

TOWN OF EAST WINDSOR  
BOARD OF FINANCE

AGENDA  
BOARD OF FINANCE MEETING  
December 16, 2009 EAST WINDSOR TOWN HALL 7:30 P.M.

Mr. Mannette called the meeting to order at 7:30 at the East Windsor Town Hall, 11 Rye Street, Broad Brook, CT

The following members were present:

Jack Mannette, Chairman

Marie DeSousa

Jason Bowsza

Kathy Pippin

Robert Little

Danielle Godeck

Jamie Daniels, Alternate

Unable to attend: Tom Baker, Alternate (scheduled)

Also in attendance:

Cathy Cabral, Treasurer

Denise Menard, First Selectman

I. APPOINTMENT OF ALTERNATES - None

II. PREVIOUS MINUTES

A. MINUTES OF OCTOBER 21, 2009

**MOTION: To approve the regular meeting minutes of October 21, 2009 with the following correction: Page 2 c the BOF will continue on the *third* Wednesday.**

**Made by Mr. Little, seconded by Ms. Pippin**

**ALL MEMBERS IN FAVOR. MOTION CARRIED**

III. PUBLIC INPUT - None

IV. COMMUNICATIONS

Mr. Mannette noted that since he has taken over as Chairman no communication has been received but there are some former pieces he discussed briefly.

There is a Notice from Attorney McKenna noting an amount due but it is not a specific detail bill. It was asked if the Board needs this letter, which provides no significant detail. Ms. Menard indicated that the Board of Selectmen get a detail report on legal in executive session – legal to be incurred or something happened that have to react to. It was noted if a member of the finance board wanted the detail it can be provided. It was noted that the BOF is fiduciary where money spent – but BOS deals with legal. Ms. Menard noted that if there is a jump or something significant she will address the Chairman of BOF and let him know.

It was the consensus to eliminate the legal notice – if members have specific questions ask the chairman and he will put forth the request to selectmen's office. It was felt that the Chair should field these questions from BOF members and put them to the Selectman.

Other two former items – Notice Town Order to appear in court on lawsuit in re: WPCA. Ms. Menard noted it is FYI and WPCA is handling that with their attorneys.

Also available is a copy of an application to vacate arbitration for police officers – if any member wants to see ask the chair and he will get it to them.

V. TREASURER  
A. MONTHLY REPORTS

Ms. Cabral came before the Board. She noted every month the report will include an update in treasurer report as to significant things or changes in the office.

Ms. Cabral detailed the cash position as stated in her December 16, 2009 memo to the board.

The tax push will occur in January, but at this point revenues are getting a little closer so spending is something to watch. Hopefully in January good revenues will be in – if revenue slim in January then need to talk in not too distant future of what to do with revenue and alternative spending idea.

Mr. Mannette detailed the news from the CCM meeting in Hartford and the concerns with budget reductions. Ms. Cabral also mentioned something that as discussed two months ago and is time to discuss again – the ECS funding. The difference in what was expected and budgeted versus what was received was discussed. Also discussed was that the BOE gets the funding directly. The letter from the state legislative update was distributed. The complexities of the BOE getting the money directly and it not going in the general fund was discussed at length, including trade offs with the money budgeted to the BOE and the ECS offsets which were to go in the general fund, but now go directly to the BOE. It was asked if there is a requirement for tradeoffs. Ms. Cabral indicated there are no mandates but a discussion should take place with the Board of Education.

Ms. Menard noted she had also understood it to be town as a whole gets all ECS money – however, major piece instead of to general fund goes directly to BOE. The town is still obligated in budget to fund the BOE their budget. Ms. Menard explained some that the State took American Recover Reinvestment act money and made a gap of ECS instead of under funding it to fund ECS – but a requirement was that it had to go directly to schools

The complex reports for spending monies received were detailed. Also discussed were the BOE Grants received which is a separate entity from town expenditure. The way the ECS monies are being distributed is like a grant – they have to spend it. Not extra money to roll over – it effects general fund expenditures.

It was the consensus that the BOF needs to meet with the BOE to discuss their budget and the ARRA money received through ECS. Ms. Cabral noted that she has had discussions at the stead level and instead of filing report with reduction in budget – other towns have had discussions with BOE and the BOE have reduced spending to account for the reduction – that would alleviate the shortfall. Ms. Menard indicated that many towns had gentleman agreements regarding this to make it a wash.

Mr. Mannette noted the BOE and BOF need to talk to recognize this is first shortfall coming from state in amount of 300k.

