

**MINUTES
BOARD OF DIRECTORS
BUDGET ADOPTION
MAY 6, 2008 – 7:00 P.M.
LINCOLN CENTER HEARING ROOM**

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

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

The meeting was called to order at 7:00 p.m. All in attendance participated in the Pledge of Allegiance to the Flag, led by Mayor Spadaccini.

Director Zingler suggested the Board use tonight's meeting to discuss its proposed budgets, recess the meeting and allow the public to be heard on the budget, then come back and adopt the budget. There are different variations of the budget and it does not have to be adopted until May 17.

Mayor Spadaccini stated that a public hearing was already held on the budget in early April. This Board, in the course of having a public hearing and six budget workshops fully open to the public, has been very fair to all members of the Board and the public at large.

Director Zingler moved and Director Topping seconded the motion to suspend the rules to allow for a joint budget deliberation workshop tonight, recess, and reconvene within one week for a public hearing and budget adoption.

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

**MAJORITY
BUDGET RESOLUTION
MAY 8, 2007**

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, 2008, and ending June 30, 2009.

EXPENDITURES

General Government	\$5,363,763
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Director Tweedie explained that included in the General Government budget are funds for the Capital Workforce Partners L.I.F.E. program and to fully fund participation in the CT Clean Energy Program, 2010, one year ahead of schedule. The Majority leadership found savings by cutting the Board of Directors' travel expense reimbursement and by leaving unoccupied positions in the Town Clerk's office frozen. Mr. Tweedie expressed that he has been very impressed with the professionalism and work ethic of the General Manager's office and thanked General Manager Shanley, Donna Huot, Colleen Munzu, and Ginger MacHattie for their hard work and dedication to the Town of Manchester.

Director Sheridan stated that the Democratic Caucus will support the intended expenditure but offered some comments. The Board needs to have a real discussion about where a \$50,000 cut can be made to the Manager's recommendation for General Government. The Manager's original proposal would have represented an increase of \$66,495, or 1.2% over present levels and continued hiring freezes for several positions, while still carrying out new and expanded initiatives authorized by this Board. A spending cut of \$50,000 would mean the General Government would receive an increase of \$16,495, or 3/10 of 1%, in the upcoming year. With such a thin margin, he believes that Town Hall services will be affected. Any spending cuts that affect policy should be debated between Board members.

Director Tweedie moved and Director Beckman seconded the motion to adopt the General Government budget at \$5,363,763.

Nine Voted in Favor

Public Works \$12,607,370

Director Beckman stated that the Republican Majority recommends a savings of \$50,000 below the Manager's recommended budget from Contractual Services. He expressed the Board's gratitude to Mr. Carlino, Mr. Longo and the rest of the Public Works staff. Efforts made by Public Works include increasing recycling, utilizing energy saving measures, use of performance measures to evaluate cost effectiveness, hiring of a Quality of Life Officer, and developing solid waste management options. Since 1995, the responsibilities of this department have substantially increased and the number of positions has been reduced. This department is doing a great job.

Director Topping asked where the \$50,000 reduction in Contractual Services was identified.

Mayor Spadaccini stated that Contractual Services increased significantly this year. He suggested looking at the uniform allotment or additional costs associated with leaf pickup.

Director Topping verified that the Board will not be cutting any essential services and was answered in the affirmative.

Director Topping explained that the Democratic Minority is proposing a Public Works budget in the amount of \$12,775,746. This number includes \$50,000 for contractual services to ensure essential services will not be cut. Also included in this proposal is the unfreezing of one maintainer and one mechanic position. Many big ticket purchases have been deferred and along

with that brings the responsibility of maintaining older equipment. Services that are contracted out may need to be consolidated and an additional Maintainer will be needed in that instance.

Director Beckman moved and Deputy Mayor Peak seconded the motion to adopt the Public Works budget at \$12,607,370.

**Five Voted in Favor
Spadaccini, Peak, Pelletier, Tweedie, Beckman
Four Voted in Opposition
Zingler, O’Neill, Topping, Sheridan**

Director Topping moved and Director Zingler seconded the motion to strike the sum of \$12,607,370 and insert \$12,775,746 in its place.

**Four Voted in Favor
Zingler, O’Neill, Topping, Sheridan
Five Voted in Opposition
Spadaccini, Peak, Pelletier, Tweedie, Beckman**

Public Safety \$16,887,565

Director Tweedie explained that the Public Safety budget includes fully funding 124 officer positions. There are currently 118 officers and the Town is aggressively seeking additional officers. The Majority budget realizes savings by deferring a non-structural building repair and reducing the number of new patrol cars from seven to five.

Director Topping asked the thought process and evaluation used for the elimination of the cruisers.

Director Tweedie explained that he surveyed other police departments, one smaller and one bigger, and the number of patrol cars we have per number of patrol hours exceeded both of those departments.

Director Topping asked if any effort was made to find out the actual number of hours in services vs. the mileage on the vehicles. As vehicles get older they need more maintenance and the chances for a catastrophic failure greatly increases.

Director Topping explained that the Democratic Minority’s proposed budget includes funds for the hiring of two new dispatchers, an additional school crossing guard, the two cruisers cut from the Majority’s budget, and building maintenance. The Dispatchers have added responsibilities and it is only fair to give them the staff promised when they took over the EMD and Fire Dispatch.

