

Town of Southington
Board of Finance
Wednesday, March 6, 2013

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.....	\$ 62,265
Approved this meeting.....	<u>140,000</u>
Total Appropriations.....	\$ 202,265

Appropriations with Revenue Offsets:

Approved to date.....	\$ 367,674
Approved this meeting.....	<u>109,798</u>
Total Appropriations.....	\$ 477,472

Acting Chairperson Joseph Labieniec, called the Regular Meeting of the Town of Southington Board of Finance to order at 7:01 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: John Leary, Chair

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 February 13, 2013.

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

V. Assess current financial state of the town

1. Review revenue vs budget

Ms. Portelinha reported on the revenues thru February 28th, 2013. Prior year's tax collections are up \$145,000. Interests on taxes are up approximately \$20,000. Building permits & fees are above budget about \$85,000. Our interest on investments are down \$82,000 below budget. The town clerk fees are up about \$96,000 due to an increase in activity. Voag tuitions, we billed more than budgeted. If that all comes through, we'll be about \$38,000 to the good.

We have a new item posted: State DOT refunds. And, there is almost \$227,000 in there. There were two projects that were started 15 years ago by the state and the town paid in a demand deposit. They closed out the projects and determined we overpaid for them and they gave us back the excess funds. The money comes back into the general fund as we've closed our projects. We're looking at a little over \$500,000 to the good at this point.

2. Review expenses vs budget

Ms. Portelinha reported on the expenditures. There is nothing that is coming to mind with the exception of the items that we have here on the agenda. There are a couple of other items that department heads have indicated to me they might be coming back for but they have money to transfer. Nothing substantial.

3. Discuss unplanned items that impact revenue or expenses

Nothing to discuss.

4. Sub Committee Reports (Emphasis on financial aspects)

A. Sewer Committee

Mr. Stanforth advised that the sewer committee is meeting next week. With the timing of this meeting, I have nothing new to report.

B. Public Works Committee

Ms. Feld reported they met today. The scanners are going to be ordered and they should be in in about a month and they have to be set up. Nothing on the leaf program. The highway department is working on retention and detention ponds. There is an issue with the roof at the dog pound which will be on the committee's agenda next meeting. The snow removal was a big issue and Mr. Brumback can address that.

Mr. Brumback said you would see tonight the request for an appropriation of \$100,000 from the contingency fund. The total cost without any FEMA reimbursement at this about is a little above \$450,000 for the storm. We have captured the most expensive 48 hours during the storm and we will be reimbursed, hopefully, 75% of the costs for those 48 hours. We are putting this information forward as rapidly as possible so the governor has gone to FEMA requesting the period be expended to 72 hours because of the difficulty with snow removal. However, Steve has now exhausted his current budget, we'll replenish that. Should the money come from FEMA it won't come this fiscal year. That takes the contingency budget from approximately \$750,000 to about \$650,000.

Ms. Feld continued the rest of the meeting they talked about the capital improvement program for the roads that the engineering department is working on and they're well into what they should be at this point.

We had a report from the owner of ProEnergy on the streetlights. A good report. He has been remiss for quite a while and he says since Storm Sandy. He was really good up to that point about checking and fixing the streetlights. We've been getting reports from regularly. As of today he is absolutely caught up to date on everything. There was a recommendation made that we need to help him with his managing getting the information and maybe we can have Jay Baker do something that will work between the engineering department and him so there is no duplication and they get to the streetlights faster.

The water department is working with engineering and the GIS should post on line within about a month.

C. Middle School Building Committee & Education Capital Building Committee

Mr. Pock reported they have been mostly on hold. We didn't have three meetings because it was at the state. We've had the traffic study come back from DePaolo that was approved. We have an issue going down on South Main Street, a state highway, and we're hopeful we'll have that back and not hold up the project. It will not hold up the bidding on DePaolo Middle School.

We had real good news from Hygenix that they're on the final phases of working with the EPA. A lot of people are involved in this: town manager, town attorney, Chris Palmieri has been a big drive and Chris Larson's office and our DEEP deputy commissioner has spent a lot of time getting this on the right track. This was anywhere from a 9 to 12 million dollar savings. Only a couple of little things left that I know of. We have the referendum on the 19th of this month and it's very important that people get out and vote.

It's been all good so far and that's about where it stands.

On the education capital building committee, a couple of things going. We'll be doing a couple of things to see what we'll end up with.

D. Open Space Committee

Mr. Pocock reported there is a meeting coming up on the 14th of March.

E. Self Insurance Committee

Mr. Labieniec stated December was a good month. We were just under \$300,000 better than budget. January went the opposite way. We were over \$300,000 worse than budget. The good news for the year is we are still \$158,000 under this year's fiscal budget. However we are \$433,000 over the prior budget which is close to 4% over prior and our budgeted amount for this year is just over 1% over prior. Good news is we're under budget for this fiscal year and we have to watch it as we are 4% over and we only budgeted 1% over.

If you look at the months we have claims and information in for so far, we were over budget from prior 5 of the 7 months and for the remaining 5 months the budgeted amount that we have in this fiscal year is under the actual from last fiscal year. That is a reason to be concerned that we may eventually end up over budget, however at this point we still have 5 months left so we'll monitor that as we go along.

We had gone through an RFP process and we are now at the point where it will be reported to the Town Council our recommendation for a new consultant at Monday night's meeting.

F. Gura Building Committee

Mr. Brumback had nothing to report.

G. Other Committees

Nothing to report.

7. Board Communications

Mr. Stanforth asked for an update on the capital fund. Ms. Portelinha said she didn't have the finalized information but she had been working on the capital fund and going through it and determining which projects can be closed. I did find quite a few excess bond ordinance items that we can close out and that's a good thing so we can clean up the accounts and deal with the ones are active.

