

**MINUTES
BOARD OF DIRECTORS
BUDGET ADOPTION
APRIL 14, 2009 – 7:00 P.M.
LINCOLN CENTER HEARING ROOM**

PRESENT: Mayor Spadaccini, Deputy Mayor Peak, Secretary Pelletier, Directors Tweedie, Beckman, Zingler, O'Neill, Kissmann, and Farina

ALSO: General Manager Shanley, Town Attorney Naab, and Budget and Research Officer Freund

The meeting was called to order at 7:04 p.m. All in attendance participated in the Pledge of Allegiance to the Flag, led by Mayor Spadaccini.

**MAJORITY
BUDGET RESOLUTION
APRIL 14, 2009**

GENERAL FUND

BE IT RESOLVED, by the Board of Directors of the Town of Manchester, Connecticut that the following be and hereby is adopted as the General Fund Budget of the Town of Manchester for the fiscal year commencing July 1, 2009, and ending June 30, 2010.

EXPENDITURES

ADOPTED - General Government \$5,560,982

Mayor Spadaccini explained that the General Fund incorporates a large number of departments, including the General Manager, Board of Directors, Town Attorney, Human Resources, Customer Service, Finance, Budget, Town Clerk, Tax Assessment, Tax Collection, Planning and Economic Development, Registrar of Voters, and Probate Court. This budget incorporates salary freezes of just under \$90,000. A major item of interest is the creation of the new Resource Office for Neighborhoods and Families. Existing staff will be shifted from Parks and Recreation to the General Government budget and will be charged with the implementing the Youth Master Plan. This budget also reflects dropping our membership in the U.S. Conference of Mayors, saving \$6,000.

Director Zingler concurred with the budget provided by the Majority. He asked if the \$12,000 in savings derives from the \$6,000 saved by not renewing membership in the U.S. Conference of Mayors and out of state travel and was answered in the affirmative.

Secretary Pelletier moved and Director Tweedie seconded the motion to adopt the General Government budget at \$5,560,982.

Nine Voted in Favor

ADOPTED - Public Works

\$12,816,133

Director Tweedie said Public Works is an efficient department, responsible for Administration, Engineering, Field Services, Facilities Management and Building Inspection. The Majority decided to fully fund the street light costs resulting in a 1.7% increase over last year's budget.

Secretary Pelletier moved and Deputy Mayor Peak seconded the motion to adopt the Public Works budget at \$12,816,133.

Nine Voted in Favor

ADOPTED - Public Safety

\$16,987,356

Director Beckman acknowledged the commitment and sacrifice of Manchester's officers. They are community oriented and care about our Town. He recognized the reduction in crime, the achievements of the Police Explorers, and the recent success of Town Watch night. Manchester's Police Department is not just interested in stopping youth from causing trouble; it also wants to help them to do right in the first place. This budget reduces the Manager's proposed number of police cruisers from eight to five.

Director Kissmann asked what the \$65,000 difference consists of.

Julian Freund, Budget and Research Officer, said each cruiser is valued at \$23,000 to \$24,000.

Secretary Pelletier moved and Director Beckman seconded the motion to adopt the Public Safety budget at \$16,987,356.

Nine Voted in Favor

ADOPTED - Human Services

\$3,314,700

Secretary Pelletier explained that Human Services is responsible for creating a safe and healthy environment for Manchester. They accomplish this through direct services and in collaboration with community providers. The allocation to Human Services includes a \$50,000 safety net. Savings were realized by using the CRT meal program at the Senior Center. The Board realizes this plan is not viewed as popular and with that in mind will consider readdressing this issue next year.

Director Farina pointed out \$40,000 in savings found and would like to see some of that savings used toward the continuation of the current lunch program at the Senior Center.

Director Tweedie said he tried the CRT meals twice and both times they were very good. The advantage to the CRT program is that Seniors who cannot afford to pay for lunch are still able to eat, either by making a small donation or even for free. About 90 people signed the petition to keep the meal program, but there are 21,000 members of the Senior Center.

Director Beckman concurred with Director Tweedie's assessment of the meals. He thinks it is great that the Town can find a way to provide free meals at no cost to the taxpayers. In times like these, it would be irresponsible not to provide this service.

Director Farina said this is not something that can be tried and discontinued; it involves a three-year contract. While the free meal option would be a compelling reason to switch, the current program allows for the use of free meal tickets.

Secretary Pelletier said the current program at the Senior Center is heavily subsidized by local taxes. To completely cover the cost of the program, Seniors would need to pay \$8 per ticket; they currently pay only \$2.25. The CRT program provides an opportunity to offer meals that are not locally subsidized.

Secretary Pelletier moved and Director Tweedie seconded the motion to adopt the Human Services budget at \$3,314,700.

