

Town of Southington  
Board of Finance  
Wednesday, December 12, 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.....	\$ 265
Approved this meeting.....	0
Total Appropriations.....	\$ 265

Appropriations with Revenue Offsets:

Approved to date.....	\$ 199,078
Approved this meeting.....	000
Total Appropriations.....	\$ 199,078

Acting Chairperson 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., Sandra Feld, Edward Pocock, Jr., & Wayne Stanforth

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

Absent: Joseph Labieniec, 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 November 14, 2012.

Mr. Pocock made a motion to approve the Minutes which was seconded by Ms. Feld. Motion passed 4 to 0 with 1 abstention by Mr. Casale.

2. Approval of the 2013 Board of Finance meeting schedule

Ms. Feld made a motion to approve the calendar for 2013. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

Discussion on the location of the meetings. Mr. Casale made a motion to have the meetings of the board of finance at the Town Council Chambers of the Town Hall. Ms. Feld seconded for discussion purposes.

After further discussion Mr. Casale withdrew his motion. It was decided and Mr. Casale made a motion that the first four meetings of 2013 (through March, 2013) would be held at the Town Council Chambers and after that time have the meetings held in the Assembly Room at the Municipal Center. Ms. Feld seconded. Motion passed unanimously on a voice vote.

Please note: October 8<sup>th</sup> should be October 9<sup>th</sup>, 2013.

**V. Assess current financial state of the town**

**1. Review revenue vs budget**

Ms. Portelina advised property tax revenue is approximately \$1 million above budget and it is mostly timing at this point in time.

Prior years tax collections through November is approximately \$250,000 over budget for the same time frame.

Interest on taxes is about \$55,000 above budget.

The building permit and fees is about \$80,000 over budget. Most is from when we got \$65,000 for the Hilton Homestead Suites a couple of months ago.

Interest on investments, we are currently about \$54,000 below budget although we are \$12,000 higher than we were at this same time last year.

As to state grants, we received the first quarter of the ECS grant which is \$5 million. The municipal revenue sharing grant, we received the first quarter for \$163,000.

The Town Clerk fees have increased over the last two months resulting in a \$75,000 increase above anticipated through November.

We received almost \$155,000 for the voag tuitions. We should be about \$40,000 above budget.

In response to a query about town property being sold by Mr. Stanforth, Ms. Portelinha advised the highway department is auctioning off some of their old equipment which resulted in a gain of almost \$17,000. Steve will come back, I do believe, and try to buy some used equipment with that and he'll be before this board.

Discussion.

## **2. Review expenses vs budget**

Ms. Portelinha noted we are moving along. There hasn't been anything that departments have brought to my attention that will be an issue at this point.

Mention of the operating budget preparation for 2013 and the memo which was sent to all the department heads. Discussion will follow later in the Agenda.

With respect to the fiscal year 2012 audit, we are still plugging along and a draft is expected by the end of this week or early next week. Blum Shapiro will be at the January meeting to report on the audit (CAFR).

Mr. Casale asked Ms. Portelinha to elaborate on:

- the cost of the road project if it starts this year,
- the cost of the bonding for the artificial turf,
- the cost of the rental for North Center School, and
- the monies we have expended on the middle school project.

What is the effect of each of those items on the budget currently or upcoming?

Ms. Portelinha said there is no affect on the bonding costs at this point because we haven't bonded for those projects. Once the school projects are fine tuned and we determine the cash flow, she will bond the first piece of it. We can't do the construction until the state comes along with the grant.

As far as the North Center rental, it's basically in the budget. It will be slightly lower next year but it's only by a month or so. It's in the operating budget.

Discussion.

Mr. Brumback responded as to the road referendum. We are using this year's budget and we have not begun the project just yet. We are still using the LOCIP and TAR funds and will probably until April.

Mr. Brumback explained waiting for coordination with the utilities with maps from CL&P, Yankee Gas and the water department. We will then adjust the streets to accommodate the utilities. We're

hoping to put that out by February. The lion's share of the projects for this construction season will be mostly designed. We have enough budget to carry us through the ongoing stuff and then we intend to begin construction in the next fiscal year which will still be in the current construction season. Explained the timing of construction seasons versus fiscal year dates. The first real expenditure of the referendum money won't be until the next fiscal year.

Ms. Feld brought up the list of bonds that were unauthorized/unissued received by the board earlier. Has that been brought up to date? Can we add the new authorized/unissued that we have? Ms. Portelinha said that list was up to date through September.  
Discussion.

Ms. Portelinha clarified in January she will be working with bond counsel and we will be looking to have that list updated. The updated list will be provided for the February meeting.

### **3. Discuss unplanned items that impact revenue or expenses**

The FEMA recovery money is trickling in. It hasn't come in nearly as rapidly as we had hoped.

