed tonight, but for the board's information is the public works diesel fuel form (\$18K) was for the Boards information. This will not be acted on tonight, as the First Selectmen is negotiating this item still.

CIP to CNR

Mr. Mannette suggested as this transfer material is new to the board tonight, that it be tabled to the next meeting so the Board could review the information. At this time he

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made a motion to table the transfers. He then understood the current discussion was regarding the first set of transfers (CIP to CNR) and he withdrew his Motion

This batch of transfers is moving balances from CIP accounts to CNR for projects completed. Discussion took place regarding the fact that this is a new procedure, transferring funds after the budget year closed, but it was also discussed that these are straightforward, money left over in CIP transferred to CNR and that the board had requested the Treasurer to this.

It was suggested that the form contain an added line which details the budget year – added

MOTION: To do the following transfers:

\$31,800 from Acct # 1-01-55-9445-7-799-0226-0 to Acct# 1-08-55-1025-7-799-0124-0;
\$13,700 from Acct # 1-01-55-9447-7-799-0702-0 to Acct# 1-08-55-1025-7-799-0482-0;
\$11,913 from Acct # 1-01-55-9445-7-799-0835-0 to Acct# 1-08-55-1025-7-799-0718-0;
\$2508.95 from Acct# 1-01-55-9447-7-799-0911-0 to Acct#1-08-55-1025-7-799-0719-0;
\$10,500 from Acct# 1-01-55-9445-7-799-0582-0 to Acct# 1-08-55-1025-7-799-0479-0;
\$24,725 from Acct# 1-01-55-9445-7-799-0224-0 to Acct# 1-01-55-1025-7-799-0135-0;
and

\$ 4,460 from Acct # 1-01-55-9445-7-799-0223-0 to Acct#1-08-55-1025-7-799-0129-0

Made by Mr. Manette, seconded by Mr. Little

ALL MEMBERS IN FAVOR. MOTION CARRIED

OTHER TRANSFERS

In regards to the transfer for Collection and Disposal Ms. Cabral noted the Health Insurance public safety has excess funds that will have no more spending out of. The budget reflects that public safety health insurance account had \$92,000 left total. Mr. Mannette still needed to understand the logic as he cannot recall ever a transfer at end of year balances in operating accounts as is done here and he is concerned that this sets a budget precedent, overrun accounts are paid by other accounts with remaining funds. If those budgets that are short, should have known long ago – by doing this now condoning budgets going beyond what they were allocated – because there are other accounts that have money) and let them spend it. (his example spending out of unspent workers compensation lines.) The Finance Board is to insist that departments stay within budgets – if at end of year short you do not give them the money after the fact – as next year it will provide an inaccurate perception of how the department budget is viewed – it will look great; but in actually department did poor on budget. Mr. Mannette felt that is what the contingency account is for.

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Ms. DeSousa had same question Mr. Mannette had regarding taking it out of contingency. She did some research to get her own understanding regarding transfers – according to statute it is legal for Board of Finance to do.

Ms. Cabral stated in her past work experience working with Town budgets, there has been transfers from remaining balances to cover unspent balances and it is not an unusual practice. She understands there are differences in philosophies and that can be discussed. There are remaining dollars that can be spent to cover departments that are short.

The Board had extensive discussion regarding departments overrunning budgets and the precedent and policy is presents; but also that department heads manage their departments and Ms. Menard and Ms. Cabral are making it clear that budgets are followed and procedures and policies to instill that practice are being put into play. Ms. Cabral suggested the Board look at the transfers on a case by case basis as there are specific scenarios which may lead to the need for a transfer, such as an employee being hired who opts to take the family plan for health insurance; which the former employee in that position may have elected to pass on; or a 13th months scenario in a budget. The timing of these requests to the Board is important, Ms. Cabral acknowledged that and will do so whenever possible, but sometimes the timing is uncontrollable or unfortunate in certain circumstances. Doing these transfers next month was discussed and Ms. Cabral detailed that the downside to holding this until next month is that the bills do not go out the door and they have to be held by the Treasurer's office.

Mr. Mannette noted that one of these transfers was benefits to part time salary scenario – that has already been paid. Ms. Cabral stated they had to pay that salary by law. Mr. Mannette stated at the start of the year it was stated departments are not to overrun budgets. This has been paid; audit will show they overran their budgets. Ms. Cabral detailed that in totality will not show overrun budget; the purpose of this is the auditors are not supposed to see anything in negative; why transfers done. The audit shows by category; so category in negative that shows, it's done in totality.

For purposes of audit books need to be corrected. The minutes will reflect the issue an overrun budgets for these departments and the problems this presents for budgets.

Ms. Cabral indicated health insurance projections are done by spreadsheet at Treasurers office; based on individuals on staff and projected increase.

Mr. Mehan stated would like to hear the reason as to why some of these shortages occurred. Mr Mannette stated historically use contingency for this; not from other accounts. Discussion ensued regarding how this occurs in that there. Mr. Mehan felt it should be very clear on those accounts that are overrun, so coming into the next budget cycle a true look at the budget and how it was spent on various line items can be seen.

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Again, the philosophies of spending money will shift and change with the new administration. Ms. Cabral thought the board might consider in the future a freeze in spending, earlier in the budget, to avoid this year end issue.