Six Voted in Favor
Spadaccini, Peak, Pelletier, Tweedie, Beckman, O'Neill
Two Voted in Opposition
Kissmann, Farina
Zingler Abstained

ADOPTED - Leisure Services

\$5,259,572

Director Tweedie exclaimed that the Recreation Department in Manchester is outstanding. It offers six weeks of summer camp and three recreation centers. It is responsible for the fields, scheduling of facilities, Rebuilding Together, Pride in Manchester, the Fishing Derby, the 4th of July celebration, and many other programs. In the past, six pools have been available; however, this year two outdoor pools which get little use will be closed. Closing the two pools will not affect swim lessons or summer camp during the week. The Majority has decided to fully fund the indoor pool program.

Mayor Spadaccini added that the decline of the Leisure Services budget reflects the transfer of a position from Parks and Recreation to General Government.

Director Zingler commented that he is glad to see that Manchester High School pool will remain open and asked if it will continue as it currently stands. He was answered in the affirmative. Mr. Zingler said he was glad to see Whiton Library's hours restored to 50 hours per

week, but would like to see Waddell pool opened as well. He expects to see an increase in the number of children enrolled in summer camp at this site and it will cost money to bus the campers to other sites to swim. He mentioned that with the economy as it is, more people will be taking “staycations” and will appreciate the use of their neighborhood pool.

DEFEATED – MOTION TO AMEND LEISURE SERVICES BUDGET TO THE AMOUNT OF \$5,275,204 TO INCLUDE THE OPENING OF WADDELL POOL.

Director Tweedie said he respected Mr. Zingler’s opinion on the use of Waddell pool, but it was built in the 1960s and needs safety updates. It would be a lot of money to spend for the small number of people that use the pool.

Director Zingler has been told that the pool can open without the capital improvements this year. The only expense to the Town would be the operational costs. Verplanck’s pool is in dire shape and could not be opened without major improvements.

Secretary Pelletier will vote against this amendment. Park and Recreation staff has assured the Board that the Town has capacity to support its needs with the four other pools.

Deputy Mayor Peak said he concurs with Director Tweedie and Secretary Pelletier. The General Manager has done an enormous amount of work to identify any services that can be provided more optimally or not at all. Mr. Peak said if the Board wants sustainable, long term budgets, it needs to modify the way it budgets. This is an example of a reasonable reduction of service.

Mayor Spadaccini said he is grateful the Board was able to fully restore the hours at Whiton Library and attributed that to the sacrifices made by Town staff. He understands the attachment to neighborhood pools, but doesn’t agree with deferring capital improvements. The Board will be left with dealing with them in next year’s budget. He said that in a difficult budget year, difficult choices need to be made.

Director Zingler moved and Director Farina seconded the motion to amend the Leisure Services Budget.

Four Voted in Favor
Zingler, O’Neill, Kissmann, Farina
Five Voted in Opposition
Spadaccini, Peak, Pelletier, Tweedie, Beckman

Secretary Pelletier moved and Director Tweedie seconded the motion to adopt the Leisure Services budget at \$5,259,572.

Five Voted in Favor
Spadaccini, Peak, Pelletier, Tweedie, Beckman
Four Voted in Opposition
Zingler, O’Neill, Kissmann, Farina

ADOPTED - Education

Board of Education	\$96,071,237	
Manchester Regional Academy	\$800,000	
Health-Welfare Private Schools	\$330,166	
Transitional Living	\$92,803	
Total Education		\$97,294,206

Deputy Mayor Peak has heard that there is a proposal to close Nathan Hale School if the Board of Education's budget were to be increased by 1%. He admitted times are tough, but does not believe a school needs to be closed. The Majority completed an analysis of the Board of Education's budget and concluded that it is unnecessary to close a school or make significant layoffs. He does not understand why such drastic measures were suggested first. Mr. Peak said he was bothered by the way information was disseminated throughout the school system and read a "Parent Alert" that was sent home with the children. Mr. Peak reviewed the suggestions for savings, all of which are available on the Manchester Republicans' website. He mentioned that last year the Board of Education said a 3% increase would result in program eliminations, yet it managed to add a full-day kindergarten and hire a Public Relations Director. The largest savings realized during this budget season was the voluntary salary freezes. If the Board of Education unions agree to the same concessions, it will result in a \$1.7 Million savings. Mr. Peak has worked hard to suggest alternatives to layoffs and a school closing. He spoke about stimulus money that will be available to Boards of Education throughout the country. There is currently some confusion about how the funds can be used, but it is clear that the overall mission is to save and create jobs. He sees some opportunities for the Board of Education; the community just needs to be creative.

Director O'Neill stated that when the Town negotiated concessions, it included a no layoff clause. The General Manager set aside money to guard against that. They Board of Education's hands are tied. The types of cuts that will need to be made are drastic. It has a new facility coming online and has been maintaining its own facilities. Ms. O'Neill is uneasy with the proposed budget and thinks the Board is gambling with this budget. Most reasonable people would sacrifice \$3 per year to restore the General Manager's original allocation. She has heard that the stimulus money will need to be used to create new programs, not to sustain shortfalls. The Board of Education does not have the luxury of a reserve. She asked if the Town will dip into its reserves if the Board of Education runs short. Ms. O'Neill said that by not raising taxes by a couple of dollars, we are risking advancing the achievement gap.

DEFEATED – MOTION TO RESTORE THE EDUCATION BUDGET TO THE GENERAL MANAGER'S RECOMMENDED AMOUNT OF \$97,544,206.