Mayor Spadaccini expressed his hope that if the Police Department believes the area around Illing is a safety concern that it would find \$5,000 out of a \$17 million budget to address it. He stated he is open to part time Dispatchers to help at peak times.

Director Tweedie moved and Secretary Pelletier seconded the motion to adopt the Public Safety budget at \$16,887,565.

**Five Voted in Favor
Spadaccini, Peak, Pelletier, Tweedie, Beckman
Four Voted in Opposition
Zingler, O’Neill, Topping, Sheridan**

Director Topping moved and Director O’Neill seconded the motion to strike the sum of \$16,887,565 and insert \$17,074,363 in its place.

**Four Voted in Favor
Zingler, O’Neill, Topping, Sheridan
Five Voted in Opposition
Spadaccini, Peak, Pelletier, Tweedie, Beckman**

Human Services \$3,297,266

Secretary Pelletier explained that the Human Services budget includes Senior, Adult and Family Services and Youth Services. The Republican Majority will make no changes to the General Manager’s recommended budget this year. Next year’s Senior, Adult, and Family Services budget will be evaluated and funded according to the research collected and analyzed from various data. This budget includes \$125,000 to address space issues for YSB.

Director Sheridan stated that if he were not constrained by the terms of the Charter, he would have recommended an increase in this budget item. Human Services serves the neediest and most vulnerable citizens in our community. Mr. Sheridan stated that this year’s funding is an embarrassment. We are heading toward times when citizens who are living on the margin will need help.

Mayor Spadaccini noted that the Charter requires a public hearing when adding funds beyond the Department’s request. He encouraged Mr. Sheridan to propose an amendment and if it prevails, the Board will hold a properly noticed public hearing.

Secretary Pelletier moved and Deputy Mayor Peak seconded the motion to adopt the Human Services budget at \$3,297,266.

**Five Voted in Favor
Spadaccini, Peak, Pelletier, Tweedie, Beckman
Three Voted in Opposition
O’Neill, Topping, Sheridan
Zingler Abstained**

Director Sheridan moved and Director Topping seconded the motion to strike the sum of \$3,297,266 and insert \$3,341,507 in its place.

**Four Voted in Favor
O’Neill, Topping, Sheridan, Pelletier
Four Voted in Opposition
Spadaccini, Peak, Tweedie, Beckman
Zingler Abstained**

Leisure Services

Recreation Summer Camps	\$401,287	
All Other Leisure Services	\$4,965,607	
Total Leisure Services		\$5,366,894

Secretary Pelletier explained that the Leisure Services budget is comprised of the Recreation Department and Library Services. In the Recreation budget, the Majority has maintained the level funding of service and staff of the Recreation Department this fiscal year, while increasing programming opportunities at the Bennet East Side Rec Leisure Center. The Majority has committed an additional \$40,000 in contingency funding above the Manager’s recommended budget to salvage implementation of the conceptual plan. This fiscal year, the Majority will continue to advocate and seek funding for the opportunity to renovate and reopen the Cheney Building. When considering space needs for Library Services it became apparent to the Majority that the increase in teen programming and drop in sessions has produced some undesirable effects on traditional users of the library. The teens occupying the library need a dedicated space for their programming, which is social in nature. The Majority will explore the relocation of the teen programming to another facility dedicated to teen programming only.

Director Zingler asked what the additional \$40,000 will fund. Ms. Pelletier said it will be at the discretion of the Recreation Department to spend these funds, but she has heard it will most likely be for the purchase of gym equipment. Mr. Zingler asked if the Sixth Grade Rocks program will take place. Ms. Pelletier is uncertain because of the split of programming space, but will leave that up to Town staff to decide.

Director Zingler thanked the Recreation Department for the Leisure Center proposal. He believes the Sixth Grade Rocks program will be money well spent. The Democratic Caucus recognizes the need for additional security at Mary Cheney Library and proposes additional funds for that purpose.

Secretary Pelletier moved and Director Beckman seconded the motion to adopt the Leisure Services budget at \$5,366,894.

**Five Voted in Favor
Spadaccini, Peak, Pelletier, Tweedie, Beckman
Four Voted in Opposition
Zingler, O’Neill, Topping, Sheridan**

Director Zingler moved and Director Topping seconded the motion to strike the sum of \$5,366,894 and insert \$5,535,049 in its place.

**Four Voted in Favor
Zingler, O’Neill, Topping, Sheridan
Five Voted in Opposition
Spadaccini, Peak, Pelletier, Tweedie, Beckman**

Education

Board of Education	\$95,326,178	
Manchester Regional Academy	\$800,000	
Health-Welfare Private Schools	\$362,752	
Transitional Living	\$89,492	
Total Education		\$96,578,422

Deputy Mayor Peak stated that the Majority Budget represents a 3% increase, or \$2.75 million more than last year. It more than fulfills what the Board of Education calls a level services budget request and leaves substantial funding for the reopening of Bennet or other programs. There are a number of ways the Town can cooperate with the Board of Education to find savings and efficiencies. Mr. Peak noted a growth of 146 employees since 1996 and a decline in student enrollment of 951 students during that same period.