Ms. Cabral noted there is no timeline on a discussion with the BOE. Chairman Mannette to contact John Pica BOE to indicate there needs to be a joint meeting.

TAX COLLECTOR submitted a report 7/1/2009 – 11/30/09. The report is changed so there is three years of revenues reported to provide a better picture of this year spending as opposed to other year spending. For back taxes collected last amount higher because certain back taxes paid – otherwise rest should be consistent – that explains the 54%. Mr. Mannette asked if all understand report and thinks it may be a good idea to have tax collector go thru report with board to educate the board. It was the Board of finance consensus to invite the tax collector to a meeting to educate the board regarding her reports.

CARL MADORE ASESSOR – There will be a request for extension of time to file the grand list because it is the end of December and the town has yet to receive the motor vehicle list from the vendor. They have just finished supplemental and the supplemental was submitted and amended three times. The 1890 accounts on supplemental – will add \$194329 taxable dollars to be collected in month of January. Real Estate is still in progress with a lot of mapping to be done. Personal property is almost done and she will share that with the BOF next month. She detailed on the personal side a lot of companies have closed. Also she has done outreach to businesses to make sure filing is done correctly. She also detailed that some nonfilers are now filing with correct numbers as they realize if they don't they will get inflated numbers, with penalties. The message has been received.

A quick number appeals settled current fiscal year and what effect upcoming. Three settled Keystone personal property, Carousel Apartments and National amusements. Current year in \$24,365 loss. She can project a big hit next year 75k to 76k loss and that is using the current mill rate It will not be until February that the town will see the impact.

Mr. Mannette noted they board already knows of the \$300,000 issue. What happens if the grand list is decreased and how does that flow to anticipate tax received – sounds like the town will not know the effect until March and there may be a problem in the current fiscal year. This is something he urged the board to anticipate. That goes back to the hope BOF can work with BOE on the issues previously discussed regarding ARRA monies.

Assessor also noted the town can do all it can to get budget squared away and prepare – but comes down to taxpayer ability to pay taxes.

Ms Menard added that last night BOS had presentation from tax collector to aggressively go after back taxes. A plan agreed to by BOS to try to recoup nearly \$2 million back taxes – it is the thought that all should be made to pay their fair share – but a more aggressive path on collection will be taken. Ms. Cabral input the way Tax Collector plans to address partial payment plans to avoid discouraging tax payers to pay towards the amount and not be overwhelmed – its aggressive approach but allows people to catch up.

Assessor provided the Grand List History which will be emailed to all members.

#### B. ANSWERS TO THE EMAIL QUESTIONS RE: NOVEMBER 2009 BUDGET BY DEPARTMENT REPORT

It was reiterated by Ms. Cabral that in the past any questions board questions go through the chair to avoid repetition so office does not get five or six requests that may be all same or all different. She also asked that questions be submitted the Friday before the meeting so there is time to prepare for meeting.

Mr. Mannette detailed the questions handed out.

Ms. Menard provided a full report to Mr. Little as requested. Ms. Menard agreed other and miscellaneous are dangerous category – but sometimes there are unique contracts, for example All American Waste – you do not want to set up individual line items for things such as that. It was noted that all Mednicks charges are Charter Revision.

Cabral also provided a hand out which mirrored what Mr. Mannette distributed.

Mr. Little will take a look the materials passed out in answer to his question as to what relates to “other” CCM do not believe said comes out of legal – Ms. Menard stated there are labor practice books subscribed to. Mr. Mannette noted that the \$6900 municipal service fee – to join CCM – that is not part of legal. Ms. Menard will research that and explained how these are coded – that item will be corrected. This will help answer the question that get asks why is the line item change month to month – as it needs to be reclassified.

Ms. Cabral was asked to address Mr. Little's issues, and she discussed reclassifications which were some, not all. This was discussed last month that bills are paid out of one line item and then disbursed to

different accounts throughout the budget. You will see Park and Recreation has a reclassification because it's a reimbursement, same with conservation and health, general assistance. Reimbursement explained – if they receive money in – sign damage – general assistance – evictions get monies returned – if monies returned for property and eviction it goes into the expenditure line.