Deputy Mayor Peak verified that he understood the motion to be to restore the General Manager's budget, which reflects a \$2.3 Million difference from the Board of Education's recommendation.

Mayor Spadaccini stated that the exact difference between the Majority's proposal and the Minority's amendment is \$250,000. To use terms like drastic or devastating over a budget that the two parties essentially agree on is extreme. He appealed to all parties involved to be reasonable and willing to work together. We can find practical solutions without extreme measures.

Director Zingler moved and Director Kissmann seconded the motion to amend the Education Budget.

**Four Voted in Favor
Zingler, O'Neill, Kissmann, Farina
Five Voted in Opposition
Spadaccini, Peak, Pelletier, Tweedie, Beckman**

Director Farina believes the \$250,000 does make a difference; that money can go back to educational programming. He said wisdom lies in listening to those that have degrees in this field.

Director Beckman said he supports the Majority budget as proposed. He has heard from the public that it pays too much for taxes. The Majority looked at the Board of Education budget and found practical ways to save money for taxpayers. He said that no child benefits from a parent who cannot pay the mortgage.

Director Kissmann said he was disturbed by the discussion about the \$250,000. That amount of money does make a difference. He said that the goal of the Board is to work for the people of the Town of Manchester and thought the Board members may be caught up in politics instead.

Secretary Pelletier said that decisions about the budget are made on the community's ability to pay, not politics. In her experience on the Board, this is the year the Board has come the closest to agreeing on the budget. She stands by the Majority budget as it stands tonight.

Mayor Spadaccini believes we can all work together if we let cooler heads prevail.

Secretary Pelletier moved and Deputy Mayor Peak seconded the motion to adopt the Education budget at \$97,294,206.

**Five Voted in Favor
Spadaccini, Peak, Pelletier, Tweedie, Beckman
Four Voted in Opposition
Zingler, O'Neill, Kissmann, Farina**

ADOPTED - Retiree and Pension Benefits

\$2,594,843

Secretary Pelletier explained that the Town is contractually obligated to provide these benefits.

Secretary Pelletier moved and Director O’Neill seconded the motion to adopt the Retiree and Pension Benefits budget at \$2,594,843.

Nine Voted in Favor

ADOPTED - Debt Service \$8,922,816

Secretary Pelletier noted that this budget item has decreased somewhat but is expected to spike again next year.

Secretary Pelletier moved and Director O’Neill seconded the motion to adopt the Debt Service budget at \$8,922,816.

Nine Voted in Favor

ADOPTED - Miscellaneous \$255,060

Secretary Pelletier explained that this includes a contingency account and has increased by \$85,060.

Secretary Pelletier moved and Director Beckman seconded the motion to adopt the Miscellaneous budget at \$255,060.

Nine Voted in Favor

ADOPTED - Interfund Transfers \$5,736,116

Director Farina asked what the reduction of approximately \$45,000 from the General Manager’s proposal consists of.

Mr. Freund explained that the Majority’s reductions reflect adjustments for salary savings in the Information Systems Fund and the Fire Fund.

Secretary Pelletier moved and Director Beckman seconded the motion to adopt the Interfund Transfers budget at \$5,736,116.

Nine Voted in Favor

TOTAL GENERAL FUND EXPENDITURES \$158,741,784

**MAJORITY
BUDGET RESOLUTION
APRIL 14, 2009**

GENERAL FUND

ADOPTED - REVENUES

General Related

Property Taxes, Interest and Lien Fees	\$115,237,360
Permits, Licenses and Fees	\$1,777,692
Charges for Services	\$656,880
State and Federal Grants	\$4,893,117
Income from Assets	\$1,008,417
Interfund Transfers	\$1,627,899
Miscellaneous Income	\$102,600
Appropriation of Designated Fund Balance	\$1,050,000

Education Related

Charges for Services	\$805,000
State and Federal Grants	\$31,582,819

TOTAL GENERAL FUND REVENUES **\$158,741,784**

Secretary Pelletier moved and Director Tweedie seconded the motion to adopt the General Fund Revenues budget at \$158,741,784.

Nine Voted in Favor

**MAJORITY
BUDGET RESOLUTION
APRIL 14, 2009**

ADOPTED - SANITATION FUND

BE IT FURTHER RESOLVED that the following be and hereby is adopted as the budget for the Sanitation Fund for the fiscal year commencing July 1, 2009, and ending June 30, 2010.

EXPENDITURES

Operating Expenses	\$5,917,497
Interfund Transfers	\$1,928,839
Total Sanitation Fund Expenditures	\$7,846,336

REVENUES

Tipping Fees	\$5,484,672
Appropriation from Net Assets	\$1,550,284
Other Revenue	\$811,380
Total Sanitation Fund Revenue and Use of Fund Balance	\$7,846,336

Mayor Spadaccini explained that the Sanitation Fund is an Enterprise Fund that is kept separate from the Town's budget and funded through tipping fees. This is a great aspect of the Town's budget, as the cost of curbside collection is funded by these tipping fees. This year's budget incorporates single stream recycling which will be a fantastic program at no cost to the taxpayer.