Mr. Brumback explained the big unplanned item that is going to impact this year and more importantly next year is going to be what happens in the session that is going on right now in Hartford. It is going to have an impact and we don't know what that will be. We are not prepared to speculate and at the January meeting that should be fleshed out a little bit better. We are very concerned about what is going to happen as a result of this legislative session.

DEEP is going to be severely impacted and we rely on the Clean Water Fund, reimbursement or financing. We have the facilities upgrade going on. The digesters upgrade is going on. If they withdraw in midyear some of the town aid that we've anticipated in the building of this budget, it could have a significant impact.  
Explained.

That doesn't account for the federal sequester. If that takes place, the state will be in worse shape which will make us in worse shape. More to follow.

Discussion.

We have made a decision that we are not going to go off the fiscal cliff from a payroll perspective added Mr. Brumback. We will adjust that after the decision is made. Explained making the adjustments just one time is what we are going to do. The Chair said the board is not recommending you take any action other than to be totally prepared and to have a plan for the different scenarios.

CCM's position is to preserve the funding that the state provides for the town. Their position is to preserve municipal aid and municipal grants across the spectrum recognizing if they don't, they may be able to claim not having a tax increase, but they will force us into one. That coupled with very active resistance for any unfunded mandates. Those are really the two planks of CCM.

Discussion.

#### **4. Sub Committee Reports (Emphasis on financial aspects)**

##### **A. Sewer Committee**

Mr. Stanforth advised the biggy coming up at our next meeting is some extra money for the sewer department for the digester issue. They've had to contract for the removal of the sludge as the digesters were not working. They've had to pay some overtime. The tipping for getting rid of the sludge is higher because it's not been fully digested. There may be a request to this board for an appropriation. It would come from the sewer fund and will not affect the general fund.

Other than that, everything is just moving right along.

##### **B. Public Works Committee**

Ms. Feld noted the committee discussed the bulky waste station and the new permits. We are working on getting some information about how many people use the transfer station and for what purpose, if there is a lot of repeat business by certain people and not others and we'll be speaking with Steve and Jim Grappone about this going forward.

The leaf program is completed.

Complete retention/detention pond maintenance.

Parks department is beginning to work on the ice rink which has moved over to Mill Street.

No snow removal at this point. Two small storms.

Storm drainage maintenance continues.

Issues with the streetlights.

Mr. Pocock stated as to the streetlights, the public needs to be reminded that pole numbers, streets, nearest house are reported. Mr. Brumback said we have to redouble our efforts on the drive around at night under the contract. It needs to be done more diligently. We'll stay on it.

Discussion.

The Chair advised it is in the best interest of the citizens in town to identify a non working streetlight as soon as possible so we can get it repaired and continue to get value for our money because we are going to pay anyway. We pay whether the light burns or it doesn't. You notify the engineering department to get it fixed.

Discussion.

**C. Middle School Building Committee & Education Capital Building Committee**

Mr. Pocock passed around an estimated summary of the proposed dates. He noted the public can read the Minutes of the Middle School Committee on line and see the attachments.

The big thing is it is going to go forward with an additional \$4,725,000 on to the previously approved \$85 million which totals \$89,725,000.

Introduction of the bond ordinance at the January 14<sup>th</sup> meeting.

Public hearing at the BOF on January 16<sup>th</sup>.

Town Council public hearing on January 28,2013.

Move forward to March 19<sup>th</sup> with the referendum at Derynoski School from 6:00 am to 8:00 pm.

As Chair of that committee, I've seen a lot of work go on here. We are not happy but most of the over referendum costs are directly related to the issue with pcbs and asbestos but mainly pcbs.

Explained the value engineering and cuts done by the committee is in no way going to hurt the education of our students coming up.

The Deputy DEEP Commissioner has been excellent to work with. He was at the EPA in Boston. At a meeting today, we had a representative from Mr. Larson's office and he will see if there are any types of grants in Washington DC that can come our way.

I've got a great team I'm working with and we're trying to do our best for the public.

Ms. Feld added the current figures are with an assumption of remediation at \$6 million, assuming that we will not be required to remove the vapor barrier in the walls.

Discussion.

The Chair asked what if the referendum doesn't pass for the \$89,475,000. Ms. Portelinha advised there have been expenditures and the town is locked in to paying those.

Mr. Casale said the people should know that if they vote this down, they have to pay the costs to-date. The figure is approaching \$1 million. That's important for the public know. Mr. Brumback said he would see that that is presented to the public.

Discussion.

Mr. Casale also noted that people need to know the committee with their cuts have not impacted the integrity of the project but as to energy costs, they are keeping in line with what we are trying to do as a town going to energy efficient systems. They've kept that on the table.

Discussion.

