

MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
February 14, 2006 – 7:00 P.M.
LINCOLN CENTER HEARING ROOM

SECOND MEETING OF THE MONTH

PRESENT: Chairman Howroyd, Vice-Chairman O'Neill, Secretary Zingler, Directors Sheridan, Topping, Spadaccini, Peak and Pelletier

ALSO: General Manager Shanley and Town Attorney Darby (7:35 p.m.)

ABSENT: Director Hachey

7. MEETING CALLED TO ORDER.

The meeting was called to order at 7:03 p.m. All in attendance participated in the Pledge of Allegiance to the Flag, led by Chairman Howroyd.

8. AWARDS AND PRESENTATIONS.

A. Christmas in April presentation.

Scott Garman, Assistant Director of Recreation and Liz Tracy, co-director of this program offered thanks and appreciation to the major sponsors and contractors who helped make up the 2005 Christmas in April Program. He also acknowledged Town volunteers and the Public Works Department for their support.

9. ADOPTION OF MINUTES OF PREVIOUS MEETING.

- A. **ADOPTED** - Actions, January 10, 2006 – Regular Meeting
- B. **ADOPTED** - Actions, January 17, 2006 – Regular Meeting
- C. **ADOPTED** - Minutes, January 24, 2006 – Policy Briefing Meeting
- D. **ADOPTED** - Minutes, January 4, 2006 – Special Meeting
- E. **ADOPTED** - Minutes, September 13, 2005 – Regular Meeting
- F. **ADOPTED** - Minutes, September 20, 2005 – Special Meeting
- G. **ADOPTED** - Minutes, September 20, 2005 – Regular Meeting
- H. **ADOPTED** - Minutes, August 2, 2005 – Regular Meeting

Secretary Zingler moved and Director Sheridan seconded the motion.

Eight Voted in Favor

10. COMMUNICATIONS.

Director Peak received a faxed letter from the National Taxpayers Union about raising the minimum wage.

Chairman Howroyd received additional living wage information, including reports that will be copied to all Board members. The Board also received comments on the proposed living wage ordinance from the Greater Manchester Chamber of Commerce. Chairman Howroyd will also distribute material received from Governor Rell regarding urban violence.

Secretary Zingler received a letter from Vivian Ferguson regarding the Cheney Building at Bennet, a signed card for the living wage ordinance from Joan Dower and her letter with her concerns about the homeless.

Director Spadaccini received another communication from the Castelanos regarding the drainage problem on Girard Street. Director Spadaccini commended the Public Works Department for their help with residents who encounter water drainage problems.

11. REPORTS.

A. Fiscal Year 2004-2005 Audit (CAFR) presented by Scully & Wolf.

Alan Desmarais, Director of Finance introduced Chris Wolf, Auditor from Scully & Wolf. Mr. Scully explained the task of the independent auditor in Connecticut basically is to issue five separate reports to their client. The major report is referred to as a Comprehensive Annual Financial Report (CAFR). This is where they provide their opinion as to whether the Town's financial statements are fairly presented in accordance with generally accepted accounting principles. The rest of the report is on the shoulders of the Finance Department. The two additional reports within this five reporting process are referred to as State and Federal Single Audits. During the year ended June 30, 2005 the Town received about \$8.6 million of Federal financial assistance and about \$35.6 million of State assistance, of which \$6.4 million is subject to audit procedures. The fourth report that they issue is referred to as an agreed upon procedures engagement for the State Department of Education. The last item is a report on compliance with laws and regulations and also on internal control over financial reporting. Based on their review and audit, the Town of Manchester complied with local laws and regulations and also complied with State statutes. The Town also received an opinion that there are no reportable conditions based on the review of internal controls over financial reporting. Overall, the General Fund balance increased from \$9.2 million to \$11.9 million and the Undesignated Fund balance increased from \$6.4 million to \$7.5 million. On the Revenue side, the Town received \$2.7 million more than estimated, and on the Expenditure side, the Town expended \$700,000 less than anticipated. It was a very good fiscal year, due to the positive efforts of the Finance Department.

Chairman Howroyd said this Board and past Boards made a conscience effort over the last several years to increase the Town's Unreserved and Undesignated General Fund balance.

