

Town of Southington
 Board of Finance
 Wednesday, April 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	\$335,332
Approved this meeting.....	<u>0</u>
Total Appropriations.....	\$335,332

Appropriations with Revenue Offsets:

Approved to date	\$400,628
Approved this meeting.....	<u>80,935</u>
Total Appropriations.....	\$481,563

Chair John Leary, called the Regular Meeting of the Town of Southington Board of Finance to order at 7:00 p.m. in the Council Chambers of the Town Hall with the following members in attendance:

Anthony Casale, Jr., Joseph Labieniec, Edward Pocock, Jr. & Wayne Stanforth

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

Absent: Sandra Feld, Board Member

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

JOHN LEARY, CHAIR, Presiding:

III. Public Hearing Items

None

IV. Old Business

1. Approval of Minutes from the meeting of March 7, 2012

Mr. Casale noted the following typographical error: On Page 2:

Mr. Casale said he would like to see that reduced in light of the fact that last night at our budget workshop we brought to the table \$800,000 worth of budget cuts that would have not affected, in our opinion, this town's service in any way and we were given a paltry \$34,000 in concessions. Of the \$34,000 \$15,000 is a carry over and \$15,000 is in light of the fact we purchased a new piece of machinery that would allow us not to have to rent one and the \$4,000 was off of gasoline of which we asked for \$5,000.

Approval of the Minutes from the meeting of March 28, 2012

Mr. Casale made a motion to approve both sets of Minutes with the appropriate change to the March 28, 2012 meeting. Mr. Labieniec seconded. Motion passed unanimously on a voice vote.

V. Assess current financial state of the town

1. Review revenue vs budget

Ms. Portelinha reviewed the following accounts: Property Tax revenue, we are currently \$497,000 in the positive. But that is a timing issue. I still believe the revenue came in early.

Prior year's tax collections I am estimating to come in \$380,000 above budget.

Interest on taxes I am projecting an over budget of \$170,000.

Licenses, permits and fees, the building fees right now are about \$65,000 under budget. We are anticipating a \$50,000 pending item for a medical building. If it does come in this fiscal year, we'll be close to on par with that account.

Interest on investments unfortunately doesn't look any better than it did the last few months. I am now projecting a \$125,000 deficit in that account.

We haven't received any large state revenue this month. We are expecting an additional \$70,825 for our ECS money. To date we've received 50% of it and we should be getting the other 50% at the end of April.

Service Charges: The Town Clerk fees are on budget. It looks we'll be coming in on target. That could change, though.

VO-AG tuitions are still \$79,000 in the red. But it's partially offset by the \$70,000 we'll be getting in ECS money.

I don't have updated numbers for the other information at this point. Overall I am projecting about a \$450,000 surplus in revenues which will go a long way in offsetting the \$375,000 that we had put in the budget for fund balance utilized.

Mr. Brumback advised Emilia has been beating the banks and pushing them hard to try to find any return on investment. It's not through lack of effort, but there are just no returns out there.

Discussion.

Discussion about the Investment Committee and maybe having that Committee reconvene a couple of times until everything is working well with the investment company. So we can hear the fruits of their labor. Make sure everything is working. We will be talking about that in the future.

Discussion.

2. Review expenses vs budget

Ms. Portelinha explained she has been communicating with the departments and hasn't been hearing anything saying they're going to need to come forward for a great deal of funds.

Mr. Brumback said he would meet with the department head and Emilia and go through their budgets to find out where they are short and where they're long and start harvesting those potential funds to look at things for buying down in preparation for next year. We'll have a more thorough and complete report for the next meeting.

Ms. Portelinha added the few departments that indicated they're going to need anything have indicated that they can transfer. It's not a major number. I do keep an eye on the overtime: police, sewer and fire department.

Discussion.

FEMA reimbursement was briefly discussed.

An analysis was suggested regarding FEMA reimbursement overtime versus regular overtime.

3. Discuss unplanned items that impact revenue or expenses

Mr. Brumback brought up the Pondview Litigation which is on the Agenda. We are hoping that is now completed. Explained this transfer reflects the bill from January and February and an anticipated amount we have from counsel for March which hopefully will wrap it up. We anticipated this, as does counsel, will be wrapped up in this fiscal year. We did not ask for anything in the next fiscal year.