Director O’Neill stated that the Democratic Caucus advocates for expanding all-day kindergarten in Verplanck and Bowers Elementary Schools. She stated that the Republican’s proposal will result in serious reductions in staff, including reductions in classrooms, causing an increase in class size.

Deputy Mayor Peak moved and Director Beckman seconded the motion to adopt the Education budget at \$96,578,422.

**Five Voted in Favor
Spadaccini, Peak, Pelletier, Tweedie, Beckman
Four Voted in Opposition
Zingler, O’Neill, Topping, Sheridan**

Director O’Neill moved and Director Zingler seconded the motion to strike the sum of \$96,578,422 and insert \$97,393,603 in its place.

**Four Voted in Favor
Zingler, O’Neill, Topping, Sheridan
Five Voted in Opposition
Spadaccini, Peak, Pelletier, Tweedie, Beckman**

Retiree and Pension Benefits \$2,676,024

Mayor Spadaccini moved and Director O’Neill seconded the motion to adopt the Retiree and Pension Benefits budget at \$2,676,024.

Nine Voted in Favor

Debt Service \$9,074,421

Director Beckman explained that Debt Service consists of financial obligations that must be taken care of. He sees this as paying on the investment in future generations of our Town. Voter approval on these bonds has sent a loud and clear message of the willingness to sacrifice for the good of Manchester's children. The increase in property tax is just under 3%, which is what the Republic party promised Manchester residents.

Director Sheridan asked how the 3% figure was calculated. He calculates an increase of 4.4%.

Mayor Spadaccini stated that a portion of that is attributable to grand list growth and settlements of lawsuits surrounding revaluation. The tax levy increase to the average property owner outside of grand list growth and settlement of assessment disputes, is 2.998%.

Director Sheridan stated that 2.998% is a misleading number. The source of the taxes is irrelevant. When you calculate a tax increase, you take the amount of taxes collected last year and the amount of taxes collected this year, and the difference between the two is the tax increase.

Director Beckman moved and Deputy Mayor Peak seconded the motion to adopt the Debt Service budget at \$9,074,421.

Nine Voted in Favor

Miscellaneous \$260,135

Mayor Spadaccini explained that the main portion of the Miscellaneous expenditure consists of a number of allocations to community organizations and contingencies. Because the fund balance is now over \$9.5 million, a large contingency is not necessary.

Director O'Neill stated her belief that contingency funds are important, especially in a bare bones budget.

Mayor Spadaccini moved and Secretary Pelletier seconded the motion to adopt the Miscellaneous budget at \$260,135.

Five Voted in Favor

Spadaccini, Peak, Pelletier, Tweedie, Beckman

Four Voted in Opposition

Zingler, O'Neill, Topping, Sheridan

Director O'Neill moved and Director Zingler seconded the motion to strike the sum of \$260,135 and insert \$445,135 in its place.

Four Voted in Favor

Zingler, O'Neill, Topping, Sheridan

Five Voted in Opposition

Spadaccini, Peak, Pelletier, Tweedie, Beckman

Interfund Transfers \$5,878,370

Deputy Mayor Peak explained that the most significant part of this item is the decision to fully fund year one of amortizing the debt on the Municipal Self Insurance Fund. The Republican Majority proposes using part of the savings from funds not spent last year for a portion of year one MSIP allocations.

Director O’Neill explained that the Democratic Caucus would increase the amount allocated to the MSIP fund because it is risky to lengthen the number of years to make this fund whole.

Deputy Mayor Peak moved and Director Tweedie seconded the motion to adopt the Interfund Transfers budget at \$5,878,370.

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

Director O’Neill moved and Director Sheridan seconded the motion to strike the sum of \$5,878,370 and insert \$6,276,742 in its place.

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

TOTAL GENERAL FUND EXPENDITURES \$157,990,230

**MAJORITY
BUDGET RESOLUTION
MAY 6, 2008**

GENERAL FUND

REVENUES

General Related

Property Taxes, Interest and Lien Fees	\$112,836,126
Permits, Licenses and Fees	\$2,101,866
Charges for Services	\$655,095
State and Federal Grants	\$5,535,373

Income from Assets	\$1,461,388
Interfund Transfers	\$1,525,234
Miscellaneous Income	\$102,000
Appropriation of Designated Fund Balance	\$1,250,000
Education Related	
Charges for Services	\$805,000
State and Federal Grants	\$31,718,148
TOTAL GENERAL FUND REVENUES	\$157,990,230

Secretary Pelletier moved and Director Tweedie seconded the motion to adopt the General Fund Revenues budget at \$157,990,230.

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

**MAJORITY
BUDGET RESOLUTION
MAY 6, 2008**

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, 2008, and ending June 30, 2009.