Deputy Mayor Peak moved and Director Tweedie seconded the motion to adopt the Sanitation Fund budget at \$7,846,336.

Nine Voted in Favor

**MAJORITY
BUDGET RESOLUTION
APRIL 14, 2009**

ADOPTED - WATER FUND

BE IT FURTHER RESOLVED that the following be and hereby is adopted as the budget for the Water Fund for the fiscal year commencing July 1, 2009, and ending June 30, 2010.

EXPENDITURES

Operating Expenses	\$5,001,508
Debt Service	\$955,500
Interfund Transfers	\$1,387,006
Total Water Fund Expenditures	\$7,344,014

REVENUES

Sale of Water	\$6,005,336
Appropriation from Net Assets	\$236,468
Other Revenue	\$1,102,210
Total Water Fund Revenue and Use of Net Assets	\$7,344,014

Deputy Mayor Peak said that several valuable adjustments had been made to this fund such as achieving energy savings and the employee wage concessions. Also, \$50,000 was put into a reserve fund to allow for the possibility of taking down three blighted buildings. He believes the Town might realize some savings in demolition costs in this economy.

Director O’Neill said she supports this budget and looks forward to getting the numbers on water consumption rates. She wants to make sure the right decisions are made on increasing or decreasing rates.

Secretary Pelletier moved and Deputy Mayor Peak seconded the motion to adopt the Water Fund budget at \$7,344,014.

Nine Voted in Favor

**MAJORITY
BUDGET RESOLUTION
APRIL 14, 2009**

ADOPTED - SEWER FUND

BE IT FURTHER RESOLVED that the following be and hereby is adopted as the budget for the Sewer Fund for the fiscal year commencing July 1, 2009, and ending June 30, 2010.

EXPENDITURES

Operating Expenses	\$4,253,152
Debt Service	\$975,930
Interfund Transfers	\$914,364
Total Sewer Fund Expenditures	\$6,143,446

REVENUES

Sewer Service	\$4,954,278
Appropriation from Net Assets	\$0
Other Revenue	\$1,416,705
Total Sewer Fund Revenue and Use of Net Assets	\$6,370,983

Deputy Mayor Peak said some of the same savings mentioned with the Water Fund apply to the Sewer Fund.

Director O’Neill would like to take a mid-year look at the rates for this fund.

Secretary Pelletier moved and Deputy Mayor Peak seconded the motion to adopt the Sewer Fund budget at \$6,370,983.

Nine Voted in Favor

**MAJORITY
BUDGET RESOLUTION
APRIL 14, 2009**

ADOPTED - INFORMATION SYSTEMS FUND

BE IT FURTHER RESOLVED that the following be and hereby is adopted as the budget for the Information Systems Fund for the fiscal year commencing July 1, 2009, and ending June 30, 2010.

EXPENDITURES

Operating Expenses	\$1,602,807
Transfer to Capital Improvement Reserve Fund	\$130,000
Total Information Systems Fund Expenditures	\$1,732,807

REVENUES

Town Services	\$1,010,702
Services to Other Users and Other Revenue	\$722,105
Total Information Systems Fund Revenue and Use of Fund Balance	\$1,732,807

Secretary Pelletier stated Information Systems is a resource agency, an interfund supported by the Town and the Board of Education. Savings in this fund were accomplished with a reduction in temporary and part-time staffing positions and the continued freezing of one position.

Secretary Pelletier moved and Director Beckman seconded the motion to adopt the Information Systems Fund budget at \$1,732,807.

Nine Voted in Favor

**MAJORITY
BUDGET RESOLUTION
APRIL 14, 2009**

ADOPTED - FIRE DISTRICT SPECIAL FUND

BE IT FURTHER RESOLVED that the following be and hereby is adopted as the budget for the Fire District Special Fund for the fiscal year commencing July 1, 2009, and ending June 30, 2010.

EXPENDITURES

Operating Expenses	\$12,125,849
Debt Service	\$380,473
Transfer to Capital Improvement Reserve Fund	\$0
Total Fire District Special Fund Expenditures	\$12,506,322

REVENUES

Property Taxes, Interest and Lien Fees	\$10,042,000
State Aid	\$193,985
Other Revenue	\$2,270,337
Appropriation of Prior Year Fund Balance	\$0
Total Fire District Special Fund Revenue and Use of Fund Balance	\$12,506,322

Director Beckman offered his heartfelt thanks that the Firefighters agreed to forego a wage increase for this year. The difference between the Manager's budget and the Majority's budget consists of vehicle, energy, and wage savings.

Secretary Pelletier moved and Director Beckman seconded the motion to adopt the Fire District Special Fund budget at \$12,506,322.