Director Sheridan congratulated both Boards for clearing up these deficiencies. He asked Mr. Desmarais if there were any existing policies in place to govern custodial credit risks. Mr. Desmarais replied we have never had a policy. We should have an investment policy and it will be coming in the future. Director Sheridan also referred to the landfill closure cost.

Director Spadaccini thought the short-term cash deposits were kept in a State account. Mr. Desmarais said the Town has a number of different sources.

Director Pelletier, with regard to collections for the Water and Sewer Department, suggested the Board explore on-line payment options.

Mr. Desmarais concluded by stating the Town is not a perfect municipality. He commended his department for coming through incredibly.

13. ACTION ON ITEMS OF PUBLIC HEARINGS.

- 3A. Approval of an ordinance establishing a living wage requirement. A copy of the proposed ordinance may be seen in the Town Clerk's office during business hours.

Chairman Howroyd stated it would be the Board's intention to defer final action on this ordinance and request a referral to the Administration, Personnel and Finance Committee.

Director Peak hoped the Board's intention to refer this item to sub-committee would be for the purpose of a meaningful discussion rather than a living wage ordinance. The meaningful discussion should be what is the best policy to enact that would help all families in Manchester.

Director O'Neill said she is looking forward to working on a draft for this ordinance.

Director Pelletier finds it disconcerting that this item was placed on the agenda for approval. If there was ever intent to have a committee to work on this, it should have been long before it was placed on the agenda for approval. The Town staff was not adequately prepared to go over this.

Director Topping agreed there are questions and concerns from the public and his colleagues. He would like to participate in the committee discussion for appropriate groundwork.

Director Spadaccini also would like to participate in a discussion as to how to improve conditions for low-wage earners in the Town of Manchester. He does not see it as their job to fix a flawed ordinance. He stated a living wage ordinance will hurt workers that it intends to help and will cause unemployment; a living wage ordinance will raise taxes and increase the budget; a living wage ordinance will hamper economic development; and finally, a living wage ordinance will be very difficult to enforce. He opposes this ordinance.

Chairman Howroyd referred this item to the Administration, Personnel and Finance Committee.

13. ACTION ON ITEMS OF PUBLIC HEARINGS.

TABLED -

- 3B. 1. Approval of the extension of a sanitary sewer on Greenwood Drive.
2. Establishment of assessment formula and payment options for extension of a sanitary sewer on Greenwood Drive.
3. Allocation of \$78,000 from Unallocated Sewer Reserve to fund the extension of a sanitary sewer on Greenwood Drive.

General Manager Shanley reported there would be a meeting on Thursday with eleven property owners to see if the extension of sewer along the entire stretch would be feasible.

Chairman Howroyd understands there was some timeliness to the construction season and asked General Manager Shanley if it would be appropriate that a recommendation might be in order for the March meeting. General Manager Shanley explained that action taken in March would still hold the bids.

Director Zingler moved and Director Peak seconded the motion. Eight Voted in Favor

14. UNFINISHED BUSINESS.

A. Appointments to Boards and Commissions which have members with terms expiring in November/December 2005.

<u>Board/Commission</u>	<u>Name</u>	<u>Term Expiring</u>
Auditor	APPOINTED - Scully & Wolf	November 2007

Secretary Zingler moved and Director Peak seconded the motion.
Eight Voted in Favor

Cable TV Advisory Committee (Library Board Appointment)	APPOINTED - Gail Dunnrowicz, 147 Carriage Drive	July 2007
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Secretary Zingler moved and Vice-Chairman O'Neill seconded the motion.
Eight Voted in Favor

Cheney Hall Board of Commissioners	TABLED - Vacancy	November 2008
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Secretary Zingler moved and Director Sheridan seconded the motion.
Eight Voted in Favor

Commission on Aging	TABLED - Charlene Southergill 8 Hendee Rd. (R)	November 2008
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Director Spadaccini moved and Secretary Zingler seconded the motion.
Eight Voted in Favor

Fair Rent Commission	APPOINTED - Patricia Cottle 17 Grandview St. (R)	November 2008
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Director Spadaccini moved and Secretary Zingler seconded the motion.
Eight Voted in Favor

Human Relations Commission	TABLED - Alfred Meek 124B2 Park St (R)	November 2008
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Director Spadaccini moved and Secretary Zingler seconded the motion.
Eight Voted in Favor

Zoning Board of Appeals – Alternate	REMOVED - Vacancy (R) (appointed in January)	November 2010
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Secretary Zingler moved and Director Spadaccini seconded the motion.
Eight Voted in Favor

15. NEW BUSINESS.

D. Approval of Settlement of Claim.

Director Sheridan moved and Director Topping seconded the motion that the Town enter into a settlement of the claim of Robert Troy versus the Town of Manchester, said settlement to be in the amount of \$20,000.