4. Sub Committee Reports (Emphasis on financial aspects)

A. Sewer Committee

Mr. Stanforth reported on a meeting held this afternoon. Discussions are ongoing regarding the phosphorous regulations coming from DEEP. We've had some positive indications, but until it is all said and done we have no idea what's going on there. Administration working diligently to keep that at a manageable number.

The digesters over the plant need work. We wanted to postpone that until the plant upgrade; unfortunately we won't be able to do that. We are looking at how to minimize the cost but there will be cost of doing something with the digesters.

B. Public Works Committee

Mr. Brumback reported in Ms. Feld's absence regarding the proposed bonding for the roads. Mr. Brumback explained the analysis is completed on the pavement management system. What it tells us that in order to maintain our existing road condition which is a little bit less than par; it would take about \$4.5 million a year for the next 10 years. But to improve it incrementally 5 or 6 percentage points putting us on the average with New England Region, it would cost us about \$5.5 million a year. In recent years we have been budgeting about \$1 million a year. IF we continue at that pace, we are going to deteriorate over the next 10 years to a significant level. The CIP contemplates at least the first couple of years at the \$ 4.5 million level. We'd like to do it at that level for next couple of years and demonstrate to the public the value of doing that amount of roadwork. But we need to have the community buy into it to do that.

Staff recommendation is we take the road maintenance program to a referendum and recommend we fund it for several years in order to evaluate the impact. We're planning on doing that.

The program is broken down into three categories:

- easy maintenance
- mill and overlay component or a refurbishing component
- reconstruction component.

The lion's share is in the easy maintenance and refurbishing portions and then chipping away at the roads that are in the worst shape. School Street, a complete reclamation at up to \$1.7 million, was explained.

No bonding dollar amount at this time.

Discussion of having a workshop on this matter if the Board is in favor of that. We need to sort this out before bringing it to the Town Council or the voters.

Mr. Casale pointed out going to referendum is absolutely the way to go. But I believe we are looking at a referendum of \$30 million or better to stretch it over the period of time we're looking at as 8 to 10 years.

Discussion.

Mr. Brumback said as we haven't done this type of work in a long time, we would recommend we take it as a test bite of maybe \$10 million over a couple of years and demonstrate to the public. Showing that impact is going to cause the public to be more in favor of biting off something like that than not.

Discussion.

Mr. Casale added that this may be a tough sell with all the other things going on, but it is necessary.

Discussion.

C. Education Capital Building Committee

Mr. Pocock advised they haven't had a meeting and the April meeting was cancelled.

D. Open Space Committee

Mr. Pocock advised there is a meeting on the 19th of April.

E. Self Insurance Committee

Mr. Labieniec reported the last meeting was on March 20th and we had results through February. We had 4 months over and 4 months under budget. At this point in time, we are over budget by \$180,000 which is less than 1 percent of the \$19.725 million that's budgeted for the year. Consistent.

Mr. Stanforth asked if the Town Council passed the Policy regarding the Self Insurance Fund Balance Excess. And, if so, could the Board of Finance get a copy of the policy. Mr. Brumback said he would provide that.

The Chair referred to a letter he received from the State Comptroller regarding the health insurance plan offered by the State which could save towns and cities significant dollars by joining. He submitted the letter to Mr. Labieniec of the Self Insurance Committee to take it up at the Committee level.

F. Blue Ribbon Parks Committee

The Chair advised from a finance perspective, this committee is still going around surveying the parks and the leagues that operate within the parks to assess what the needs are regarding the facilities (bathrooms, parking lots, roads, fields, safety issues) and doing a study and also looking beyond that and figuring out who

should pay for what. Then everyone would know where their money is going to go and we would have a transparent relationship there.

Discussion.

7. Board Communications

Mr. Casale asked for an update on North Center School. Mr. Brumback responded it is moving along very well. The plan is still to move in around the first part of June. We haven't gotten the final report back from the EPA on the solution to some of the environmental issues but we expect that eminently. It appears as though with the resources we have available we are going to make the plan work.

Mr. Pocock questioned expenses of the tanker fire. Did we bill the insurance company? Mr. Brumback said Buddy Clark did.

Discussion.

As to the multiple crash on West Street, Mr. Brumback did not know if he billed on that. It might be a little different.