EXPENDITURES

Operating Expenses	\$5,806,882
Debt Service	\$0
Interfund Transfers	\$1,957,366
Total Sanitation Fund Expenditures	\$7,764,248

REVENUES

Tipping Fees	\$5,747,280
Interest on Investments	\$174,800
Appropriation from Net Assets	\$1,115,038
Other Revenue	\$727,130
Total Sanitation Fund Revenue and Use of Fund Balance	\$7,764,248

Secretary Pelletier explained that this budget plays a key role in diminishing neighborhood blight, extending the life of the landfill, and taking the lead in municipal recycling and environmental initiatives. Through the employment of a Quality of Life Officer, compliance with refuse disposal and neighborhood property maintenance will be more closely monitored and enforced. Nearly \$1.5 million will be authorized for capital expenditures for heavy equipment purchases and replacements, including the purchase of a waste shredder for volume reduction. A Solid Waste Business Coordinator position will be funded and responsible for maximizing recycling efforts in homes, businesses, and schools within our community. This budget will fund the redesign and construction of a new scale house at our transfer station.

Director Sheridan stated that the Democratic Caucus supports the General Manager’s recommended budget but took the opportunity to relate some long term concerns he has over this fund. He believes it is essential to maintain cash reserves in the sanitation fund because of the fact that this industry is facing an uncertain future.

Secretary Pelletier moved and Deputy Mayor Peak seconded the motion to adopt the Sanitation Fund budget at \$7,764,248.

Nine Voted in Favor

**MAJORITY
BUDGET RESOLUTION
MAY 6, 2008**

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, 2008, and ending June 30, 2009.

EXPENDITURES

Operating Expenses	\$4,715,702
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Debt Service	\$1,147,800
Interfund Transfers	\$1,365,403
Total Water Fund Expenditures	\$7,228,905

REVENUES

Operating Revenue	\$5,662,193
Interest on Investments	\$123,880
Appropriation from Net Assets	\$493,841
Other Revenue	\$948,991
Total Water Fund Revenue and Use of Net Assets	\$7,228,905

Deputy Mayor Peak explained that the Republican Majority has reduced the projected water sales revenue by approximately \$70,000, which represents a plan for raising water rates in Manchester, planning for upgrades at many treatment facilities. Reductions made in the expenditure side include \$40,000 for a vehicle and \$30,000 for contingency.

Director O’Neill stated that her water bill has been flat for about 22 years now. Manchester has quite a product compared with other municipalities. We are starting to invest in our infrastructure and as we get projects under our belt, we will be reducing the fund balance. Ms. O’Neill stated that the General Manager’s proposed Water Fund budget was reasonable and she will support it.

Deputy Mayor Peak moved and Secretary Pelletier seconded the motion to adopt the Water Fund budget at \$7,228,905.

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

Director O’Neill moved and Director Zingler seconded the motion to strike the sum of \$7,228,905 and insert \$7,298,905 in its place.

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

**MAJORITY
BUDGET RESOLUTION
MAY 6, 2008**

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, 2008, and ending June 30, 2009.

EXPENDITURES

Operating Expenses	\$4,045,078
Debt Service	\$988,161
Interfund Transfers	\$1,079,882
Total Sewer Fund Expenditures	\$6,113,121

REVENUES

Operating Revenue	\$5,477,330
Interest on Investments	\$30,000
Appropriation from Net Assets	\$155,513
Other Revenue	\$450,278
Total Sewer Fund Revenue and Use of Net Assets	\$6,113,121

Deputy Mayor Peak suggested some areas for savings in this budget which include reduction in use of net assets by \$109,000, reduction of interfund transfers by \$55,000, and reduction of operation expenditures by \$54,000, which is a combination of contingency and sludge fund.

Director O'Neill explained that the Sewer Fund is its own fund, which is similar to it being its own company. Anticipating that the landfill will someday close, it is not fair to cut one fund at the cost of another. The General Manager has been incrementally increasing fund transfers to reflect more of what reality will be when our landfill closes.

Deputy Mayor Peak moved and Secretary Pelletier seconded the motion to adopt the Sewer Fund budget at \$6,113,121.

**Five Voted in Favor
Spadaccini, Peak, Pelletier, Tweedie, Beckman
Four Voted in Opposition
Zingler, O’Neill, Topping, Sheridan**

Director O’Neill moved and Director Topping seconded the motion to strike the sum of \$6,113,121 and insert \$6,222,121 in its place.

**Four Voted in Favor
Zingler, O’Neill, Topping, Sheridan
Five Voted in Opposition
Spadaccini, Peak, Pelletier, Tweedie, Beckman**

**MAJORITY
BUDGET RESOLUTION
MAY 6, 2008**

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, 2008, and ending June 30, 2009.

EXPENDITURES

Operating Expenses	\$1,596,855
Transfer to Capital Improvement Reserve Fund	\$148,450
Total Information Systems Fund Expenditures	\$1,745,305

REVENUES

Town Services	\$1,023,340
Services to Other Users and Other Revenue	\$721,965
Appropriation from Prior Year Fund Balance	\$0
Total Information Systems Fund Revenue and Use of Fund Balance	\$1,745,305

Director Beckman, on behalf of the Board of Directors, expressed gratitude to the Information Systems Department for its hard work.

Director Zingler explained that the Information Systems fund is used by Town Government to pay for information systems cross departmentally. It provides the infrastructure for Information Systems so that government can work more efficiently and effectively, 24/7. Included in the budget this year is funding for a hybrid telephone system at the Police Department and funding for a consolidated back-up plan. Mr. Zingler noted that Jack McCoy, Director of Information Systems, was recently appointed to the State of Connecticut Broadband Internet Coordinating Council.