Eight Voted in Favor

E. Approval of a Real Property Tax Exemption for severely disabled veteran with specially adapted housing in accordance with Connecticut General Statutes, C.G.S. 12-81(21c).

Director Sheridan and Director Topping seconded the motion.

Eight voted in Favor

H. Adoption of a policy for future appointments of an independent auditor.

Director Zingler commented the committee that selected Scully & Wolf also addressed the Management Partners recommendation for the adoption of a policy concerning auditor reappointment and rotation.

Alan Desmarais, Director of Finance stated that Management Partners in their review mentioned that it is a popular policy for Boards to rotate auditors. In researching this topic, Mr. Desmarais found a position paper of the AICPA, which discusses audit and audit rotation.

Secretary Zingler read the policy as outlined in Section 5-26 of the Town Charter.

Policy on Independent Auditor selection

Purpose: The purpose of this policy is to provide guidance to the Board of Directors on the selection of the Independent Auditor as outlined in Section 5-26 of the Town Charter.

Background: Section 5-26 of the Town Charter sets out the requirement that each newly elected Board of Directors appoint an Independent Auditor(s) for a two (2) year term within 90 days after taking office. The appointment shall be “based on their qualifications and experience in municipal audits.”

Statement of Policy: The Board of Directors, when making the appointment of the Independent Auditor(s) every two years, shall follow a formal Request for Proposal process for Independent Auditor selection no less frequently than every four (4) years. As noted in Section 5-26 of the Town Charter, appointment shall be based on their qualifications and experience in municipal audits. Significant consideration shall also be given in that process for the need to have firm rotation, or if the same firm is being proposed, partner or manager rotation.

Secretary Zingler moved and Director Peak seconded the motion.

Eight Voted in Favor

RECESS:

The Board took a brief recess at 9:07 p.m. and returned at 9:22 p.m.

Secretary Zingler moved and Director Sheridan seconded the motion.

Eight Voted in Favor

I. Discussion of Town’s participation in the Connecticut Coalition for Justice in Education Funding and the \$8,500.00 fee.

Dianne Kaplan DeVries came forward to make a brief presentation. She spoke of equal educational opportunity, social justice for all children and communities, and economic viability for the children, communities, and the State as we move forward in this global marketplace. CCJEF is a coalition of municipalities, Boards of Education, and education related non-profit organizations. The purpose of the coalition is to bring about systemic school finance reform and the tax restructuring that is necessary to pay for adequate and equitable funding of the public

schools and substantially lessening the reliance on property taxes while ensuring quality schools. The coalition intends to revamp and update the outmoded, inequitable school funding system that is primarily based upon grand lists and property taxes. The coalition is Manchester's best bet. They are organized and gearing up for advocacy with the Legislature.

Director Peak addressed the ECS formula and a discussion ensued with Ms. DeVries regarding tax restructuring. Ms. DeVries concluded the current system is unconstitutional and the Legislature should fix it. We all agree this formula is broken, so why don't we just go straight to remedy phase and fix the issues. The best-case scenario is the Legislature and this is where Manchester can help.

Chairman Howroyd asked Ms. DeVries what other jurisdictions have had similar legal actions. She replied Maryland, New York and New Jersey. He doesn't see how the Town cannot become a member of this coalition. This is an investment in our future; it's an investment in our school system.

Director Pelletier noted that Manchester was listed as party to the suit. Ms. DeVries responded this was an error. Director Pelletier asked how much funding does her lobbying group receive from the State of Connecticut, to which Ms. DeVries responded they receive no money. Their funding comes solely from membership fees, with the exception of two small grants. Director Pelletier received confirmation from Ms. DeVries that the Town of Manchester would be expected to contribute \$10,000 each year, depending on the group's progress. Ms. DeVries clarified if the Town of Manchester decides not to be part of the action, the Board of Education can still be a partner. Director Pelletier believes the Town side is the one that receives the money from the State of Connecticut and then we appropriate their budget. Every time the Board of Education needs money, they have to come through the Board of Directors to receive it. There is a chain of command that is broken when you go to the Board of Education first and you don't go to the Town side. While Director Pelletier admires Ms. DeVries efforts to improve educational funding, she finds fault with her merits. CCJEF receives no funding from the State of Connecticut and, therefore, risks nothing by pursuing this lawsuit. Manchester unfortunately is not in the same situation. The problems that face Manchester now are not as much one of money as it is of mandates. That's where we differ on this issue.

