

Town of Southington
Board of Finance
Wednesday, January 11, 2012

STENOGRAPHER'S NOTE: The Minutes are now being prepared in summary style. Please refer to the audio or videotape for more details.

Appropriations from Contingency Account:

Approved to date.....	\$203,150
Approved this meeting.....	<u>80,507</u>
Total Appropriations.....	\$283,657

Appropriations with Revenue Offsets:

Approved to date.....	\$ 89,642
Approved this meeting.....	<u>5,490</u>
Total Appropriations.....	\$ 95,132

Acting Chairperson Edward Pocock, Jr, called the Regular Meeting of the Town of Southington Board of Finance to order at 7:04 p.m. in the Council Chambers of the Town Hall with the following members in attendance:

Anthony Casale, Jr., Sandra Feld & Wayne Stanforth

Also in attendance: Emilia Portelinha, Finance Director
Garry Brumback, Town Manager

Absent: Joseph Labieniec, Board Member

John Leary, Chair, arrived at 8:01 o'clock, p.m.

The Pledge of Allegiance to the American Flag was recited by everyone in attendance.

EDWARD S. POCOCK, JR., Acting Chair, Presiding:

III. Public Hearing Items

None

IV. Old Business

1. Approval of Minutes from the meeting of December 14, 2011.

Mr. Casale made a motion to approve. Ms. Feld seconded. Motion passed unanimously on a voice vote.

V. Assess current financial state of the town

1. Presentation of Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2011 by Joseph Kask, Partner for Blum Shapiro & Company P.C.

Mr. Kask reviewed the CAFR report which was distributed to the Board of Finance along with related financial documents. He then answered questions that the Board of Finance members had. Documents may be found on the Town of Southington website for further review.

2. Review revenue vs budget

Ms. Portelinha summarized. We're 6 months through the fiscal year. Property tax revenue is currently \$166,000 over budget. It's a timing of the tax collections. Prior year's tax collections we are currently \$400,000 over budget. Interest on taxes is \$170,000 over.

Building permits are approximately \$73,000 under budget. We are expecting a \$50,000 pending fee coming in for a new medical building. That'll offset a little bit of the reduction there.

Interest on investments are approximately \$68,000 under budget. We're taking steps to mitigate that.

Grants from the State received: one-third of our Pequot Mohegan Grant, a small portion of the LOCIP Grant, some of our tax grants.

Our Town Clerk fees are currently about \$47,000 under budget. This is with timing. Springtime more activity. Recreation is pretty much on target as far as the budget goes.

With respect to the revenues for the BOE, we had an account called tuition and fees which I separated the \$605,000 for vo-ag tuitions and renamed that item: vo-ag tuitions. The school building rentals is the old account and I renamed that the Margaret Griffin Account. So, now we can see the two pieces the town keeps.

Discussion.

Ms. Portelinha explained in response to questions by Ms. Feld that the account ran short last year, she anticipated based on the fact we've only billed \$531,000, and we're anticipating \$605,000, chances are we will be \$73,000 short in that account. Last year we were short, too, noted Mr. Pocock.

Discussion.

We have approximately \$261,000 in shortfalls but we have prior years' taxes and interest which is \$570,000 to the good right now. We're still doing very well.

3. Review expenses vs budget

Ms. Portelinha reported that mostly the departments to-date feel they will need money in certain items but they would have money in

other items to transfer or that there'd be money coming in to cover the expenses.

The major items that I'd like to point out is the police pension supplement wages which we still have to appropriate which is approximately \$45,000. I was wanting to wait until the last part of the fiscal year so I could transfer and not appropriate, but I'll have to look at it again.

We have the election department indicating they'll be coming back for a \$20,000 appropriation approximately for the April, 2012 Republican Presidential Primary.

Discussion.

The library has a temporary/seasonal item that may run short as their full time custodian will be out on sick leave and they need someone to fill to take care of the library in the interim.

The sewer superintendent had indicated he'd have a shortfall in overtime in plant maintenance but I have no dollar amount, yet.

Most other items were transfer in nature as they might be short in certain accounts but they'd have money in other accounts to cover.

Mr. Stanforth discussed the \$285,000 budgeted for the 53rd pay period.

Mr. Stanforth and Mr. Casale discussed the lease on North Center School and maintenance costs.

4. Discuss unplanned items that impact revenue or expenses

Covered in items about.