Director Beckman moved and Director Zingler seconded the motion to adopt the Information Systems Fund budget at \$1,745,305.

Nine Voted in Favor

**MAJORITY
BUDGET RESOLUTION
MAY 6, 2008**

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, 2008, and ending June 30, 2009.

EXPENDITURES

Operating Expenses	\$11,699,343
Debt Service	\$393,699
Transfer to Capital Improvement Reserve Fund	\$0
Total Fire District Special Fund Expenditures	\$12,093,042

REVENUES

Property Taxes, Interest and Lien Fees	\$9,665,413
State Revenue	\$211,925
Other Revenue	\$2,215,704

Appropriation of Prior Year Fund Balance	\$0
Total Fire District Special Fund Revenue and Use of Fund Balance	\$12,093,042

Director Tweedie explained that the Republican Majority will defer the replacement of vehicles for the Fire Chief and Assistant Fire Chief, as well as foregoing interior station renovation at this time. He thanked Chief Bycholski and the entire staff for their devotion and professionalism.

Director Topping explained that the Democratic Caucus is proposing an additional \$194,000 which would include \$50,000 to replace a 40 year old generator, \$30,000 to train and recertify 30 Fire Fighters who hold EMT licenses, and \$70,000 back into reserve. Manchester will need two new pumpers at a cost of \$350,000 each within the next several years and can save a substantial amount of money if these vehicles are purchased with cash in hand by saving bonded indebtedness.

Director Tweedie moved and Director Beckman seconded the motion to adopt the Fire District Special Fund budget at \$12,093,042.

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

Director Topping moved and Director Sheridan seconded the motion to strike the sum of \$12,093,042 and insert \$12,288,042 in its place.

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

MAJORITY

BUDGET RESOLUTION

MAY 6, 2008

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 29.22 mills on the dollar is hereby levied on the ratable estate of the Town of Manchester as of October 1, 2007, 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, 2008, and ending on June 30, 2009; an additional tax rate of 3.76 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, 2007 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, 2008, and ending on June 30, 2009; and an additional tax rate of 5.50 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, 2007, 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, 2008, and ending on June 30, 2009; each of such taxes to be due and payable, one-half on the first day of July 2008, and one-half on the first day of January 2009, 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, 2008; 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, 2008.

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

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

**ADOPTED SCHEDULE OF ALLOCATIONS TO CAPITAL ACCOUNTS
AND TRANSFERS TO NON-LAPSING ACCOUNTS AND SOURCES
OF ALLOCATIONS AND TRANSFERS FOR FY 2008/09**

Capital Improvement Reserve Fund 301

Uses	Amount
GR 061 Lease Purchase Equipment 2004	\$98,000
GR 050 Vehicle and Equipment Replacement	\$440,000
GR 027 Facilities Maintenance Program	\$272,000
GR 011 Pools Paint & Seal/Hard Court Resurfacing	\$84,000
New – Youth Service Bureau Space	\$125,000
New – Design Dry Brook Culvert	\$200,000
New – Devon Dr. Neighborhood-Sidewalks & Drainage	\$300,000
New – New State Rd/Middle Tpk W/Center St.	\$80,000
Sources	
General Fund-Fixed/Miscellaneous	\$680,000
Use of LoCIP and approval of associated grant application	\$670,000
Allocation in Capital Reserve from Unallocated	\$249,000

Special Grant Fund 260

Uses	Amount
SG 081 Channel 16 Operations	\$12,500
SG 022 Dial-A-Ride Operations	\$150,872
SG 049 Town Clerk Historic Preservation	\$12,000
SG 117 Police Activities League	\$35,000
Sources	
General Fund-Fixed/Miscellaneous	\$210,372

**ADOPTED SCHEDULE OF ALLOCATIONS TO CAPITAL ACCOUNTS
AND TRANSFERS TO NON-LAPSING ACCOUNTS AND SOURCES
OF ALLOCATIONS AND TRANSFERS FOR FY 2008/09**

Information Systems Reserve Fund 361

Uses	Amount
IR 619 Information Tech. Replacement/Upgrades Program	\$110,000
New – Upgrade Tape Backup Systems	\$38,450
Sources	
Information Systems Fund Transfer to Reserve	\$148,450

Water Reserve Fund 352

Uses	Amount
WR 388 Water Tank Painting	\$65,000
WR 349 Water Main Relocations/Replacements PW Projects	\$7,500
WR 329 Vehicle Replacement	\$70,000
WR 291 Water Meter Replacements	\$50,000
New – Leak Detection Survey	\$50,000
New – Data Concentrator Upgrade	\$56,500
New – Causeway Fencing Replacement	\$10,000
New – Tree Removal and Dam Rehabilitation	\$35,700
Sources	
Water Fund Transfer to Reserve	\$344,700

**ADOPTED SCHEDULE OF ALLOCATIONS TO CAPITAL ACCOUNTS
AND TRANSFERS TO NON-LAPSING ACCOUNTS AND SOURCES
OF ALLOCATIONS AND TRANSFERS FOR FY 2008/09**