Nine Voted in Favor

MAJORITY

BUDGET RESOLUTION

APRIL 14, 2009

ADOPTED

RESOLVED, that in accordance with the applicable provisions of State Statutes, 1958 Revision, and amendments thereto, the Town Charter as amended, and the Town Ordinances establishing a Fire Department Taxing District and a Special Services District, a rate of 26.80 mills on the dollar is hereby levied on the ratable estate of the Town of Manchester as of October 1, 2008, according to the respective assessments thereon last made and completed, for maintenance and support of school, principal and interest on outstanding indebtedness and current expenses of the Town, excluding those for the two Special Districts, for the fiscal year commencing July 1, 2009, and ending on June 30, 2010; an additional tax rate of 3.52 mills on the dollar is hereby levied on the ratable estate of the Fire Department Taxing District of the Town of Manchester as of October 1, 2008 according to the respective assessments thereon last made and completed, for payment of current expenses of the Town Fire Department for the fiscal year commencing July 1, 2009, and ending on June 30, 2010; and an additional tax rate of 4.94 mills on the dollar is hereby levied on the ratable estate of the Special Services District of the Town of Manchester as of October 1, 2008, according to the respective assessments thereon last made and completed, for payment of current expenses of the District for the fiscal year commencing July 1, 2009, and ending on June 30, 2010; each of such taxes to be due and payable, one-half on the first day of July 2009, and one-half on the first day of January 2010, provided, however, that any tax on real estate amounting to not more than four hundred dollars (\$400.00) shall be due and payable in one (1) installment on July 1, 2009; further provided that any personal property tax amounting to not more than four hundred dollars (\$400.00) and any motor vehicle tax of any amount shall also be due and payable in one (1) installment on July 1, 2009.

Secretary Pelletier moved and Director Beckman seconded the motion to adopt the Majority Budget Resolution.

Nine Voted in Favor

**ADOPTED SCHEDULE OF ALLOCATIONS TO CAPITAL ACCOUNTS
AND TRANSFERS TO NON-LAPSING ACCOUNTS AND SOURCES
OF ALLOCATIONS AND TRANSFERS FOR FY 2009/10**

Capital Improvement Reserve Fund 301

Uses	Amount
GR 061 Lease Purchase Equipment 2004	\$98,000
GR 050 Vehicle and Equipment Replacement	\$465,000
GR 027 Facilities Maintenance Program	\$222,000
GR 011 Pools Paint & Seal/Hard Court Resurfacing	\$75,600
GR 010 Roadway Repairs – Guide Rail Replacement	\$15,000
New – Dredge Center Springs Pond Forebay	\$16,000
New – Sediment Removal at Bridges	\$30,000
New – Realign Finley St/Bolton Ctr Rd/Middle Tpk East	\$190,000
New – Hybrid Vehicles Local Match	\$50,000
New – Sidewalk Replacements, Including Green Manor	\$500,000
Sources	
General Fund-Fixed/Miscellaneous	\$680,000
Use of LoCIP	\$810,000
Allocation in Capital Reserve from Unallocated	\$171,600

Special Grant Fund 260

Uses	Amount
SG 081 Channel 16 Operations	\$12,500
SG 022 Dial-A-Ride Operations	\$160,478
SG 049 Town Clerk Historic Preservation	\$12,000
Sources	
General Fund-Fixed/Miscellaneous	\$184,978

**ADOPTED SCHEDULE OF ALLOCATIONS TO CAPITAL ACCOUNTS
AND TRANSFERS TO NON-LAPSING ACCOUNTS AND SOURCES
OF ALLOCATIONS AND TRANSFERS FOR FY 2009/10**

Information Systems Reserve Fund 361

Uses	Amount
IR 619 Information Tech. Replacement/Upgrades Program	\$130,000
Sources	
Information Systems Fund Transfer to Reserve	\$130,000

Water Reserve Fund 352

Uses	Amount
WR 388 Water Tank Painting	\$100,000
WR 291 Water Meter Replacements	\$76,000
WR390 Treatment Plant – Siphon Tubes & Pipe Repair/Replace	\$25,000
WR 329 Vehicle Replacement	\$80,000
WR 405 – Causeway Fencing Replacement	\$10,000
NEW – Streaming Current Monitor Replacement	\$12,000
NEW – Reservoir Vegetative Survey	\$40,000
NEW – Well #5 Exterior Renovation	\$12,000
NEW – Abandoned Building Demolition	\$85,000
Sources	
Water Fund Transfer to Reserve	\$366,000
Allocation in Water Reserve from Unallocated	\$74,000

**ADOPTED SCHEDULE OF ALLOCATIONS TO CAPITAL ACCOUNTS
AND TRANSFERS TO NON-LAPSING ACCOUNTS AND SOURCES
OF ALLOCATIONS AND TRANSFERS FOR FY 2009/10**

Sewer Reserve Fund 353

Uses	Amount
SR 421 Manhole Rehabilitation	\$30,000
SR 374 Vehicle Replacement	\$35,000
SR 419 Pump Station Improvements/Birch Mountain	\$30,000
Sources	
Sewer Fund Transfer to Reserve	\$95,000

Sanitation Reserve Fund 332

Uses	Amount
LR 723 Heavy Equipment Replacement	\$750,000
LR 725 Landfill Construction – Transfer Station Area	\$700,000
Sources	
Sanitation Fund Transfer to Reserve	\$1,450,000

Other Post Employment Benefits (OPEB) Fund 711

Uses	Amount
OPEB Trust Fund	\$2,229,478
Sources	
General Fund-Fixed/Miscellaneous – Retirees Medical Insurance	\$2,229,478

The Schedule of Allocations to Capital Accounts and Transfers to Non-Lapsing Accounts and Sources of Allocations and Transfers is Incorporated by Reference.