#### **D. Open Space Committee**

Mr. Pocock reported at the last meeting we discussed Crescent Lake. The UCONN professor was here and made a presentation. They've done surveys up there and they've done a good job. More reports to come.

We discussed maintenance issues, but nothing significant to report on.

The Chair said he has received phone calls and some folks are requesting money in the budget to acquire more open space. Can we have a summary of that and get an understanding of what amount that is and what we are trying to do before we go into the budget season.

Mr. Brumback referenced a letter he will get to the members. They want the flexibility to have money available for the use of purchasing open space should an opportunity arise. The real challenge is that often times property is on the market, does not stay there very long and our process causes us to take between 60 and 90 days to get that done. Sometimes the opportunity doesn't last that long.

The Chair asked for the board of finance to be briefed on the whole concept of open space. When would we find it to be in the best interest of the town, to purchase it and under what circumstance?

Discussion.

Mr. Casale said he didn't necessarily see a need for a fund. If the property becomes available it can be presented to the Council or this board at that time and the money can come from our regular source of funds. Mr. Brumback said there is a fund in existence.

Ms. Portelina clarified we have an open bond ordinance. In the past we had two bond ordinances for \$2 million each. As property is available, we have the ability to purchase it and bond it after we purchase. It requires the approval of the Council.

Discussion.

Mr. Casale felt the public wasn't aware of how much open space we actually have. You can go to the town website and find a list.

Mr. Brumback said he would invite the chairman of the open space committee to come and talk conceptually about the value of open space and what it is they do. And, what is the long term view on this and how much more do we want and why do we want it.

Discussion.

#### **E. Self Insurance Committee**

Ms. Feld advised at the year-end meeting they decided how much we should increase over the current budget. She explained last year the budget was \$19,870,000. We decided to approve a 4% increase bringing that level of funding --- town and board of ed --- to \$20,514,000 for 2013.

Talking about the year 2013-14 going forward, after discussions, our health benefits consultant recommended was for us to have a level of funding of \$22,517,000. There was discussion and we finally decided on a recommendation of \$22,400,000 which is the level of funding we are going to recommend for that year 2013-14. That represents an increase over the current budget of 9.19%

There was a discussion about using the reserves to subsidize some of this 2013-14 budget. We decided that the current reserves would equal about 1.5 months worth of claims. So we may need to tap into the reserves of 2013 if it goes over budget.

We did not agree on using the reserves at this particular time. We agreed to hold off.

Basically, we are in pretty good shape with our self insurance fund and we've been trending over past years in the right direction. Going forward we have a plan - Health Wellness Program --- which is an incentive to get people to get their physicals. If they do that they manage to maintain their low premium share contribution. If they don't, after the first year, their low premium share contribution starts increasing.

Discussion.

Discussion of use of the reserves led by Mr. Casale.

Mr. Stanforth asked for a report of the self insurance fund for the past five years so he can see the trends. Ms. Portelinha would provide that to all of the board members.

#### **F. Gura Building Plan Review**

Mr. Brumback commented about the report at the Council. The architect's estimate, not discounting for the fact they don't believe

it is going to be required to be under prevailing wage and not counting any grants, came in at \$1.7 million which is higher than people previously thought.

Now, they'll send an electronic copy of their whole report. The Council is going to evaluate that and make a decision on how to proceed at their January meeting.

The BOF members will be provided with a copy of that report when received.

This is not town money. This is all money that they're going to have to raise on their own. It is going to go before the Council because they are asking for the benefit of a town facility. They have committed that it would cost the town no additional dollars for them to have this facility.

Discussion.

#### **G. Other Committees**

Nothing to report.

#### **7. Board Communications**

Mr. Stanforth brought up the capital budget. Please keep us apprized of that it is important to know where we stand. We had some items that hadn't been closed out. Ms. Portelinha said it will take a while to get through that. Explained the procedure.

Mr. Stanforth asked about the fire department review. Mr. Brumback said it's going well. They've been to town once already. They've been data gathering at this point. They will be back in town the 3<sup>rd</sup> and 4<sup>th</sup> of January to sit down with the various entities and talk specifically operational. It is progressing nicely.

Mr. Stanforth asked about a report before budget time when we have to vote on recommendations. Mr. Brumback said before you vote on the budget we will have feedback but you won't before that. I am hoping to provide you with information for decisions you are going to have to make for the fire department budget pointed out Mr. Brumback.

Discussion.

They will also meet with the board of fire commissions added Mr. Brumback.

Mr. Casale pointed out the board of finance asked for something. The timing of the procedure was explained by the town manager.

Discussion.

Mr. Casale asked the town manger to do what he could to facilitate the report. He said he would.