The Chair explained two roles that land squarely on us to decide is setting the mill rate and that we're kind of boxed out because once the budget is set, the mill rate falls out of that. We get the privilege of setting it, but we really don't own the determining factors that go into arriving at it.

The other thing is we get to pick the auditor. That is the one thing we have total control over. We've been using Blum Shapiro for the three years I've been here but we have the option to pick an auditor. If we are going to move forward with this, we have to get an RFP out.

Our Finance Director has given us a letter showing the costs of Blum Shapiro from 2006 to 2011. We've also been given a list of the 169 municipalities in Connecticut and who they use.

Discussion.

Extensive discussion on pros and cons of keeping the same auditor for another year and going out to RFP.

The Chair suggested this would be brought up when we go over procedures: how long do we want to stay with one auditor?

Discussion.

The Chair asked for a motion to get a price from Blum Shapiro and if it's within tolerance to go with Blum Shapiro for a year and revisit this when we take up financial procedures. Ms. Portelinha said she would contact them tomorrow and see how quickly they can respond to me and will email as soon as she gets an answer. The Chair said he could always call a special meeting.

Discussion.

Mr. Stanforth said he would like to see this RFP'd now and just do this and get some responses to be sure the taxpayers are getting the best they can get.

Discussion.

Mr. Casale made a motion and Mr. Pocock seconded a motion to have Emilia get us a price and get it back to us and if anybody finds an issue with it, we will call a special meeting to discuss and move forward with an RFP. Motion passed unanimously on a voice vote.

The Chair would target the middle of May for the first policy workshop. We will meet as a group so we can all hear everything. Ms. Portelinha is invited, as well.

VI. Public Communications (Excluding Public Hearing Items)

Arthur Cyr, 103 Berlin Avenue. Having sat through your workshops, I'd like to thank the Chair and the Manager for the new outlook and new procedures. A breath of fresh air. Thank you.

Sometimes we get bogged down at looking at our problems and situations we lose perspective until you look at some of the messes in some of the other towns. New Britain has a \$30 million deficit. They'll lay off 130 employees on the town government side. We're not laying off, we're actually hiring.

Bristol is looking at privatizing various aspects of local government making the unions all kinds of happy. Looking at drastic ways to save money. We're not doing that.

Wow! I guess it ain't so bad here in Suddington!

Under Manager's Memos, #8, there is a \$100,000 transfer regarding the Pond View Drive Pump Station. I'm just wondering, does anybody have a figure of where we are? Mr. Brumback will get that total figure and get it to Mr. Cyr.

Discussion.

I'd like to remind my fellow citizens that prior people in this town made mistakes, they made horrendous mistakes. Not just Stonegate. Pond View Drive was another disaster that we're still throwing good money into that pit. When people like to reminisce about the good ole boys that used to run this town, I'll remind them all that there is another \$100,000 of my tax money.

Thank you.

VII. Review Long Range Plan and Priorities

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

A. Status /Reprioritizations

B. Strategy Discussion

Mr. Pocock pointed out we have done nothing to bring our buildings up to code and keep them. We've got to get this CIP rolling here. We need to get priorities done and get them in shape. The highway department has the roof in the meltdown. Another winter on it, we might as well say it's just about ready to collapse. The water is running in there throwing the heaters out and we're throwing money away.

The Town Hall - air conditioning, heating. Calendar House is the same thing. Police Department has their issues. The fire department had some issues up there. The library. We see the bills. We've got to get the jack rabbit out of the box and let's go.

With long range planning, it will all tie together but we've got this CIP going. We have no choice.

Mr. Brumback noted we talked about the roads. We talked in previous meetings about facilities. We are spending a significant amount of money maintaining equipment that quite candidly should be replaced. The CIP reflects a lot of that. Not all of it.

Discussed the roof on the highway building. Excess of half a million. It's in the current CIP.

Mr. Stanforth noted we do have a CIP and the first year is reflected in this budget we just passed along to the Council. And, it will go along year by year. We can only do so much in so much time.

Continued discussion about the highway department roof. We have to get it done before the winter. Mr. Brumback said debt service has been programmed for it, but we are going to have to bond it.

VIII. Conduct Administrative Business

1. Consent Agenda

Appropriation	\$ 263 *	Youth Services - STEPS (Spec Rev)
Appropriation (Spec Rev)	\$2,124*	Youth Services - Kristen's Kloset
Appropriation Grant (Spec Rev)	\$6,000 *	Town Clerk - Document Preservation

Appropriation \$80,585 * Board of Education - Operations

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

2. **Manager's Memos**

1. **Appropriation \$3,000** Calendar House - Overtime

Mr. Stanforth made a motion to approve.