5. Approval of the 2012 Meeting Schedule

Acting Chairman Pocock noted there might be a few glitches, but overall the dates are good. Ms. Feld made a motion to approve. Mr. Casale seconded.

Mr. Brumback added that once we get a clean version of the dates, we will publish it for the public's information.

Motion passed unanimously on a voice vote.

6. Sub Committee Reports (Emphasis on financial aspects)

A. Sewer Committee

Mr. Stanforth reported a meeting was held this afternoon. A big issue on the Town level is the phosphorous regulations that the Town will be forced to comply with. We are currently at 3 to 4 parts per million. They want us to get down to .2. That will cost between 15 and 20 million dollars. That's on every taxpayer of the Town of

Southington. We could get down to .7 parts per million at a cost of about 50 thousand dollars. To go the extra is a huge cost. Our Town Manager is being very proactive. If anybody out there can help, please do.

Ms. Feld added the nice thing is Garry is working with Cheshire, Meriden and Wallingford in an effort to try to put pressure on DEEP to be reasonable about this unfunded mandate that we don't need.

Mr. Casale also pointed out this may be a cost for the first years and as technology changes we may be required to go down even further at an additional cost. I understand they are working very hard on this but not being very well received. Thank you for your hard work and hopefully we can turn up the volume a little bit.

Ms. Feld also added Assessment #34 was discussed. There is going to be a public hearing - date to be announced - in an effort to resolve this once and for all.

B. Public Works Committee

Ms. Feld reported they met on January 4th. The bulky waste transfer station scanners are still not reliable. They're working on that. The leaf program is underway and is completed by now. Retention/detention pond maintenance was just started. They are trying to fix and repair the lights rather than replace them. Three trucks are out of service right now with regard to snow removal. They expect them to be fixed by last weekend. Our vendor is having problems with CL&P with regard to the streetlights. We'll work on that.

An update on the pavement management system was given. They're expected to have a report by April at the latest.

Bulky Waste stickers the Town Clerk is going to start advertising they're available.

Rails to Trails kiosk was discussed briefly and will be discussed more at the next meeting with the Chamber of Commerce.

As to the Rescue a Buck suggestions, I got answers from everybody that they're being addressed. Some come in anonymously so they can't be responded to. This is to let people know their issues are being addressed if possible. We responded to the individual who did leave her name.

Next meeting is the first Wednesday in February.

Mr. Casale added the bulky waste stickers are now available. If you're renewing you need only provide your name, address & license plate. If it's new, you need the registration for your vehicle. The new sticker is good immediately and can be applied for right on the website.

C. Education Capital Building Committee

Mr. Pocock reported nothing new.

D. Open Space Committee

Mr. Pocock advised of the Primus Property purchase. That'll save us a lot of units being built on that property so the open space is really good on that property.

E. Self Insurance Committee

Ms. Feld said the last report from Ovation; the total cost for November was \$42,717 under budget. Total costs year to date are \$404,196, under budget. Current combined prescription and dental claims trend is 3.4%. Combined is 4.46% over the past 36 months. The current trend for most carriers is between 10 and 11 percent. Two large claims, one of \$172,000 and \$170,000. We're still doing very well, though. Large claims are down.

The Self Insurance Committee meets the last Wednesday of the month. We did however meet mid-month in December. Mr. Casale asked about the 88 new enrollments on the plans. The speculation is they added 15 or 16 year olds to the rolls. Mr. Brumback clarified it was also marriages and children, as well. The numbers will be provided at the next Insurance Committee meeting in January, 2012. We had to add, by law; up to 26 years noted Mr. Pocock. It's statutory and not something the Town did on their own.

F. Blue Ribbon Parks Committee

Mr. Leary is not here this evening due to a work commitment so we'll pass over that tonight.

Board Communications

Ms. Feld asked about the ice rink accounting. Where do we stand? Ms. Portelinha said she would send the information tomorrow.

Ms. Feld asked Mr. Brumback to send the figures for IT. There was money designated for this year and I would like to know where it's gone. Mr. Brumback said that information would also be sent.

Mr. Casale voiced serious concerns about a potential costly thing for the Town of Southington in regards to the artificial turf. I know the Turf Committee has not completed their task but I did voice my concerns at the last Town Council meeting. My understanding is they were to take the pros and cons of artificial turf and the pros and cons of remaining with the grass field and repairing what we have now have to see what would benefit the Town over the long term. In my research of the committee meetings, I am a little taken back by the fact there is no mention of anything but turf. It never mentions what

it would cost to fix the drainage problem and re-sod the field, as is. Explained.