Sewer Reserve Fund 353

Uses	Amount
SR 421 Manhole Rehabilitation	\$30,000
SR 386 Sewer Relocations/Replacements PW Projects	\$7,500
SR 419 Pump Station Improvements/Raw Sewage Pumps	\$18,000
SR 419 Pump Station Improvements/Telemetry Units	\$41,600
SR 391 Oversized Pipe Installations	\$20,000
New – Pump Buildings Roof Repairs	\$115,000
Sources	
Sewer Fund Transfer to Reserve	\$232,100

Sanitation Reserve Fund 332

Uses	Amount
LR 723 Heavy Equipment Replacement	\$750,000
New – Volume Reduction Equipment	\$700,000
Sources	
Sanitation Fund Transfer to Reserve	\$1,450,000

Secretary Pelletier moved and Director Tweedie 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 – 2008:

Good evening members of the board, town staff and fellow citizens. Tonight, we as a Democratic Caucus have presented a budget that reflects our desire and need to sustain valuable services provided, while acknowledging and addressing the financial realities that face us all.

We understand that residents are tightening their belts as we face a time full of uncertainty in raising expenses in utilities, a tighter job market, and food prices. Crafting this budget required us to examine the town's priorities, and try to maintain the level of services instituted by previous boards while keeping tax increases to a minimum. To continue services and opportunities for Manchester's youth, disabled, working families, and elderly residents. We want to carry on legacy of working hand-in-hand with residents, the business community and nonprofit groups to improve the quality of life for all of our citizens. A legacy of crafting a budget that provided quality services, opportunities to all of our residents and modest tax increases.

Demand for services is at an all time high while State and Federal funding is at an all time low. As more residents depend on these services to help them get through the recession, we have cautioned the Republicans on the board not to cut or reduce services through various resolutions that have been voted down along party lines.

We commended the General Manager and town staff for putting together a budget that attempts to sustain services the community has expect and cherish while taking into account the overall economic picture we face.

Tonight the Democratic Caucus has presented a budget that provides a 3.8% increase in the general government side and a 3.9% increase in the educational side. These increases are lower than the cost of living percentages calculated by the Federal Government.

On the general government side we proposed to fully fund the Bennet Leisure Center at the new 6th Grade Academy, reinstate the fleet mechanic and maintainer in the public works department to maintain our aging fleet and appearance of our town. In public safety we also included funding for 2 additional dispatchers, a much needed school guard at Illing, and increasing security at Mary Cheney Library.

On the education side, we provided level funding, fully fund the opening of the new Bennet 6th Grade Academy and the implementation of full day kindergarten in two elementary schools.

While this presents a sensible and reasonable budget for the taxpayers of Manchester to sustain the quality of life we expect as residents of Manchester, we realize that we do not have the votes and that a budget will be passed by the Republicans tonight that will cut services, and move the town in a backward direction to save a few dollars. These steps backward will yes provide immediate tax savings, but will ultimately end up costing significantly more down the road and a diminished quality of life.

The budget proposed tonight by the Democratic Caucus addresses the immediate needs of the community while providing a modest tax increase. While it is important that needs are addressed, we are concerned with the lack of new initiatives, the difficult reductions and staff reductions made by the Republican's budget tonight.

The drastic cuts in the education fund raises class sizes for all students, puts valuable programs at risk such as the gifted and talented program and a school resource officer at Bennet and puts off building maintenance.

On the general side of government we are concerned about the lack of after school programming at Bennet Academy this fall, delay replacing aging public works equipment, and raiding of town coffers to fund many items that will require ongoing funding. This action is irresponsible as it depletes the town's rainy day fund created for emergency purposes.

All of the Republican cuts will prove to be painful for residents and will provide a recipe for disaster and loss of services in the future.

I would also like to take this opportunity to address the budget process this year. I am disappointed at how this year's budget process was handled by the Republicans. First, after taking office in November the newly elected Republicans were quoted as wanted to encourage new ideas and promised to work in a bipartisan manner to conduct business in an open manner. This promise was broken when the Republicans voted to not televise the budget workshops, cancel a joint deliberations budget workshop, and withheld their budget from the entire board until yesterday.

This way of business by the Republicans contradicts the promises made during the last election regarding open government, bipartisan cooperation, and citizen participation.

With the realization that both parties are adjusting to their respective roles over the past couple months, I would like to propose tonight that if the board is serious about working in a bipartisan manner to include all members of the board and public in next year's budget adoption:

1. All of the budget workshops are televised.
2. A joint deliberations workshop is held.
3. Both parties release their budgets to the public two weeks in advance of the budget adoption.
4. A public hearing is conducted after one week in advance of the budget adoption to allow for public comment on the board's proposed budget.

In closing, I would like to publicly acknowledge Directors Sheridan and Topping for their service on this board. We have done our best to craft a budget that keeps services intact while minimize the impact on taxpayers.

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

Mayor Spadaccini – MAYOR’S BUDGET ADDRESS – 2008:

Each year we gather as elected citizens to discuss our priorities for the coming year and decide how we will spend our collective tax dollars. It is, as always, a passionate debate about what we must do as a community and how to pay for things we all want. And this year is no different. Both sides are well intentioned, and deeply principled in the stands that we take. But as we look to our community, our State, and the nation, the troubling economic signs must give us great pause.