Ms. Menard explained town is responsible for taking anything left from tenants evicted – an unfunded mandate – that town has to bear expense of storing property and sometimes this can be a whole house of stuff which must be stored for 30 days. Ms. Burns sometimes holds onto it for an extra month – it does not go beyond 60 days, she keeps in contact if someone almost in new place – at 60 day mark notified property auctioned off. There is an agreement with the auction Golden Gavel who temporarily stores goods and received 50% back what sold for and goes toward cost of storage and moving furniture – that is a constant rolling fund up and down. More evictions now than have – money will come back if something of value back. Also cases of monies received donations, offset expenditure – fund 67 is for donation and contribution – put expense against revenue out of general fund – matching one to the other. Also in past where there is an expense – workers comp – town reimbursed by other entities – when that in, it reduces the expenditure – done on a monthly basis. You will see fluctuations – part of regular business.

Mannette asked which are reimbursements – and this is in direct reference to the materials the board was viewing - #3, #4, #5 and #6 of bob email and #7 reclass

Mr. Mannette asked for #3 – when donation of contribution comes out of expenditure and money comes out too. It is not posted against account because money offsets it.

Highway signs the town receives money for damage to sign – money received put again money paid to buy new signs. Mr. Mannette noted it still ends up in negative. Ms. Cabral have expense say \$300 – line item budgeted for \$4,000 – what happens is \$300 originally charged to line item – reduced to 3700 – entire expense comes out – line item 4,000 again as it has offsetting revenue in contributions and donations.

After this example there was lengthy discussion on the process. It was inquired if is there a traceability document – it is on the revenue side. Fund 67 is why particular fund set up – it is traced within fund. That is what audit is for – to trace transactions – even if hit expenditure it comes in as revenue – certain revenue and expenditures that have to reconcile – that is what audit is about and what done daily to balance money in and money out.

While there was comment on letting the Treasurer Office do their job, Mr. Mannette felt the discussion already started on a good road for the board in explaining reimbursements. It is not a matter of trust, but an educational process for new people and there have been things not on the reports – and why questions are asked, as the treasure requested.

The reports on revenue were discussed and Ms. Cabral noted she did not change the process – only thing she changed was fund 67. All other processes within budget ladies have been doing for years – nothing changed – they have been doing it for many years. What did change was that everyone gets the same report and what can be added to the revenue report can be addressed further down agenda.

At this point they addressed Mr. Mannette questions.

1 – Longevity and part of contract. Mr. Mannette when did budget workshop began with number and now expended more. Ms. Menard detailed that the president of union supposed to have list of employees and selectman has same thing – there was one person that was dropped off both lists for longevity and was not on list. There will be a need a request for transfer – and that is in part of transfer process.

Many of the questions, 1b 2a 3a 4a 4b 4c 5a 6a 7a – all are negatives within a department that deal with reclassing. There was extensive discussion regarding postage and how it was thought during budget workshops centralize postage. This is same conversation as gas and oil. Discussion took place on how putting this process in place including that during setting up budgets it was determined no account in department for that expense, but the items still need to be billed out. The pitfalls and adjustments with centralized postage and office supplies were discussed by Ms. Menard and the few kinks that need to be

worked out. Some of this discussion is within the department and it has been the policies of the BOF – if bottom line in positive, whatever happens as negative in dept is okay – need to be able to charge proper expenditure to proper account, which is important. See negatives as proper expenditure charged – as part of posting process need to charge. Mr. Mannelte noted expense legitimate but the problem is that they have taken and consolidated amount in one dept and now disbursing to dept with no budget and now have to balance. Mannelte there needs to be no negatives.

Assessor original budget – no budget for postage – BAA has no budget for postage and now there are expenses. Somewhere is money – need to take money. Cabral this means to do transfers for every time there is a negative which is policy change. Mr. Mannelte felt you use common sense – if dept is using postage did not budget for. Cabral if dept spends 500 more in office supplies did not budget – does that mean a transfer? Mr. Mannelte past practice where no budget have to make correction. - over expense, if small, allow stay negative to give idea where going short. That has been the practice. Cabral stated that is not her understanding.

There was discussion on how the postage situation differs from legal and how its one line item paid out to vendors. It was noted for legal a little different as want to track where legal money going – by dept. but postage is not the same. No objection to centralization as long as expense against product. Need to make sure expenditure to proper dept for audit purposes. Money allocated to proper expenditure per Cabral. Postage starts in central and then disbursed to individual dept. - legal posted by specific activity.

