

Town of Southington
Board of Finance Special Meeting
Tuesday, June 26, 2012

Chairman John Leary called the Special Meeting of the Town of Southington Board of Finance to order at 5:45 p.m. in the Community Room at the Southington Police Department, 69 Lazy Lane, Southington, CT. He noted that this is a special meeting and it was being held at this location because the normal meeting locations are being used by other groups holding their regular meetings.

Chairman Leary called a short recess to allow other expected persons to arrive (Edward Pocock was at another committee meeting and was expected to be a little late) and Finance Director Emilia Portelinha had not yet arrived. The meeting was again called to order at 5:55 p.m. with the following members in attendance:

Anthony Casale, Jr., Sandra Feld, Joseph Labieniec and Wayne Stanforth. (Edward Pocock, Jr. arrived at 6:30 p.m.).

A quorum was determined.

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

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

JOHN LEARY, CHAIR, Presiding:

III. Public Hearing Items:

Chairman Leary read the four public hearing items on the agenda and then each item was discussed separately.

1. Ordinance appropriating \$675,000 for the Town's share of costs related to reconstruction of Mount Vernon Road from approximately 350 feet south of its intersection with West Center Street to approximately 330 feet north of its intersection with Roaring Brook Drive and improvement of Whitman Road from its intersection with Mount Vernon Road to its proposed terminus, and authorizing the issue of \$675,000 bonds and notes to finance said appropriation.

2. Ordinance appropriating \$670,000 for costs related to replacement of the Southington Highway Department garage roof, and authorizing the issue of \$670,000 bonds and notes to finance said appropriation.

3. Ordinance appropriating \$11,000,000 for design and construction of various road and bridge improvements, and authorizing the issue of bonds and notes not to exceed \$11,000,000 to finance the appropriation.

4. Appropriation of \$250,000 to the Capital Fund new account "Aircraft/Newell/Redstone Roadway Improvements" which will be offset by an appropriation of \$250,000 to the Capital Fund Revenue Account "State STEAP Grant."

Town Manager Garry Brumback commented that he would ask Jim Grappone, Acting Town Engineer, to talk about items 1 and 2 and that Mr. Brumback would talk about items 3 and 4.

He began by saying that, with regard to item #4, the town applied for a STEAP grant from the State Economic Development Department. It has already been awarded. The town partnered with Yarde Metals to redo Aircraft, Newell and Redstone streets. The town is inputting a small sum of money. Yarde Metals is fronting the majority. We will pay them back with a tax abatement. Total cost of the project is \$487,000 to rework the intersection as well as widening of Aircraft, Newell and Redstone.

Jim Grappone made a presentation on the reconstruction of Mount Vernon Road, also known as State Project #131-198. It is a project with the DOT. The town provides the design to DOT and they take the design and go with it. Mr. Grappone referred to a large map showing the areas of the project. The road will be a uniform 30 ft. pavement width. There is a small area of wetlands involved and local wetlands approval was obtained for the improvements. The Whitman Road improvement will be from Mt. Vernon Road westerly to the Fish & Game Club, approximately 900 feet. Total cost estimate is \$4 million at this point in time. It will be 100% DOT. There are some ineligible costs for the town because Whitman Road is not eligible under the program. Also some design expenses for the completion of Mt. Vernon Road.

Chairman Leary asked if there is a benefit to the town of the \$4 million minus the \$675,000 bond. Mr. Grappone responded

that the road was chosen by several criteria, economic development being one of them. There is a benefit to the town.

The public hearing was opened on item #1.

Art Cyr, 103 Berlin Avenue. Is this being done in-house by town crews or outside contractor? If an outside contractor, who chooses and when will it get done?

Mr. Grappone responded that the town is not doing the work. It is a DOT project, and they go out to bid and select the contractor and award the contract. He is hoping they will bid it out this winter. Garry Brumback said it probably won't be done this construction season; probably next spring.

There being no other speakers, Chairman closed the public hearing on item #1.

2. Ordinance appropriating \$670,000 - Highway Department roof replacement.

Steve Wlodkowski, Highway Superintendent, spoke about the need for the roof replacement. He said the current roof is one that was replaced under warranty. The original roof was about twenty years old but experienced leaks 14 years ago. The type of roof that it is is not really good for this building. They are dealing with major leaks in the building, affecting the heating units, the insulation is soaked. He had a consultant look at the roof and check core samples - there is no asbestos so that is a big savings there. A four-ply roof heat applied could easily give 20 to 30 years of service.

Mr. Casale asked about the structure of the building. Mr. Wlodkowski said it was built in the sixties and is showing age but is not in bad shape. Eventually he would like to make some improvements to the interior, such as the rest rooms.

There were no public comments on this item and the public hearing on item #2 was closed.