Chairman Howroyd objected to some of Director Pelletier's comments.

Vice-Chairman O'Neill, a former Board of Education member, offered a brief explanation of unfunded mandates.

Director Spadaccini had no questions, but he did have a few comments. This type of lawsuit is legislating from the bench. The formalized membership of this coalition has 23 member towns, 25 member boards of education, and 23 decision-making process towns actively underway. Collectively, they have 28 of the 36 State Senate seats. They have a veto-proof majority. In the State House, where there are 151 legislative districts, they control 88 of those 151 districts. Rather than giving \$10,000 a year for a lawsuit, why aren't all these municipalities getting their representatives, their state senators and their state legislators to vote the way they want them to vote. Why are we going to court over this? This is a representative republic. The funding you seek would require a large tax increase. He does not agree with entering into this lawsuit. This Board is behaving just like the Board of Education at budget time for essentially sending a

spending plan onto us without proposing how to pay for it. What will more money do? You have a remedy with your elected representatives.

ADOPTED – MOTION TO SUSPEND THE RULES TO GO BEYOND ELEVEN O’CLOCK.

Director Spadaccini moved and Director Pelletier seconded the motion.

Eight Voted in Favor

Director Sheridan was dismayed by some of the remarks questioning the integrity, the motives, and the intellectual honesty of the people who have brought this lawsuit. He cautioned fellow members of the Board. Perhaps they feel this is the wrong way to go about reforming education funding in the State of Connecticut, but it is unfair to question the motives of the lawyers and the people who are advocating so strongly for this in the courts.

Director Topping asked if this would be a class action suit. Ms. DeVries replied yes. He asked what benefits would Manchester gain by joining the lawsuits that we wouldn’t gain anyway? Ms. DeVries responded, by being a member, the Town will help decide what the coalition needs to do. If you’re not a member, your town’s numbers will not be run and certain circumstances will not be considered before the judge. If you’re not a member and all towns thought this way, the coalition is dead. Director Topping doesn’t share the same opinion of who will decide and how; he cannot support this. We should get fair and adequate funding from the State.

Chairman Howroyd stated the Board would revisit this with an action item next month.

J. Approval of the Manchester L.I.F.E. Scholarship.

Director Peak explained this scholarship program was designed with the intention to stay true to arguments about living wage. We really need to let this living wage ordinance either sink or swim; we need to get this wrapped up. He hoped to refer this item to a sub-committee tonight.

Chairman Howroyd suggested sending this item to the Administration, Personnel and Finance Committee.

K. **ADOPTED** - Authorization for submittals of EDO-49s to State of Connecticut Department of Education School Facilities Unit for elementary school swing space as part of the Bennet Middle School renovation plan and appointment of the Building Committee to act as the Building Committee for the construction contingent upon approval of the Board of Education.

General Manager Shanley explained this action is necessary to move the swing space project forward. It requires both the Board of Directors and Board of Education approval. There is an interest in moving this as quickly as possible.

Secretary Zingler moved and Director Sheridan seconded the motion.

Eight Voted in Favor

16. OPENING OF MEETING TO ELECTORS OR TAXPAYERS WHO WISH TO BE HEARD ON ANY SUBJECT WITHIN THE JURISDICTION OF THE BOARD OF DIRECTORS.

Joe Bernard, 28 Teresa Road complained about water flowing through his backyard. He pays taxes on property he cannot use; the property is worthless. Do something with the brook.

Susan O'Connor, GMCC said her organization is puzzled by the Board's actions. She urged the Board to answer the questions about this ordinance that need to be answered before Manchester taxpayer dollars are committed to its enactment.

June Pinkin, 22 Santina Drive stated this is all about giving a wage where people might be able to come off public assistance. Working people should not be oppressed. Keep this on the table.