I believe when they present to this Board that we will take a hard look at it. We have the middle school renovations coming onboard, the fire truck coming on board, the unfunded phosphorus coming onboard, the capital improvement plan. Elementary schools and revaluation. Sewer projects such as the Old Borough which is costly. To try to throw \$900,000 at us and say dig a little deeper, I believe, at this time is unfair and unjust. I don't think we could spend this \$900,000 this year on something that maybe 30% of the people in this Town will ever even see. That's where I stand.

Mr. Stanforth said he echoed the same concerns to the Finance Board representative, Mr. Labieniec.

Ms. Feld said Mr. Labieniec is going to be doing a cost comparison for the Board of Finance. Mr. Pocock said Mr. Labieniec will look at the expenditures for staying the grass versus the turf. Discussion.

Mr. Stanforth thanked staff for the capital fund listing. He noted there are 75 projects, more or less, and without the status the list is useless. Could we have the notation of: completed or not completed. Staff will work on it.

Discussion.

Mr. Stanforth asked if the same thing could be done for the special revenue fund. Ms. Portelinha agreed that would be easier to do and would do it.

Mr. Stanforth brought up the capital improvement plan. That will be on the Board of Finance Agenda to discuss before going to the Town Council. If he is missing information he will advise staff. He noted the downtown Plantsville renovation was left off the plan. He would like to see that continued. And, the northwest corridor sewer he'd like to see that not come off of the long range plans as expressed before. Mr. Brumback pointed out this was confined to the initial five years. There is a ton of stuff that needs to be done. These are the most critical things that needed to be done within the first five years.

Discussion.

** Mr. Leary entered the meeting at 8:00 pm. ***

Mr. Pocock brought up a couple of things: The water department. Could you negotiate the fire hydrant cost? They use a lot of our services and we're more than happy to work with them. I'd like to see that budget reduced by about a hundred thousand.

The other thing is with the departments, I know you're working with them and trying to reduce, but we need to be creative in trying to save money where we can.

Discussion.

Mr. Pocock turned the Chair over to Mr. Leary at 8:05 o'clock, p.m.)

JOHN LEARY, Assuming the Chair:

Mr. Leary brought up a couple of things:

- Reviewing the financial management policies for the Board of Finance. We talked about getting together to go over this. I think we should look at every policy we have and go through all of them. I think the committee (Mr. Casale and I) should get together, read it, make information available to everyone and put together an Agenda. Then we'll call a special meeting of the BOF just to talk about it. Then the committee will go back and try to write it up in such a way that we propose it back. We plan to do this after the budget.

- I also received a letter from the BOE inviting us to go to their budget workshops on January 17th and January 19th and then the final BOE meeting is January 26th where the BOE will adopt their own budget. We should inform them of who is planning to attend and any questions to discuss.

Discussion.

VI. Public Communications (Excluding Public Hearing Items)

Arthur Cyr, 103 Berlin Avenue. He indicated he had several items to discuss. First, we heard the BOE is giving us a deficit in the vo-ag account projected this year at \$ 73,000 and last year it was \$50,000. This is the second year in a row with a deficit. I find this to be unfair to the taxpayers of this Town for the BOE to do optimistic estimates of vo-ag revenue. I am appalled this is two years in a row. Remember this when the BOE come to this podium and tell you how bare bones and exact their budgets are. How do they get all their's right in that huge book and yet the one estimate they need to give us because we fund it they're off. I'm looking for the \$123,000 they owe us. When you cut the budget, I'd like you to cut \$123,000 out of the final number because I want my money back from the BOE for their inaccurate estimates over the last two years.

Discussion.

- Number two: The public works committee meeting that I attended last week had discussion about the wonderful, unfinished kiosk down on the Southington/Cheshire townline. When they passed around the design by the Historical Society, the figure asked for was \$2,500. The Chamber of Commerce did offer to finish that kiosk at no

cost to the Town about two years ago and that was rejected. I gave this challenge to the Town Council and I'll give you the same: I want to see which ones of you are really fiscal conservatives and I want to see everyone say "no" to that request for an appropriation for any money to finish that kiosk.