Mayor Spadaccini moved and Secretary Pelletier seconded the motion to adopt the Schedule of Allocations to Capital Accounts and Transfers to Non-Lapsing Accounts and Sources of Allocations and Transfers.

Nine Voted in Favor

Director Zingler – DEMOCRAT BUDGET ADDRESS – 2009:

Good evening members of the board, town staff, and fellow citizens. Tonight, the Democratic Caucus has presented several amendments that reflect our desire to maintain core services, while acknowledging and addressing the financial realities that face us all.

After reviewing the Republicans' budget that was released first to the press a few days ago, it was evident that there was some consensus within parts of the budget. Unfortunately, the Republicans chose to proceed in a partisan manner which divided the Board further and negated the opportunity for the Board to work together as a body of nine members on behalf of the residents. During Board meetings pledges were made to work together, but the fact still remains that the budget passed tonight was done in a partisan manner with no opportunity otherwise.

I am happy to see that there was some overlap between both caucuses, such as:

- Reduction in the number of new police vehicles.
- Restoring Whiton Library hours.
- Subsidizing morning and afternoon lap swim.
- Keeping open swim at the high school.
- Keeping the Fire Department fully staffed during night hours.

The areas we differed in are as follows:

- Senior Center Lunch Program:

A suggestion was made by staff to explore hiring the Community Renewal Team (CRT) lunch program. By contracting out the service the Town would be able to save \$31,000 by laying off the chef. A taste test revealed that a majority of the seniors disliked the quality of the food, and petitioned the Board against the change. In addition, several residents testified against contracting the service at a public hearing on March 17th at Waddell School. After listening to their concerns, the Democratic caucus concurs that the current Senior Center lunch program should remain the same and not be contracted out to CRT. We also stand behind our pledge made to not lay off any town employees.

- Open Waddell Pool:

Given the current state of the economy more and more residents will be utilizing recreational services provided by the Town. The Waddell pool provides an important component to the day camp swimming opportunities and will be vital to accommodate the additional enrollment projections. Busing kids across town every afternoon is costly. The pool also provides an outlet for kids and adults of all ages to spend quality time together in a constructive manner.

- Board of Education Funding

Education is a core service provided by the Town of Manchester. Along with other core services such as public safety, infrastructure, solid government and a strong business community, a school system can make or break a community. Realizing the difficult economic times we face, and the uncertainty of our country's economic future, the Democratic Caucus supports the General Manager's recommended budget for the education system. While we would have loved to do more, we had to strike a realistic balance to keep the budget within the ability of the taxpayer to pay. We do strongly oppose the Republican plan to reduce the budget further to find savings. This will increase class sizes and possibly close Nathan Hale School. Due to savings in heat, electricity, gasoline, and water, the Democratic budget appropriates an additional \$584,000 to be used for direct educational programming, without increasing spending.

I would like to thank first, all of the staff on the town side for foregoing their raises in the upcoming year. We are acutely aware of the sacrifices that were made on their behalf to help control spending and preserve services. Every Manchester taxpayer should be proud to know that we have dedicated and caring employees working on our behalf. With their voluntary contribution, over \$700,000 was realized to lessen the tax burden of residents.

I also thank the Board of Education administrators for forgoing their raises.

Finally, I would like to thank the previous administration on the Board of Directors lead by the Democrats for the vision and foresight to increase the designated General Fund balance reserves. Their savings and fiscal responsibility have proved to be quite useful to the current Republicans' last operating budget, in which they took \$1.25 Million to balance the budget. Tonight another \$1 Million was used. While it is wise this year to use these funds to offset taxes, it should be noted that the reserve we built is only so deep and that these yearly withdrawals will eventually deplete our savings, leaving only one option - an inevitable increase in taxes.

Using the aforementioned staff concessions, energy savings and designated General Fund balance reserves, we have done our best to craft a budget that keeps nearly all services intact while minimizing the impact on taxpayers.

We are proud to serve the citizens of this great town. On behalf of the entire Democratic caucus, we wish the citizens of Manchester a happy, healthy and prosperous new year.

Mayor Spadaccini – MAYOR’S BUDGET ADDRESS – 2009:

Every year, we gather to discuss and debate our Town’s priorities for the coming year and each year we face the same problem of matching our community resources to our community needs. We are used to making difficult choices and we work hard to ensure that our decisions do the most good for as many people as possible.

This year’s debate has been more difficult than most because as a nation, we face the most challenging economic environment in a generation. What makes the current financial crisis so painful is that it isn’t just a cyclical downturn of markets – the economy faces a fundamental problem. As a nation and as a people, we’ve spent too much and saved too little. As a nation, the U.S. national debt exceeds \$11 Trillion dollars. As individuals, Americans hold more than \$2.5 Trillion in non-mortgage household debt. Until we rebalance our needs with our wants, we will not grow as a community.