Ms. Portelinha made the following change: Change the appropriation to a transfer. Transfer from the miscellaneous department tuition reimbursement \$3,000 to the Calendar House Overtime. We have excess money in that account that has not been used.

Mr. Stanforth withdrew his motion to approve.

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

2. **Transfer \$607** Town Manager - Equipment Maintenance

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

3. **Moved to consent agenda Item D**

4. **Transfer \$3,500** Fire Department - Building Maintenance

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

Mr. Pocock said the repairs, we've seen about 4 or 5 of these alone.

Motion passed unanimously on a voice vote.

5. **Appropriation \$350*** Calendar House - Overtime

Mr. Casale made a motion to approve. Mr. Labieniec seconded.

Motion passed on a majority voice vote with Mr. Pocock abstaining.

6. **Transfer \$500** Town Manager - Office Supplies

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

7. Transfer \$44,600 Police Retirement - Pension Supplement Wages

Ms. Portelinha explained the matter. Under the prior police pension plan, police officers did not get a cost of living increase. We have since moved over to AIG for the retirees but they still do not have a cost of living worked into that. Every three years the Council requests that an evaluation be done of the individuals who were on the old plan to determine if they are eligible for what we call a police pension supplement which is the cost of living.

We did the evaluation and certain individuals were eligible for the increase. It was supposed to be done January of 2011 and it dragged out to June, 2011 because now we have an independent company that has the pension group and trying to get information is difficult.

I had mentioned to you I would be coming back for this money. This is the money for this fiscal year. The money has been budgeted in the next fiscal year so we won't need to come back again.

I am transferring the funds as opposed to requesting a new appropriation for it.

Discussion was had on how the money freed up in the accounts being transferred from.

Mr. Labieniec made a motion to approve and Mr. Stanforth seconded. Motion passed on a majority voice vote with Mr. Pocock abstaining.

8. Transfer \$100,000 Capital Budget - Pondview Drive Pump Station

Mr. Labieniec made a motion to approve. Mr. Stanforth seconded the motion.

Discussion was had on why the funds were available in the account being transferred from; i.e. the health district.

Motion passed unanimously on a voice vote.

9. Transfer \$500 Youth Services - Office Supplies

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

10. Transfer \$3,500 Highway Department - Building Maintenance

Mr. Stanforth made a motion to approve which Mr. Labieniec seconded.

Mr. Brumback explained this is a direct result of the roof. This is to replace the heaters as a direct result of the roof. Discussion.

Motion passed unanimously on a voice vote.

11. Transfer \$11,000 Police Department - Vehicle Maintenance
Transfer \$9,000 Police Department - Accumulated Payout
Transfer \$50,000 Police Department - Overtime
Transfer \$25,000 Police Department - Other Professional Services

Chief Daly explained the first one is to make it through the end of the fiscal year. This will give us enough to make it with a \$1,000 cushion.

The second one is an individual who is retiring and he's entitled to his buy-out for his vacation time.

The third one, we faced a lot of issues with overtime between the Apple Festival, Hurricane, the snow storm. We've had some long term illnesses, two retirements pending and two long term disability injuries and two long term military leaves. We are coming up on the heavy vacation season. This will get us through the end of the year. For the whole year our spending on overtime will be \$590,764 which is a decrease in almost 16,000 from last year.

And, finally, this is for a temp we use as my secretary. She's paid being paid out of this account.

Discussion on how the vacation time is tracked.

Mr. Labieniec made a motion to approve which Mr. Casale seconded.

Motion unanimously on a voice vote.

12. Transfer \$5,000 Town Council - Advertising

Mr. Brumback explained there has just been an increase in the amount of advertising this year. (Legal notices for Town Council Agendas, meetings, public hearings, et cetera)

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

13. Transfer \$500 Town Manager - Advertising

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

IX. Discuss Auditor Selection for Fiscal Year 2012 Year End Closing

Discussion took place earlier in the Agenda.

Meeting Adjournment - Mr. Casale made a motion to adjourn. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

(Whereupon, the meeting was adjourned at 8:23 o'clock, p.m.)