- Number three: I have the audit financial statements for the Southington Water Works department which I got last week. My question is for the year ending June 30, 2011. I've read it and read it and reread the summaries three more times. Here's an audit and nowhere in this audit does it explain the loss of hard cash at the Southington Water Works Department last June and July. Nowhere. That concerns me and it should concern every taxpayer and ratepayer in the Town of Southington.

When there is a cash loss shouldn't it show up on a financial statement and at the very least shouldn't there be something in the summary report? This has been going on for seven months and here is a clean financial audit and we know different. We know there is \$900 missing at the water department.

Discussion.

When you review your policies and procedures for this Town, are you going to take a hard look at how different departments in this Town may handle cash and reporting? As you review and update the financial policies of this Town, I would request, that you add a policy in there somewhere that if there is a cash shortage or reporting shortage from any department that within 48 hours it get reported to the Southington Police Department for investigation.

Discussion.

Mr. Stanforth explained a clean financial report.

After further discussion regarding the different kinds of audits, Mr. Stanforth asked to have the Water Department audit emailed to the BOF members. Ms. Portelinha will follow up.

VII. Review Long Range Plan and Priorities

1. Review status of LRP items in current fiscal year budget

A. Status /Reprioritizations

Mr. Brumback advised we had discussed that earlier with the members. We have areas to provide more detail on.

B. Strategy Discussion

Mr. Brumback advised the department heads had been advised to combine the line item budgets translated into programs and services, creating by extension an impact as we go about increasing or decreasing specific line items. Building the budget with programs and

services in mind, our intent is to talk about how those line item resources get applied in the form of programs and services of Town government.

Discussion.

Our hope is that the conversation goes toward this is what we expect our government to provide and we expect it to be provided at this level and here are the resources required to do that professionally and competently.

That's my intent with a program oriented budget stated Mr. Brumback. Just having a line item and not being able to reduction of \$5,000 in an overtime budget, doesn't do you any good and it doesn't do us any good. We may be able to save \$5,000 but if I can't turn around and do the things I previously told you I was able to do, that may not be the goals you all have for those reductions.

We are going to be able to talk about direct impacts to services with this type of budget.

Discussion.

Ms. Feld commented it is very interesting and a good way to do things but in order to do that, one department that comes to mind where we need specific information is Parks & Rec where we still don't have specific figures as to what each of their money activating programs, we still don't have a net from them.

Discussion.

Mr. Brumback pointed out we will be able to provide all that information over the department programs we control. How much we collect, where it goes, what it's used for and to whom.

Expenditure with leagues needs to be provided, as well, noted Ms. Feld.

Extensive discussion of the budget structure.

VIII. Conduct Administrative Business

1. Consent Agenda

A.	Appropriation Grant (Spec rev)	\$3,775*	Youth Services - Enhancement
B.	Appropriation (Spec Rev)	\$820*	Youth Services - STEPS Donations
C.	Appropriation Donations	\$1250*	Capital Budget - Rails to Trails
D.	Appropriation	\$1250*	Calendar House - Overtime

E.	Appropriation	\$700*	Youth Services - Outside Programs (Spec rev)
F.	Appropriation	\$75,465*	Board of Education- Operations
G.	Appropriation	\$1723*	Police Department- Vehicle Maintenance (Spec rev)
	Appropriation	\$2990*	Police Department - Other Professional Services

Mr. Stanforth requested Item F be carved out. Mr. Pocock asked to carve out Item D, as well.

The Chair asked for a motion regarding Items A, B, C, E & G together. Ms. Feld so moved the motion. Mr. Stanforth seconded. Motion passed unanimously on a voice vote.

Item D: Mr. Stanforth made a motion to approve Item D. It's money in the bank. Mr. Casale seconded. Motion passed on a majority voice vote with Mr. Pocock abstaining. (4-0-1 abstention)

Mr. Stanforth made a motion to approve Item F, Appropriation of \$75,465 for the BOE operations.

(Pause)

No second.

The Chair asked for the motion to be removed so we can discuss it. People don't have enough information to make the motion.

Ms. Feld seconded.

Ms. Portelinha explained the item as being monies that the BOE has brought in for rental payments and for preschool and special education tuitions. They have a set up a system whereby they request the monies be reappropriated into their budget. This has been going on for several years. It was determined at the Council level and it has been moving forward. This is actually for six months.

Discussion.

Mr. Casale asked if this money was part of the BOE's original budget. This is an additional amount on top of the \$80 million budget already been approved. If this is expected revenue, when the BOE budget was approved was this taken into consideration this would be added to their operations budget six months later.