Mannelte allocate appropriate by line item – except BOE – therefore postage either disbursed against that – but cannot do for audit. Why budget for postage in some and none in others. Menard because it was the first year – and some thought it was postage was gone and they did not have to worry about expense – unclear explanation in first year maybe. The same for office supplies – town property expense, except some monies for specialized items. Some did not understand and thought could keep money and get office supplies from central purchasing and buy items with theirs. There are adjustments need to be made; which may be the same with postage item. Cathy will come up with an idea how to fix this and talk about it next month.

Centralized budget has coding – however money come out of one account but monitored so se who spends what. Mr. Mannelte agreed Ms. Cabral will take a look at accounts with no budget like postage and make recommendation to board on how to correct it.

#### C. SALARY- RECONCILIATION ACCOUNTING CLERK TREASURER'S OFFICE

Two times before board with pt and full time – did at that time increase in p ay and shorter hours – concern total budget \$14,000. Going into next year same amount.

#### D. POLICE DEPARTMENT CONTRACT SETTLEMENT

There was discussion on this item and its posting. It was determined this item could not be recommended to town meeting as it was not posted legally as Board of Selectmen transfers are not on the agenda. More than the contract settlement it involves more transfers. Extensive discussion took place on this item, including that there were former complaints that the BOS transfers from the night before the BOF meeting do not leave enough time for the BOF to prepare. Mr. Mannelte distributed Motions he was ready to propose to the Board, but it was determined that the recommendation to town meeting could not be done at this meeting as it was not posted and there discussion of monies in contingency and contingency two need to take place. While the Motion will not be entertained tonight, the police gave a presentation to the board.

Chief Demarco and Deputy Chief roger Hart came before the board. Chief DeMarco detailed a little over a year ago entered into negotiations for collective bargain with police union – a long road; membership on negotiating committee from all sectors that had a stake in the process which included selectmen, BOF representative, legal attorney and deputy chief Hart and Chief Demarco as advisors – they work with

budget every day and know the cost and details. They entered arbitration with mind set to gain management rights that were lost over twenty years and feels they did well. There are aspects of contract that come with a price tag and there is no way around it. there is a cost to do business and there is a price tag to public safety. It the dept job to cost it out – some of that comes with time restrictions related to legal precedent in CT where you cannot wait – some of it time is an opportunity, but some related to salary, if not acted prompt and reasonable, there are towns who went wrong way and pay interest and legal – you do not mess with salary. They are prepared to answer questions they will find out chief highly communicative and management oriented and they are transparent as to where money going. Began communication process in early November – on November 6 gave salary numbers. The other piece of puzzle as contract unfolds is you do not know cost and have to call vendors, so that time element is not attached. Salary end has timeframes – letters were sent out in November regarding this. They operate by state law and by prevailing policy and procedure – this has never happened while he has bee Chief – so he made sure to protect town in eyes of law and precedent. Deputy Chief has numbers with line items – try to break down penny for penny.

Deputy Chief Hart detailed that a big piece was retroactive wage – the previous contract expired June 20, 2008 – so this contract effect July 1, 2008 to October, 2009 that retroactive has to go back – those numbers to Treasurer on November 6 and implemented again current salary lines during following pay period. That done due to legal and statutory grounds and precedent that states once municipality enter collective bargaining agreement monies have to be paid “promptly implement changes in wage and salary in accordance with schedule provided” i.e. immediately - they protected town. Two pieces retroactive and salary increase – salary increase instance – signing of contract – negotiated about all members – ratified by union – signed by BOS. Hart relayed the woes of the city of Stamford where this was not done and the fees/fines and penalties it incurred. Two problems – clerical contract almost a year – second not going to be able to do tonight – outside contract. If anyone thinks should not have processed payroll voucher – not going to have town suffer 8% penalties or legal fees- because sitting to explain that is far more uncomfortable than why paid. No prevailing policy dictated how to proceed – chief Demarco operated off the law.

Mr. Mannette whole thing done – day approved – day paid should have had money to pay everything – should have called special meeting so could process in accordance with state law. That did not happen. Mr. Bowsza noted they have not exceeded their budget. Mr. Demarco said no transfers were made. Mr. Mannette felt it was not appropriate.

Mr. Demarco took out of existing lines with money not exceeded. Mr. Mannette stated state law is contrary and should have had immediate meeting. At this point discussion took place on what the appropriate course should have been and the defense as to why the action taken was taken. It was noted by Chief Demarco again that someone needs to write town wide policy as what is suggested at this meeting has not been done previously with clerical and other contractors.