Grand List growth over the last year is six times less than the prior year generating just \$80,000 in new revenue into Manchester. The loss of building permit fees, Town Clerk fees and interest on investments will result in \$800,000 less in revenue than the current year. Balancing a municipal budget is often a challenging task, but when you start over \$1.5 Million in the hole, the word “challenging” is an understatement. All of these factors are related to the economic downturn and if we do not focus on growing our local economy, we will face far more difficult choices in the future between dramatically reduced services and significantly higher taxes, neither of which will be good for the community.

But while we try to focus on these problems, we are still paying for the poor decisions of the past. This is the third and final year of the phase in of the property revaluation meaning that hard-hit homeowners are now paying property taxes based on their home values at the peak of the housing market. Factoring in the limited grand list growth and other settlements, the tax rate will increase by 1.9% while town spending will increase less than five/tenths of one percent (0.5%). These numbers do not take into account the effects of property revaluation which will add additional tax burden to many homeowners.

Tonight, we adopt a budget that spends nearly \$160 Million, almost three thousand dollars per man, woman, and child in Manchester. You will pay that money in taxes and you will rightly expect that town government will spend it to provide you with the services you need like police and fire protection, clean water, functioning sewers, good roads, town parks, and a quality public education for every child.

Everyone is hurting during these tough times – with layoffs, production cuts, and declining home values all too common. We have all had to make difficult sacrifices to make it through. I am very pleased tonight to recognize the extraordinary sacrifice of the Town employees who agreed to give back their promised salary increases – totaling more than \$800,000 in savings for Manchester. These dedicated employees work hard every day for the benefit of our Town and as a community, we are grateful for their continued service.

The hard work of these employees will save us money in other areas as well. They have recently completed a town-wide energy audit that will help our environment while saving money. Other identified savings in fuel and energy costs will save taxpayers hundreds of thousands of dollars over the next year.

These savings allow us to continue the vital services that our community needs – like preserving the hours of operation at the Whiton Library. We are committed to keeping that library open and operational for the residents it serves because an open library opens the door to new possibilities. The budget offered by the Majority also fully restores the community use of the indoor pool at Manchester High School. We considered this service unique because it is the only community use indoor pool that the Town has.

Senior citizens have borne an especially heavy burden during these tough times. Taking this into account, our budget implements a new program to provide free or very low-cost meals to Manchester's seniors. The Community Renewal Team Elderly Nutrition Program already provides hot meals to 34 sites across Connecticut from Enfield to Newington, Avon, Simsbury, Wethersfield, Hebron, Bolton, and Marlborough. This service is provided to these municipalities free of charge. Our investigation found these meals to be well prepared. This program reduces the cost for seniors from the flat rate of \$2.25 to a simple request for donation meaning that seniors without the ability to pay can still get a hot meal without worrying about the expense. In difficult times, the community must pull together to help those most in need and with this budget, we will help our seniors in need. In these difficult economic times, it is the right thing to do.

Modern economic growth is built on academic accomplishment and that is why 95% of the General Fund budget increase, or more than \$700,000, is going directly to the Board of Education. In addition, the Board of Education will receive more than \$3.1 Million in funding from the federal stimulus package. For the first time ever, we have also provided to the Board of Education an outline for savings and concessions that could save them up to \$3.5 Million. These resources should be more than enough to prevent layoffs, hold the line on class sizes, and keep every neighborhood school open in Manchester.

It is gratifying to see that everyone on the Board of Directors is in agreement on this point – with the Minority Budget incorporating many of the Majority's cost-saving measures down to the penny in their nearly-identical proposal. In a \$97 Million budget, disagreements of less than three-tenths of one percent should be easy to resolve.

It is important to note that the Town employees who sacrificed for the benefit of the entire town should not be forced to watch as their concessions are used to finance the raises of another group of employees. The Majority firmly believes that the staff, administrators and members of the Board of Education can balance their budget in the same way that the Town has. We believe that this can be accomplished through a unified effort and everyone can keep working with the budget that we have allocated tonight.

The budget adopted tonight affirms our strong commitment to public safety. We provide additional resources for school crossing guards and the Community Emergency Response Team. These dedicated volunteers have become one of the best citizen emergency response teams in the entire State and we are happy to support their efforts in this budget.

In the Fire Department, we will provide the resources to increase the overnight staffing to 16, restoring one position that was recommended for elimination in the General Manager's budget. These changes are possible because of the salary concessions from the Fire Rescue EMS Department and the Manchester Police Department, which is greatly appreciated.

The Majority budget incorporates the General Manager's recommendations to increase allocations to community service organizations that help the less fortunate and also create a \$50,000 emergency or safety-net fund that would be available for human service program needs that emerge as a result of deteriorating economic conditions. Our community must continue to assist the neediest among us and help those struggling with the effects of job loss, loss of housing and depletion of retirement savings.