3. Bond ordinance appropriating \$11,000,000 - Road and Bridge Improvements.

Mr. Brumback said he is trying to implement the Pavement Management Study that we had commissioned last year, and the essence of what the study said is that we have about \$45 million dollars worth of road projects over the next 10 years necessary

in order to maintain and improve current status of our roads. Most of the town roads have a 76 Pavement Condition Index (PCI). An investment of \$4.5 million over the next 10 years would preserve the 76 PCI and an investment of \$5.5 million will improve it to 81 PCI. The difference seems small but it is significant in the pavement management world. The study is a scientific look at all 203 miles of road in the Town of Southington. The plan is designed to hold off catastrophic failures; it is a targeted road repair program. Over the next 10-15 years we can save between 25% and 30% of the cost over doing repairs piecemeal.

There are three levels of maintenance:

- Preventive restoration
- Deeper milling and overlaying those areas already deteriorated
- Roads (30%) which require rebuilding the roads

Mr. Brumback continued by saying we are asking for the first two years of this program in order to do two things:

1. Demonstrate the value of the program;
2. Try to demonstrate to the citizens that this is a valuable resource that we don't want to allow to further deteriorate. It is less expensive in the long run and that is the goal.

Mr. Brumback is hoping this will be a 10 year project. It is something that requires a referendum and asking the citizens to support it.

Mrs. Feld asked if the list of the priority of the roads could be made available to the public. It is in the Pavement Management Plan on the website and in the budget which is online and in the Capital Improvement Plan which is part of the budget. Mrs. Feld said she has seen it but wants the citizens to see it; she would like to see it in the papers.

Art Cyr, 103 Berlin Avenue, asked if this would be a referendum this November, and if approved can we actually get \$5 million dollars worth of road improvements between the end of next winter and July 1st.

Mr. Brumback said yes, the referendum would be this November. It will probably take two fiscal years of construction; however, construction season is usually April to November, so it would be over three construction years - 2013, 2014 and 2015.

No one else spoke on this item and the public hearing on item #3 was closed.

4. Appropriation of \$250,000 to the Capital Fund - Airline/Newell/Redstone improvements.

Mr. Brumback said the appropriation would be offset by a STEAP grant we have already been approved for. Yarde Metals will front the cost and will get reimbursed.

Art Cyr had a question on Redstone. The road goes out to West Queen Street. He noted that the Water Department was putting in water mains. Redstone is a crime. There is a 3" ditch. How long before it is fixed?

Mr. Brumback said the work was done in direct collaboration between the Water Department staff and our staff so that their work would not impede our plans. Steve Wlodkowski will contact the Water Department tomorrow about the ditch and get it taken care of.

The public hearing on item #4 was closed.

IV. Options for Funding the Turf Field

Chairman Leary said that at the last public hearing, question arose about why we are bonding. We are seeking authorization to bond to have options. Since then Mr. Casale has come up with an option. What recommendation can we give to Council on how to pay for the \$960,000 which will rename the artificial turf field a town field and not a football field? Discussion followed.

Mr. Brumback said he respects the concept presented by Mr. Casale if the goal is to fund with cash but believes we have other options we can discuss. Mr. Casale said any item that might get offset within FY 2012-2013 to pay for the field we would refund with any FEMA money we receive. Mr. Brumback said by Charter, we cannot transfer between accounts until April. Our hands are tied at this point.

Mr. Labieniec referred to a sheet the Town Manager passed out regarding the Self Insurance Fund. The committee several months ago voted that 15% of expenditures would stay in the reserve and could be used to stabilize health insurance needs. 15% would be \$3.1 million. If the reserve total is more than

15% it shall be made available to the Town Council to use for one time expenses such as capital improvement expenses. The \$960,000 turf project is a capital project; he figured that \$609,642 could be used to cash fund part of the project. Discussion followed.

Mr. Casale believes the Board of Education has some responsibility in this. Chairman Leary said the BOE will still have a role in maintenance. They will still have to open and close it. Presumably there will be a lot more use of the field - more leagues, more events will take place on the field. Mr. Casale said the BOE gets paid for custodial, rental, other things. Mr. Brumback said that was discussed in the presentation. We are going to establish a fund for the artificial turf field and rental fees, etc. will go back into that account. Mr. Leary said for our own town leagues there will be only minimal fees associated with it.

Mr. Casale has been told that the BOE expense for maintaining the current field is about \$45,000 a year; with the turf field it will be about \$2,000. That savings (about \$43,000) should be reimbursed to the town. It is a community project in partnership with the BOE. Chairman Leary said he doesn't think the BOE will be making money on this.

Mr. Brumback said the fee structure and revenue generated is going into this fund to provide enough for replacement costs at no additional cost to the taxpayer. Discussion followed on whether some maintenance money in the FY 2012-2013 BOE budget would be reimbursed to the town.