Discussion.

Mr. Brumback indicated we do not have the people here to answer that question. It is a better question for the BOE. We just approve a line item.

Discussion.

Mr. Casale asked if this money has to go to the BOE. The town is having a shortfall because of the storms.

Discussion.

Mr. Stanforth pointed out this would be an opportunity for us to recoup some of the money we were told would be in the VO-AG tuition

Mr. Casale made a motion to table to a meeting where we can have representatives from the BOE to discuss this. Mr. Pocock seconded. Motion to table passed 5 to 0 on a roll call vote. Item F is tabled.

2. Manager's Memos

1. Transfer \$6,650 Capital Fund- Widening/Resurfacing/Drainage

Mr. Brumback explained that is taking money that has been deposited in the form of bonds where the bond or did not complete the required work and we are requesting a transfer to the line item where the work can be completed by the Town. Mr. Stanforth made a motion to approve. Ms. Feld seconded.

Mr. Pocock asked in the future for street addresses associated with the items.

Motion passed unanimously on a voice vote.

2. Transfers \$2,680 Planning & Zoning - Overtime

Mr. Brumback said this is a transfer within accounts in the Planning & Zoning Department. There has been an increase in activity outside of normal business hours for the PZC and the Planning Process Review Group and this reflects that she is expecting in her budget because of required overtime.

Mr. Stanforth made a motion to approve. Mr. Pocock seconded.

Discussion about this being a contractual issue as this is a union employee and we do want to have staff representation at the committee meetings.

Ms. Feld asked the Town's policy on compensatory time. Mr. Brumback said the unions will not allow compensatory time for union employees. We have a compensatory time policy for non-union employees. It's up to the individual and the union strongly discourages the use of compensatory time for overtime.

Restructuring of the day was discussed as not being feasible for the department head.

Mr. Casale said the money is going to need to be appropriated back into the accounts later on that they were transferred out of. Discussion of the ability in April to draw money townwide.

Mr. Stanforth discussed overtime needed in this department for the past three years. He deferred to Mr. Brumback's justification as to whether this overtime is absolutely needed.

Discussion.

Creativity and flexibility were discussed.

Motion passed unanimously on a voice vote.

3. Transfer \$10,000 Police Department - Other Professional Services

Mr. Brumback said this is due to an extended absence by the Chief's secretary and the need for her replacement.

Captain William Palmieri further explained the Chief's Administrative Assistant has been out on extended sick leave/workers compensation and we are using Kelly Temp Service. We've been paying it out of the other professional services and the transfer represented about 12.5 weeks of that steady salary should she stay out that long.

Ms. Portelinha said the individual is paid the amount from workers comp and the Town makes them whole by contract.

Mr. Stanforth made a motion to approve which was seconded by Mr. Pocock. Motion passed unanimously on a voice vote.

4. Appropriation \$11,257 (Approved: \$9,257) Safety - Equipment Maintenance

Captain Palmieri stated that is the result of three unanticipated critical events: one in dealing with the South End Road and Maxwell Nobel Drive traffic light. We can no longer patch fix that. In December we had a wind storm which caused the traffic light at West Street/Prospect Street (town owned) to be low hanging and after checking it the decision was made in the interest of public safety to pull the traffic light down. It is controlled by stop signs. And, West Street at Prospect also have to repair that light. These are part of the six traffic lights that the Town has to maintain. We are addressing that in the upcoming budget with more funds in that line item.

Mr. Stanforth made a motion to approve and Mr. Pocock seconded. Motion passed unanimously on a voice vote.

Mr. Stanforth corrected the math saying those three items comes to \$9,257.

Discussion.

Mr. Stanforth amended his motion to approve \$9,257. Ms. Feld seconded. Motion passed unanimously on a voice vote.

5. Appropriation \$71,250 Miscellaneous - Accumulated Payout

Mr. Stanforth made a motion to approve. Mr. Pocock seconded.

Ms. Feld questioned the figures. Ms. Portelinha said the \$90,000 was the original budget. And, the \$50,500 came from contingency last month. We had an additional employee and the \$71,250 needs to come from contingency policy.

Motion passed unanimously on a voice vote.

Meeting Adjournment - Mr. Stanforth made a motion to adjourn which Ms. Feld seconded. Motion passed unanimously on a voice vote.

(Whereupon, the meeting was adjourned at 9:15 o'clock, p.m.)