Even in the leanest of budget years, we continue to make strides to improve the lives of Manchester youth. The Majority budget funds the opening of the new Youth Services Bureau on Linden Street. This new Youth Services Bureau permanently solves a longstanding problem by nearly tripling the space available for youth programming and counseling. Manchester is also in the process of developing a Youth Master Plan that will guide Manchester's leaders in all decisions that impact children, youth and families. This plan will be completed by June and we must hit the ground running. Through the reorganization of existing staff, this budget creates a resource office for neighborhoods and families to implement the recommendations of the Master Plan.

The budgets adopted tonight for the enterprise funds for the Water Department, Sewer Department and Sanitation Department closely follow the General Manager's recommended budgets with some adjustments to reflect salary concessions and savings in fuel costs. To advance our efforts to combat blight, funding is included in the Water Department budget to demolish three abandoned and dilapidated buildings that were once used by the Water Department.

In the Sanitation Enterprise fund, sufficient resources are budgeted to incorporate single stream recycling into the Town's curbside refuse collection program. Single stream recycling has the potential to increase recycling in our community by as much as 100% and could be the most significant environmental initiative this Town has undertaken. This great environmental program pays for itself in the form of lower tipping fees and pickup costs and will not cost the local taxpayer any money. It is a true win-win for Manchester.

Finally, to help insure long term fiscal stability and prevent budget shortfalls, the Majority budget restores reserve funds to protect against economic uncertainty and the possibility of the State providing fewer grant dollars than is currently projected. We disagree with the Minority's proposal to use unrealized surplus from the current fiscal year to fund ongoing expenses in the

next fiscal year's budget. We also do not agree with the Minority's proposals to fund spending increases with reserve and contingency accounts. Current projections show that there will not be a surplus in this fiscal year's budget.

Furthermore, using one time revenues to fund recurring expenses only creates a big hole in the next year's budget. As much as we would like to find additional funds for programs, we do not believe that the Minority's proposal to use nonexistent surplus and the Town's reserve fund safety net is fiscally responsible. Prior majorities have gone down the road of quick fixes, like postponing the property revaluation, only to see their actions lead to much larger problems in the future. The actions of the Minority tonight are eerily similar.

Now, more than ever, we need honest and responsible budgeting. The State is facing its own budget problems and despite the best efforts of some, it seems certain that the elected officials we send to Hartford will be balancing their budget on our back. The State will reduce our funding by at least \$750,000 and Legislative Democrats are seeking even further funding cuts and a significantly higher tax burden. This will not work at the State level, and we already know that it does not work at the local level.

The Majority budget is forward leaning and our vision is one of sustainability and fairness. We need to maintain our infrastructure, even in a down economy. That is why we restored the Town's annual contribution to the streetlight repair and maintenance account. Our budget does not reopen a pool without funding needed for capital repairs to it. That only creates a larger problem in the future when that pool and others need to be fixed at the same time. We could lower the tax levy to zero by wiping out reserve accounts, but we know that that would be poor stewardship. Our budget incorporates savings that are sustainable and plans for contingencies like the economy getting worse before it gets better. Our budget does not rely on gimmicks because we are fulfilling our promise to be the steady hand at the wheel. This is a budget that weathers the storm.

I would like to express my gratitude to General Manager Scott Shanley, Budget Officer Julian Freund, and our Budget Analyst, Brian Wolverton for their excellent work with the budget in this very challenging year. I would also like to thank Ginger MacHattie, Donna Huot and Colleen Munzu for their ongoing support of this Board. I thank all of the citizens who reviewed the budget, posted suggestions online, spoke at public comment sessions and sent us letters and emails. I thank the Town staff and department heads who worked very hard to tighten their budgets, propose money saving ideas and do more with less. Their job this year was made even more difficult by an accelerated budget adoption schedule in which we began a month earlier than usual and did what is normally six weeks' worth of work in just four weeks.

It is important to note that the budget adoption schedule is accelerated this year because of the recently passed change to the Town Charter which allows for a budget referendum. Our Majority advocated for this change to the Charter and the voters approved it by a 3-1 margin in the last election. If the appropriate number of signatures is submitted to the Town Clerk within ten days of budget adoption, then the community will get the opportunity to vote on this budget

and decide whether it is too high, too low, or just right. We are hopeful that the community exercises this new right.

Manchester remains an economic, cultural and educational center in the region. With work underway to revitalize the Broad Street commercial district, downtown Manchester and our local economy, our Town has much to look forward to in the coming months. Periods of economic hardship test our collective resolve, but they ultimately make a community stronger. Our quality of life remains strong and there is so much in our community to be grateful for and proud of. Success is assured when we work together in times of difficulty, appeal to our best qualities and seek common ground. As I have said before, our greatest asset is the tremendous character of our citizens and their unwavering community spirit. Manchester's greatest days are yet to come. On behalf of the Manchester Board of Directors, I wish the citizens of Manchester a happy, healthy and prosperous year.

ADJOURNMENT:

The meeting was adjourned at 9:35 p.m.

Director Tweedie moved and Director Beckman seconded the motion to adjourn.

Nine Voted in Favor

gem

APPROVED

ATTEST:

Secretary, Manchester Board of Directors