Every day, when Manchester’s taxpayers are driving to work, they are paying higher prices at the gas pump as gasoline approaches \$4 per gallon. When they get to work, they are working long and hard to earn every dollar they can for their families and putting aside worries about their employer moving or reducing jobs. When Manchester taxpayers reach the end of the work day, on the way home they stop at the grocery store where they are paying higher prices for food and other goods.

We gather here tonight to discuss whether Manchester Taxpayers desire the additional burden of even higher property taxes. I, and my colleagues in the Republican Majority, believe that they do not.

The Republican Majority Budget enacted tonight preserves the current level of Town services while controlling the growth of spending and taxes. In the course of our work these last six weeks, we were able to identify savings in several areas of the budget. The end product is a modest, fiscally responsible budget. It reflects the economic times that we are in. This is a taxpayer’s budget.

Manchester’s tax levy will increase by slightly less than 3% which is 2.1 percentage points less than the proposed tax levy in the General Manager’s recommended budget. Under the Republican Majority Budget, virtually every Town department is receiving a budgetary increase that is in line with the cost of living. Including debt service, expenditures in the General Fund will increase \$5,765,597 or 3.8% over the current fiscal year’s expenditures. Excluding debt service, the General Fund will increase by \$3,510,436 or 2.3% over the current fiscal year’s expenditures. This budget delivers on our promises to control property taxes and is responsive to the calls for fiscal restraint that we heard at the public hearing on the budget a month ago.

We had to make some difficult decisions. These decisions were made against a backdrop of a national economic downturn, skyrocketing gas prices, increasing foreclosures, job losses and a declining housing market. Last week, there was an article in the Hartford Courant that stated that the Town of Manchester currently has a nine month inventory of unsold houses. The Town of Manchester is holding a forum on May 14th on foreclosure prevention where homeowners can learn about programs and options available to help save their homes from foreclosure. We are holding this forum for a reason – foreclosures and loan delinquencies are up in Manchester and across the State of Connecticut. Last week I attended the annual meeting of the Greater Manchester Chamber of Commerce where the Chamber’s President stated in her address that “we have seen many of your member businesses become increasingly concerned about their bottom lines and worried that the intersection of rising costs and shrinking profits was too close

for comfort.” We took these facts to heart and concluded that a large property tax increase would only exacerbate the situation.

The federal government is currently in the process of issuing checks of up to \$600 for each taxpayer to help stimulate the struggling economy. I do not want Manchester taxpayers to have to spend their federal stimulus checks on increasing local property taxes.

Despite the challenges that we face, Manchester is a strong community and we will weather the economic downturn and emerge stronger than ever. Our greatest asset is the tremendous character of our citizens and the unwavering community spirit that has led us through far more difficult times. Our best days are still to come and I am very optimistic about what the future holds for this community.

For the first time in my memory, the legislature will adjourn this week with a state budget that actually provides less municipal aid than we were expecting. In the past, we have usually been able to rely on hundreds of thousands of dollars more in municipal aid than our initial estimates. To further complicate matters, the Town’s taxable grand list grew in the past year at a rate of just 0.63%, one of the slowest growth levels in the last decade. Finally, decreased recording fees collected by the Town Clerk, less revenue from building permits and decreased interest earned on Town savings accounts combined to reduce the Town’s revenues by over \$800,000. These declining revenues are directly attributable to the housing slump.

Another significant factor in our budget deliberations was the fact that we are going into the second year of a three year phase-in of the 2006 property revaluation which was unwisely delayed by a prior Board. This means that many homeowners will see their taxes increase by significantly more than the 3% tax levy increase adopted tonight. The Republican Majority collectively felt that a 6% tax levy increase when combined with the effects of the revaluation phase-in would simply be too much of an increase for Manchester taxpayers.

The Majority Budget will fully fund Manchester’s debt service obligations which have increased \$2,255,161 or 33.1%. This dramatic increase in debt service is attributable to bond payments associated with education projects including the addition and renovation of Manchester High School and the renovation of the Bennet Sixth Grade Academy. This debt service is the culmination of many years of bonding decisions that the voters of this community made.

Funding for the Board of Education increased by 3% or over \$2,743,000. This allocation will fully fund what the Board of Education describes as its “level services” budget plus it provides an additional \$400,000 that can be used for other purposes such as the reopening the Bennet Sixth Grade Academy. By their own calculations, this budget will enable the Board of Education to perform every function and service that it currently provides. At over \$95.3 million, the Board of Education budget is by far the largest budget of any municipal function or service that we provide. It dwarfs all of the other Town Department Budgets combined. To put the Board of Education budget adopted tonight in its proper perspective, the sum that the Majority allocated for public education tonight represents a full 98% of the budget request made by the Board of Education who sought a 5.2% increase over the current year’s allocation. The

sum that the Majority allocated for public education tonight further represents 99.2% of the General Manager's recommended budget for the Board of Education.

For those who have criticized level of education funding that this budget contains, I would make the observation that excluding debt service, 75% of the all new spending in the Majority Budget is dedicated to education purposes. When you further consider the fact that much of the increased bonded indebtedness is school construction related, the education related spending jumps into the high 80s as a percent of new spending. The Majority Budget maintains a strong commitment to public education.