Chief Demarco has not exceeded his budget and has taken money out of existing lines. He suggested Mr. Mannette get legal advice. He has taken salary out of salary lines. If talking semantics – he has not exceeded his appropriation and he won't for some time.

Mr. Mannette countered that when they created salary line item they were given a list of officers and salaries – that is appropriation. Law does not speak of intent – it talks about money in the line. Mr. Mannette suggested they get a legal opinion. Demarco not asking for legal representation – lets be clear no town policy in place on what they are talking about and it needs to be clarified and he will move forward by following it to the letter.

More discussion took place on the actions of the BOS the night before and the posting of this meeting. It was determined that a special meeting needs to be held for this item.

Retroactive salary side 104,910. Other part – operational side Contract set amount of money for education incentive to reimburse officer to further education at accredited colleges (similar to step program on school side) \$10,000 set amount – paid out at end of fiscal year – obligation at end of this fiscal year that could get

hit by. Does not think it will happen by enrollment, but it is an obligation – a new semester starts in a few weeks – many colleges work trimester – so could potentially liability. That was not new award – they had existing education this cleaned it up and, made it more cost effective.

Uniform cleaning – minor but increase in uniforms - \$800. Uniforms increased \$6,000 because union negotiated increase in allowance of uniforms. Other increase \$800 – because negotiated to work on 24 hour supervision and comes with price tag of promotions – in order to do effective and efficient and obligated to go to outside vendor by contract.

Remaining money salary is very best estimate – furlough days negotiated were discussed in detail, union agreed to four furlough in this fiscal year – some already took days, some have not – also union has ability to give up vacation days in lieu of furlough days – so if bank of vacation can reduce vacation days – so not hard core number. The management perspective and the items written in regarding furlough days were discussed.

\$174,383.24 total.

The contingency accounts were discussed and this will be discussed next meeting.

No action was taken on this item at this meeting. Ms. Godek wanted it clear for record for the taping so public did not feel something had been done that was on the agenda.

VI. OLD BUSINESS

A. DISCUSSION OF 2008-2009 ANNUAL REPORT

It has gone to print and will be in time for annual town meeting.

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

C. \*OPEB TRUST – JOINT MEETING BOF/BOS

VII. NEW BUSINESS

A. DISCUSSION OF LINE ITEM NEGATIVE EXPENDITURES (need to go over state law – all have copies of email sent relative to previous BOF done with negative accounts – take home and look at it and prepared to discuss at next meeting. This was emailed December 14, 2009 and copies of state statute distributed.

MOTION: To postpone this item to the next regular meeting

Made by Mr. Bowsza, seconded by Ms. Pippin

ALL MEMBERS IN FAVOR. MOTION CARRIED.

B. REQUEST FOR NEW REVENUE STATUS REPORT

MOTION: To postpone this item to the next meeting

Made by Mr. Little, seconded by Ms. Pippin

Discussion: Ms. Cabral distributed information related to this item to the board.

VOTE:

In favor: Bowsza, Pippin, Little, Godeck

OPPOSED: DeSousa

MOTION CARRIED.

C. ANNUAL AUDIT UPDATE

In order to produce annual report it has to have a report from auditors. Auditors are still working on issues and have not finished audit. BOF has issue from standpoint required to have town meeting and have to have report for that – last year – per Ms. Menard postpone one piece – certain piece of business – four standard items – any of them in any given year – either annual report or audit one piece postpone to January. Mr. Mannette noted without audit and BOF meeting and discussing cannot complete annual

report. Mr. Bowsza noted it was done last year – did not have financials from auditor last year – included in back was reference town financial available on the town website and in town clerk's office.

Menard December 29 is annual meeting – have to legally post it – with holiday do not want to wait too much longer. Mannette when finish annual audit – hope to be joint session selectman and finance – as believe all involved in it. Cabral discussing joint meeting for OFEB for January 5, 2010 will be on BOS agenda for a joint meeting of BOF and BOS. Mr. Mannette need meeting for auditor to debrief – he thought it was in December – but it was thought it was January or February. Letter from auditor not in annual report last year – only financial message directing where could be found. Joint meeting will be on the 5<sup>th</sup> – policy on governance to be decided.

#### VIII. ADJOURNMENT

MOTION: To adjourn at 10:15 p.m.  
Made by Mr. Little, seconded by Ms. Godek  
Discussion: there will be a special meeting on 12/29.  
ALL MEMBERS IN FAVOR. MOTION CARRIED.

Respectfully submitted,

Cynthia D. Croxford  
Recording Secretary