Mr. Stanforth asked if the bonded projects list had any items on it that were completed and if there was any money there that could be used. Ms. Portelinha stated that she has not had time to look at all the projects on the list he referred to, but also that some of them were authorized for bonding but were not funded. It is a little more complicated. She will have to look at the projects. Mr. Brumback said the suggestion is to take \$609,642 from the excess reserves of the self insurance fund and the rest from contingency (about \$350,000). No money would come out of reserves.

Mrs. Feld wholeheartedly approves using the self insurance fund money toward funding the turf project. We should approach the BOE that they represented a certain amount if it were a grass field and now would have a savings of \$40,000. Chairman Leary said he can arrange a meeting with them to discuss. A

couple of things have not been ironed out. What will happen if a town league wants to use the field, the concession stand, who opens and closes? Their role is going to change. Now it will be more of a community field. He believes Dave Lapreay will have a master schedule on the website.

Mrs. Feld believes the leagues should pay on an accrual basis. Chairman Leary said outside tournaments will pay more than local leagues. In ten years' time the fund should have enough in it to repair or replace areas of the field as needed. Mr. Casale again stated that when the BOE allows an outside vendor to use the fields, the vendor pays for opening, closing; anything they do is incorporated in the rental of the field. The BOE doesn't incur any costs. The only time they have extra costs is for their own games.

Chairman Leary said in terms of funding the field, there was \$43,000 estimated savings. Hopefully that will not be in the budget next year. He suggested using \$610,000 from the self insurance fund. We still have \$384,000 available in contingency which is more than the \$960,000, so it does appear we can cash fund it. He said he would set up a meeting with a couple of members of the BOE Finance Subcommittee and a couple of this board to see if we can ask them to return the surplus maintenance money to the town.

(At this time, member Edward S. Pocock, Jr. arrived.)

There was some discussion of the percentage of revenue reserves (10.4%). Mr. Stanforth said we should maintain the reserve policy of 10%. When we do our policies we may want to budget the amount we need rather than as a surplus.

Mr. Brumback said the \$960,000 includes bonding costs of \$25,500. If not bonded, that would reduce the amount needed. Chairman Leary said we did seek authorization to bond because it is a bondable item. Some items are expense items and cannot be bonded. Mr. Casale said if we are not bonding, we should leave the \$25,000 in for contingency in case there are overruns. Mr. Brumback guaranteed that if we don't need it we won't spend it.

V. Conduct Administrative Business

1. Manager's Memos:

1. Bond Ordinance - \$675,000 - Reconstruction of Mount Vernon Road and Improvement of Whitman Road.

Mr. Stanforth made a motion to approve, seconded by Mr. Pocock. Discussion ensued. The project does not include sidewalks. Whitman Road is a gravel road. Mr. Wlodkowski said due to the gradient, every time there is significant rain we are responsible for the maintenance. Highway is constantly in there regrading, cleaning up stones. Improvement would also provide some area for parking to use the trails. Right now it is a maintenance nightmare. Mr. Grappone added that DOT is paying for the first 100 ft. Motion passed unanimously on a roll call vote.

2. Bond Ordinance - \$670,000 - Highway Department garage roof. Mrs. Feld made motion to approve, seconded by Mr. Stanforth. Motion passed 6 - 0 on a roll call vote.

3. Bond Ordinance - \$11,000,000 - Various road and bridge improvements. Comment was made that if approved tonight and approved by the Town Council, it will go before the public in a referendum.

Mr. Casale moved for approval, seconded by Mrs. Feld. Discussion followed.

Mr. Stanforth asked about Mt. Vernon and West Queen Streets. Mr. Brumback said they are on the list to be done. One million included in the \$11 million is for West Queen Street Bridge. The plan is to spend \$4.5 million in each of two years, \$1 million and \$1 million. This allows us to work through the pavement management system to a benefit effect of 50 low cost and 30 on the high cost maintenance side. There are two issues at stake: one is the capability standpoint, and one is capacity standpoint. This is all we can manage. In the past the large projects were done piece by piece. Mr. Brumback said we have the list. We will do what we have done in the past but we want to plan and have the ability to accomplish a lot more.

Mrs. Feld would like to formally request when and if this passes referendum that a report is made to the BOF every month on what has been done and what it costs. Mr. Brumback said we will certainly do it when significant projects are done rather than every month to make the reporting worthwhile. Mrs. Feld agreed with that.

Chairman Leary asked for a roll call vote. The motion passed 6 -0.

4. Appropriation of \$250,000 - Aircraft/Newell/Redstone. This is the STEAP grant which has already been awarded.

Mr. Casale made a motion to approve the appropriation, seconded by Mrs. Feld and carried unanimously.