The Public Works Department will be receiving a budget increase of 2.9% or \$357,327 which will include the funding of a "quality of life" officer to enforce the Town's property maintenance code. The Public Works Department will continue its road resurfacing, sidewalk replacement programs and maintain our Town's buildings and properties.

The Public Safety budget will increase by 2.1% or \$347,114 and will include funding for increased police overtime and a part-time evidence technician. Major goals for the Police Department in the coming year include recruiting new officers to fill vacant positions in patrol and continuing the planning and training associated with operating a Regional Emergency Operations Center.

The Human Services budget will increase by 3.1% or \$97,956 and will fully fund the General Manager's recommended budget for community agencies. In the coming year, the Human Services Department will play an instrumental role in bringing about a permanent solution to the space needs for youth services programming. The Majority adopts the General Manager's recommended budget for the Library and Recreation Departments which represents a 4.2% or \$214,677 increase over current expenditures. Through an additional \$40,000 allocation to contingency, the Republican Majority will further enhance the funding already in the budget for the East Side Recreation Center.

The Majority Budget includes \$30,000 for the funding of a small business advocate, an initiative identified during the Town's first Economic Summit as essential to helping small business owners navigate the regulatory process. The budget also includes \$25,000 for the Capital Workforce Partners Low Income (LIFE) program which gives low wage earners the opportunity to get training and education necessary to move up the economic ladder. The Republican Majority Budget also keeps the commitment to expand the use of green energy by fully funding Manchester's participation in the 20/10 Clean Energy Program.

We were able to fund some capital improvements in the General Manager's recommended budget through use of unallocated reserves that will not affect our Undesignated and Unreserved Fund Balance of nearly \$9.5 million. Pool and court repairs for the Recreation Department in the amount of \$84,000 and Public Works heavy equipment purchases in the amount of \$40,000 were both removed from the General Fund budget, but will be funded with Capital Improvement Unallocated Reserve. This reserve account is not considered part of the Town's fund balance and has a current balance of over \$276,000. A significant portion of these funds will be replenished as several ongoing capital projects conclude and surplus is rolled into this account.

Another important capital project, the space addition or renovation for the Youth Services Bureau in the amount of \$250,000, was also removed from the General Fund budget, but will be fully funded through a combination of Community Development Block Grant proceeds and Capital Improvement Unallocated Reserve. The majority understands the space restrictions at the current Youth Services Bureau and we are dedicated to permanently solving this problem. I believe that we are very close to that solution and that this Board, in a bipartisan manner, can do something very positive for Manchester's youth.

In the Fire and Police Department budgets, we reduced the number of new vehicles being purchased. We also reduced the amount of new equipment being purchased in other department budgets. We didn't eliminate all new vehicles and equipment purchases, but we controlled this number in recognition of the economic times that we are in. We asked ourselves: How many taxpayers are buying new vehicles this year?

We also decided not to replace a patio at Cheney Hall this year. Again, we asked ourselves: How many homeowners are replacing their patio this year?

The budgets adopted tonight for the enterprise funds for the Fire Department, Water Department, Sewer Department, Sanitation Department and Information Systems closely follow the General Manager's recommended budgets with some adjustments in vehicles and equipment purchased and levels of contingency maintained. The tax levy increase associated with the Fire Department is also less than 3%.

The Majority Budget factored an additional \$250,000 in revenue for Medicare part D reimbursements obtained by the Board of Education. This revenue had not been factored into prior budgets and is based upon a rate of reimbursements being collected in the current fiscal year.

The Majority Budget uses \$350,000 of surplus generated from the current budget year to boost the Town's liability self insurance fund known as MSIP. In the coming fiscal year, we should not only continue to examine our level of funding for this area of the budget, but also examine the fund's administration and the insurance products that the fund purchases as we did recently with our medical self insurance fund.

The Board of Directors is authorizing the General Manager to provide a 3% salary increase for unaffiliated employees who earn less than \$50,000 effective July 1, 2008. This group of employees would be scheduled for a merit review on January 1, 2009 in the amount of 0% to ½%. All other unaffiliated employees would be eligible for a merit increase between 0% and 4% effective July 1, 2008. The General Manager has the discretion to provide up to an additional 2% in cases where salary compression has become a concern. The minimum and maximum ranges of the unaffiliated salary schedule would increase by 3% effective July 1, 2008.

As we reach the end of this budget adoption process, I would like to express my gratitude to General Manager Scott Shanley and acknowledge the tremendous contributions of our Budget Officer, Julian Freund, and our Budget Analyst, Brian Wolverton. I would also like to thank

Ginger MacHattie, Donna Huot and Colleen Munzu for their ongoing support of this Board. I thank the Town staff and department heads who worked very hard to keep their budgets within level funding. Finally, I thank the all the members of this Board of Directors who gave up many nights and weekends of their time to attend budget workshops, develop a better understanding of Town finances and develop a thoughtful and comprehensive budget for the coming fiscal year. It is a tremendous honor to serve as a member of Manchester on the Board of Directors and be a part of this budget adoption process. 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 10:03 p.m.

Secretary Pelletier moved and Director Beckman seconded the motion to adjourn.

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APPROVED:

ATTEST:

Secretary, Manchester Board of Directors