Cheri Keeren, 86 Berry Road explained, if the Board of Education has already signed on with \$1500 to the coalition, the Town does not have to spend additional money to be represented.

Gerald Ghidinelli, 2-4 Pearl Street commented on his observations about the Cheney Library entryway and his suggested change.

5. REPORTS.

B. Summer Recreation programming and fee schedules.

Chairman Howroyd explained Scott Sprague, Director of Parks and Recreation needs a consensus from the Board to proceed with printing of the summer program brochure.

General Manager Shanley explained alternative funding sources rather than a fee adjustment. The memo from the Budget Officer indicated that the alternative he recommended would come from the reserve that currently exists in the revolving recreation fund, where the fees are paid to self-support those operations. He qualified his suggestion by noting correctly that if those funds are used, they will need to be replenished. The only way to replenish them would be additional general fund contribution because that revolving fund does get a general fund contribution or an increase in all the fees of the programs that are involved in that revolving fund. One way or another, it will be direct subsidy or fee increase.

Scott Sprague, Director of Parks and Recreation needs an answer to an extension of the summer season; reinstating Bowers as a campsite; and the consideration of the fee structure.

Chairman Howroyd stated there was a strong sentiment among the Board to proceed with the first two items. The real discussion came down to how to pay for it. Chairman Howroyd said we have not had a fee increase in three years. If we were to tap into reserve funds that could be forcing the fee increase issue into future years as well. Chairman Howroyd would entertain a modest increase along the lines of either Option 1 or Option 2, which would add \$5 per child per week for the regular camp, and either \$5 per child for the extended care or \$10 per child for extended care. That is his personal preference.

Director Pelletier has no problem with items one, two and three.

Chairman Howroyd suggested Option 2 increasing the fees \$5 per child per week for regular camp, \$10 per child per week for extended care, with an estimated revenue of \$48,687; to allow lengthening of the summer camp season; and to open the Bowers site.

Director Sheridan prefers to hold the line on the fees for three years.

Secretary Zingler would rather hold the line on fees.

Director Topping, said a major concern of residents was the summer months and children with nothing to do. He is not in favor of raising fees at all.

General Manager Shanley sees a reluctance to raise fees. There is not strong enough consensus for an increase.

Director Sheridan said one area where he doesn't want to pinch pennies is anything related with youth services, youth activities or youth programs.

17. COMMENT AND DISCUSSION BY BOARD MEMBERS ON ITEMS FOR FUTURE AGENDA OR OF GENERAL CONCERN.

Chairman Howroyd read the names of Board members serving on standing committees

Administration, Personnel and Finance
Joseph Hachey, Chair
Lisa O'Neill
Matt Peak

Technical Resources and Planning
Kevin Zingler, Chair
David Sheridan
Matt Peak

Public Safety
John Topping, Chair
Joseph Hachey
Louis Spadaccini

Physical Services
Lisa O'Neill, Chair
Josh Howroyd
Louis Spadaccini

Planning and Economic Development
David Sheridan, Chair
John Topping
Cheri Pelletier

Health, Human and Leisure Services

Kevin Zingler, Chair
Joseph Hachey
Cheri Pelletier

Education Liaison
Lisa O'Neill
Cheri Pelletier

Government Liaison
Josh Howroyd
David Sheridan
Louis Spadaccini

Director Zingler suggested Directors try to limit themselves to five minutes for comments. He also mentioned that three members would be away next month and Chairman Howroyd suggested the Board meet on March 7 and March 21.

Director Peak offered comments on a time limit for speaking guests, the tree ordinance, the living wage ordinance, and the 20/10 Energy Program.

Director Spadaccini suggested the Town look into establishing an ethics policy. Secretary Zingler recommended we contact Glastonbury for review of their ethics policy.

Director Pelletier recognized Pat Carr, a former Manchester resident, who won an Olympic Gold Medal in Snowboarding.

19. ADJOURNMENT.

The meeting was adjourned until the March 7, 2006 Regular Meeting of the Board of Directors at 7:00 p.m. in the Lincoln Center Hearing Room.

Secretary Zingler moved and Director Topping seconded the motion.

Eight Voted in Favor

Adjournment: 12:20 a.m.

vbp

APPROVE:

ATTEST:

Secretary, Manchester Board of Directors