5. Transfer - \$20,000 - Town Hall Building Maintenance.

Mr. Brumback stated that we have had recurring air conditioning issues for years. We have been spending thousands of dollars every year maintaining an inadequate system. He asked companies to look at the system and received three bids. This represents the lowest bids to fix duct work, zoning and replace a condenser and air handler. We have been told it will update the system to sustain us for many years. He was asked who the quotes were from. PerfectTemp for the zoning system and Sav-Mor for the condenser. He stated that we just changed our annual maintenance from Saucier to Sav-Mor for the Town Hall building. The condenser serves the Council Chambers. Mr. Casale said this is his line of work and he'd like to see the bids. Mr. Brumback would get them to him tomorrow.

Mr. Stanforth asked what the \$50,000 was for on the bonding list entitled "Town Hall Improvements". Ms. Portelinha said she would have to review the projects on the bonding list and was not sure what that item was. It may have been for new windows which were not installed.

Motion was made by Mr. Casale, seconded by Mrs. Feld to approve the \$20,000 transfer. Motion carried 6 - 0.

6. Transfer - \$630,000 - Capital Budget - Widen, Resurface & Drainage.

Mr. Labieniec made a motion to approve, seconded by Mr. Pocock. Discussion followed.

Mr. Brumback said cash funding would have caused the mill rate to go up. We recommended bonding during the budget process and you all approved that. Then, working with the departments at the end of the year, we went through and harvested remaining money from department budgets which will allow the Highway Department to do all the projects they plan to do this construction season regardless of the referendum. Also continue to work in April and May of next year. Just roads and bridges.

Mr. Casale asked if particular areas were earmarked. Mr. Wlodkowski said the West Center Street wrap-up, part of the Newell, Aircraft and Redstone job. The STEAP grant will be applied to Aircraft Road and Newell Street. We want to tie in Redstone which falls outside of the STEAP grant. Mill and pave South End Road, Meriden Avenue to Mulberry Street and Route 322 to Meriden Avenue will be complete. Mulberry to Old Turnpike Road, Marion Avenue from Nutmeg to Pacer Lane because there is an icing and drainage problem there. Belleview Avenue from Hart Acre Road to Meriden Avenue near Lewis Farms; there is no drainage there. Mr. Wlodkowski added that the LOCIP grant is approximately \$285,000. If the referendum were not to pass, we are looking to have this year's projects completed in any case, but of course we hope the referendum goes through.

Mr. Wlodkowski was asked if the town would do all this work or use a contractor. He responded that the town does not own a paver. We use the State Vendor In Place list. We bring it up to the point where the road is ready to pave.

Ms. Portelinha asked for the board to grant her a little leeway on the transfers in case some of the money was spent after the report was made.

Mr. Labieniec amended his motion for flexibility and let the Finance Director make adjustments as needed so the total amount stays the same. Seconded by Mr. Pocock. Ms. Portelinha was asked to do it and report back what was done. Motion passed 6 - 0 on a roll call vote.

7. Recommendation to the Town Council on the Turf Field funding.

Mr. Labieniec made a motion regarding the turf field funding to take \$609,642 from the Self Insurance Fund excess and \$350,358 from the contingency which totals \$960,000. It would leave the contingency balance at about \$34,310. Seconded by Mr. Pocock. Discussion followed.

Mrs. Feld said she approves the self insurance funding but not the contingency. We need to have discussions with the BOE to see if we can persuade them based on their math. There was more discussion regarding the BOE budget for field maintenance and when or if some of it would be used or available for a contribution from the BOE of \$40,000.

Mr. Casale made a motion to table the item until we talk with the BOE. Mrs. Feld seconded. The vote was:

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| Stanforth: | No |
| Feld: | Yes |
| Casale: | Yes |
| Pocock: | No |
| Labieniec: | No |
| Leary: | No |

Motion to table failed 4 - 2.

Ms. Portelinha said the BOE would have to wait until April to transfer the \$40,000. Mechanically we can make it work. They can pay for \$40,000 of the cost directly.

Mr. Labieniec retracted his original motion.

Mr. Casale made a motion to accept the funding option with the BOE paying \$40,000; \$609,642 from Self Insurance; and \$310,358 from contingency. This would be funding the project for \$920,000. There was no second to this motion. Mr. Leary said he would have to write a letter to the BOE. There would be no effect on the mill rate this way.

Mr. Brumback said the contingency was \$44,500, bond costs are \$25,000, so the real cost is \$891,000. Mr. Casale said the BOE liability may only be \$15,000 if we do not exceed the contingency.

Mr. Casale made a motion to fund the project at \$920,000, which would include \$609,642 from Self Insurance and \$310,358 from contingency. Seconded by Mrs. Feld. Motion carried 6 - 0 on a roll call vote.

VI. Meeting Adjournment

Mrs. Feld made a motion to adjourn, seconded by Mr. Casale. Meeting adjourned at 7:15 p.m.