The Chair noted this is above the budget. This is if we see requests for vehicles or to expand facilities we need to know how that fits into the plan. That's important to see before we continue to make contingent decisions in the current plan. And, how we'll operate is important and we want to see it.

Discussion.

Mr. Stanforth asked the Chair to put on the next agenda, the strategy for the roads improvement discussion.

The Chair would like to get back to the policies. I would like to have ideas and thought on how to move forward. He suggested dates of December 27, 28 or 29. He will poll the members to pick a date to chat in the evening. And, I will specify some specific areas within the policy we should focus on. Especially those that may impact us in the budget.

#### **VI. Public Communications (Excluding Public Hearing Items)**

Arthur Cyr, 103 Berlin Avenue. Two items to discuss:

- I believe the operational review you authorized for the fire department was to look at the operational aspects and not so much their capital plans to reduce things like overtime. They're working on the budget and they're going to put in the \$100,000 you cut and they'll spend it this year, too. By the time you work on the budget you'll have the results of the operational review so you can cut that budget to pieces.

Discussion.

The Chair, after comments, said he was hoping to get out of the report was what level of service do we want our fire department to provide, what's required in the industry and in the most optimal way of providing it, what type of equipment do we run, what calls do we go on, what do we bring on the calls, how many people respond to a car accident versus a medical call versus something on the highway. Looking at all services provided and having people in the know tell us where we fit and then using that as somewhat of a capital plan.

Discussion.

- How much have we already spent on the middle school project is my big item. People need to know that no matter what you do at referendum the town will have already spent X amount of dollars and we have to pay that. We just can't simply walk away.

In the long run everyone will pay less for this project to the tune of somewhere between \$800,000 less to \$1.6 million less because our percentage of state reimbursement is going up and we'll be

bringing in more middle school students and we can get money there. That's not a small chunk of change. I consider that an absolute bonus on this whole thing.

Discussion.

This is a win-win. We have to do the middle schools. This is a blessing.

I thank you for all your hard work and diligence on every penny in this town.

To be politically incurred: Merry Christmas!

## **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. Brumback explained he sent out through Emilia's office the template or foundation for the department heads to look at budgeting this year. Basically, it ask them to go back and review all things they are currently doing and the standards to which they are doing them and start the process by assuming that the standards don't change going into next year. Then there are two places I want them to go:

- One is assuming we have to take a decrement for donations from the state or something along those lines.

- But also in the spirit of trying to continually improve the organization, look at new initiatives that they think would enhance our ability to provide the services expected by the community.

An additional task is to prioritize all of what they do. If they have a new initiative they believe will enhance currently provided service, look first and see if we can't keep this close to a zero sum game recognizing we don't control medical cost increases, MERS increases. We have union contracts that'll require increase in personnel costs going forward.

They are doing a good job this year and I'm asking them to continue to do that.

Discussion.

## **VIII. Conduct Administrative Business**

### **1. Consent Agenda**

- A. Appropriation \$1,075\* Youth Services - Outside Programs (Spec Rev)
- B. Appropriation \$3,691 \* Youth Services- Youth Services Enhancement Grant (Spec Rev)
- C. Appropriation \$2,344 \* Police Department - Vehicle Maintenance (Spec Rev)

Mr. Stanforth made a motion to approve the Consent agenda. Ms. Feld seconded. Motion passed unanimously on a voice vote.

## 2. **Manager's Memos**

The Chair asked for a motion to add the transmission for the dog warden's truck as item #3. Ms. Feld so moved the motion. Mr. Stanforth seconded. Motion passed unanimously on a voice vote.

- 1. Transfer \$2,884 Public Library - Contractual Services
- 2. Transfer \$1,230 Public Library - Contractual Services

Ms. Feld made a motion to approve. Mr. Stanforth seconded.

Mr. Brumback said this is a transfer of funds to cover a temporary hire for a vacancy.

Discussion of the bookkeeper's position.

Motion passed unanimously on a voice vote.

- 3. Transfer - dog warden truck transmission - \$2,400

It is a transfer from temporary seasonal wages and overtime to vehicle maintenance so we can put a transmission in the 2007 Ford 150 for \$2,400 and get the dog warden back on the road.

Mr. Pocock made a motion to approve which Mr. Casale seconded for discussion.

Mr. Casale asked if transferring this money now, aren't we going to have to appropriate it back at the end of the year. Do they historically return money to us?

The town manager emphasized the challenge is out there for them do this. We don't want to appropriate until they've had an opportunity to work through their budget.

Discussion.

Discussion of the animal control fund being a division under the police department. Because of an old state statute we are required to have the animal control fund as a separate fund explained Ms. Portelinha.

Motion passed unanimously on a voice vote.

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

HAPPY HOLIDAYS!

(Whereupon, the meeting was adjourned at 8:38 o'clock, p.m.)