Mr. Mannette noted if the goal is to trying to balance accounts – see some in budget that are in the negative that are not addressing. He would like to see what accounts were in negative at last budget. Mr. Mannette detailed some shortages - Ethics commission (which ms. Cabral stated was the Charter Revision, which has completed its charge). Mr. Mannette would like to see what the picture was last year. Ms. DeSousa indicated this would be part of minutes last year.

MOTION: To transfer \$175.00 from Acct # 1-01-10-1195-2-200-0000-0 to Acct # 1-01-10-1144-8-828-0000-0

Made by Mr. Bowsza, seconded by Ms. Kubic

ALL MEMBERS IN FAVOR. MOTION CARRIED

MOTION: To transfer \$66.19 from Acct # 1-01-15-2195-2-200-0000-0 to Acct # 1-01-25-3190-1-101-0000-0

Made by Mr. Bowsza, Seconded by Ms. Kubick

In favor: Mehan, Kubick, Bowza

Opposed: Mannette, Little

MOTION CARRIED

MOTION: To transfer \$10,803 from Acct # 1-01-10-1195-2-200-0000-0 to Acct # 1-01-25-3195-2-200-0000-0

Made by Mr. Bowsza, seconded by Ms. Kubick

ALL MEMBERS IN FFVOR. MOTION CARRIED

MOTION: To transfer \$7,750 from Acct # 1-01-15-2195-2-200-000-0 to Acct # 1-01-30-4205-5-547-000-0

Made by Mr. Bowsza, seconded by Ms. Kubick

ALL MEMBERS IN FAVOR. MOTION CARRIED.

VII. OLD BUSINESS – ANNUAL REPORT – APPOINTMENT OF CO-COORDINATOR

This will be Jason Bowsza

At this point in the meeting heated extensive discussion ensued regarding the recent Town Meeting. Mr. Mannette questioned transfers approved last month recommended to town meeting. Ms. DeSousa detailed that there was an error caught by Board of Selectmen; dollar amounts approved in town meeting different than those put forward;

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when final figures together for town meeting, additional bills put in – vote at town meeting to increase amount and vote taken for appropriation – based on Town Clerk’s assertions, that was done legally.

Mr. Mannette disagreed with statement and detailed that the Charter was clear on Board of Finance’s obligations – it is the Finance Board who recommends figures to town meeting; nowhere is that authority given to town meeting. The call to meeting was in error; inaccuracies present; also the Board of Finance authorizes transfers and to change to the amount without the Board’s approval is not acceptable and he believes it is not according to Charter.

Ms. DeSousa indicated there was an error which was remedied in public session; with town clerk authorization. This is not something Board of Finance can act on and suggests Mr. Mannette go to Selectmen. Ms. DeSousa was there acting as resident, not acting Chair of Board of Finance; she acted and made error known; Town clerk proceeded.

Mr. Mannette detailed an issue he found in regarding to the Treasurers salary transfer for salary and how it was reflected in Town Meeting minutes and he expressed his deep concern.

(POINT OF ORDER - BOWSZA)

Bowsza: This is a discussion the Board should not be having as lawfully accepted at town meeting and therefore under town meeting, which is legislative branch of town and not purview of Board of Finance.

(POINT OF ORDER - MANNETTE)

Mannette: He wanted to make his concerns a part of the record tonight

Mr. Bowsza stated you cannot overrule a point of order to return to the topic on the agenda. He further stated what Mr. Mannette wanted to discuss is second guessing what presented and approved at town meeting. Mr. Mannette countered that the Charter calls for recommendation from Board of Finance to town meeting. What was presented at the Town Meeting was not approved by Board of Finance, it was changed.

Ms. DeSousa entered the conversation and stated she could take the discussion one step further in reviewing the relevant Connecticut General Statute – she questions whether any of the transfers had to go to town meeting - as working within budget approved by town and not in excess any appropriation – went over in departments, but budget in totality not over. Both issues may be before the Selectmen in the future – to see if Board of Finance did their charged responsibility correctly. Ms. DeSousa thinks maybe wasted towns’ time and money going to town meeting and has done so for several years.

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Mr. Mannette showed the Board a copy of the highlighted section of the Town Charter that he was referring to and inquired if someone had a legal opinion that states town charter incorrect. He proceeded to read from the town charter verbatim.

(POINT OF ORDER – MS. KUBICK)

Kubick: This discussion is not one the agenda

Mr. Mannette wanted it noted for the record that he asked that it be put on the agenda and it was not put on the agenda.

Ms. DeSousa wanted it noted for the record that the reason it was not on the agenda is that she did not feel it was appropriate for the Board of Finance, but should go back for discussion before the Board of Selectmen or Town Clerk who presided over the Town Meeting.

VIII. NEW BUSINESS – REVALUATIONS (10/01/2012) TO INCLUDE CAROL MADORE ASSESSOR - *addressed above out of order*

IX. EXECUTIVE SESSION – PURSUANT TO C.G.S. SECTION 1-200 (6) REGARDING. PENDING LITIGATION TO INCLUDE TOWN ASSESSOR – *addressed above out of order*

X. ADJOURNMENT

**MOTION: To adjourn at 9:48 p.m. TO ADJOURN 948
Made by Mr. Bowsza, seconded by Ms. Kubick
ALL MEMBERS IN FAVOR. MOTION CARRIED**

Respectfully submitted,

Cynthia D. Croxford
Recording Secretary