Hopefully, we'll have some that are no longer active that have a little cash in them we can use.

Mr. Stanforth reminded her that she thought she would have it for today's meeting. What is the new date? Ms. Portelinha said she should have it by Thursday of next week and she'll email it to everybody.

Mr. Brumback accepted responsibility and apologized that we are late. The good news is it is a good drill. The efforts made to provide the information to you all have borne fruit.

VI. Public Communications (Excluding Public Hearing Items)

Arthur Cyr, 103 Berlin Avenue. Very well run meetings and you guys don't miss much. But I do believe missing off your agenda was your meeting location for the remaining nine months of this year. I believe when you set up your meeting schedule at the beginning of the year you were going to be here through March. You need to decide if you're going to be here for April thru December or whether you're moving up to the big room up the street.

Ms. Portelinha said she posted it as starting at the Municipal Center in April. We had to make a decision.

Discussion.

More importantly, I almost considered doing what the BOE does for your public hearings every year --- getting ten people to show up tonight and speak against the BOE budget. Put on a dog & pony show like the BOE does for us every year.

Discussion.

A newspaper headline said: Overwhelming support for the budget" and I object to that. It was only about 20 people who got up and three or four of us spoke against and the rest of them - a lot of them employees - spoke in favor of the BOE budget.

Discussion.

I was going to put on the show and then get up and say this is a representation of the town and you need to give them a zero budget increase. But you are all a lot smarter than that and would've recognized a dog & pony show.

Discussion.

That was not a representation of this entire town at DePaolo. I ask you to take your usual diligence when you consider what I said Monday night along with what you already know when you start your budget workshops in the next couple of weeks.

I know Mr. Pocock as chairman of the middle school building committee speaks in favor of it but I am in favor of this referendum at \$89.5 million because I'm cheap and it saves me tax money. It will

cut our cost for this project by over \$1 million. I think you should all come out and support it and make it vocally known you support it.
Discussion.

If people think they can stop this entirely, they should vote "no" but if it is voted down I'm pretty sure we will hack the project to pieces and we will get it done within the next three years. Let's do it to save ourselves as much money as possible.

I ask for your vocal support of the referendum on the 19th of March.

VII. Review Long Range Plan and Priorities

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

A. Status /Reprioritizations

Mr. Brumback had no presentation.

B. Strategy Discussion

Mr. Brumback had no presentation.

VIII. Conduct Administrative Business

1. Consent Agenda

A. Appropriation \$1,950 * Community Svs - FEMA Emergency Food & Shelter (Spec Rev)

B. Appropriation \$ 450 * Calendar House - Overtime

C. Appropriation \$109,348 * Board of Education - Operations

Mr. Stanforth made a motion to approve the consent agenda as presented. Ms. Feld seconded. Motion passed on a majority voice vote with Mr. Pocock abstaining.

2. Manager's Memos

1. Transfer \$3,900 Town Clerk Collection Services
Change to Tax Collection Services

Ms. Portelinha advised it should be the Tax Collection Services. Mr. Brumback explained said it is a transfer to the closest account applicable. We consolidated the IT stuff and we didn't leave an account for the tax collector to draw from. This is the implementation of paygov, the credit card system that we talked about. This allows her to have paygov update the system to put on the website all sorts of tax records and make payments electronically. This is a one-time cost which is why there is no line for it. She has the money in regular wages.

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

2. Transfer	\$20,000	IT - Computer Maintenance
Transfer	\$11,615	Capital Fund - IT modifications at North Center

Jay Baker explained his requests. He's asking for a \$20,000 transfer from regular wages to computer maintenance for a shortcoming in the mobile communications budget. Not enough budgeted this current year for our cell phone and Nextell accounts.

I'm asking for the remaining \$6,000 of that to be put into computer maintenance for any unanticipated costs for the rest of year that might include some out of warranty hardware that needs to be replaced. And, of that \$6,000 I have a \$3159 renewal for various Cisco switches throughout the town.

And, I'm asking for \$11,615 from the GIS info systems account to be moved into the IT modifications at North Center School for additional cable services at the government center.

Mr. Stanforth asked the original budget amount and what did we miss? Mr. Baker said he felt it was under budgeted. Mr. Brumback added it looks like a bad number in last year's budget. Prior to this year's budget, last year we consolidated all of the cell phones across town and they put a bad estimate in for this budget. It was just a mistake which has been corrected going forward.

The computer maintenance account was discussed. It was \$240,730 originally. The municipal center cost more than anticipated pointed out Mr. Baker.

Discussion.

Mr. Casale said he understood IT has been underfunded for years in this town and we're now coming upon something that is taking a lot of money to catch up to where we need to be.

Discussion.

Mr. Casale said it drives him crazy we are looking at \$11,000 for the municipal center. Mr. Brumback pointed out this is related to a lot of the cabling we had hoped to have paid for with the grant. The grant came in less than we were led to believe it would be. Issues outside of our ability to predict.

Mr. Baker said he would not need to replace the money in regular wages in response to a query by Ms. Feld.

Discussion.

Mr. Pocock asked if the mobile phones deal with the police and fire, also? That is an expensive part. We were so far behind in this town and we got out of there. We still have a lot of computers out there that still don't know what they're supposed to be doing. I'll get back to you or the town manager on that. I'm not against this. We have to make sure we have it rolling with other departments.

Ms. Feld said in light of the promise to get more information which I think we would need I will move to table this if it's not an inconvenience. I don't want your people standing at the door banging for their money. I would like to move to table this to the next meeting.

Mr. Baker said he had enough to pay one more month's bill for the mobile communications.

Mr. Brumback said they would be better prepared at the April meeting.

Discussion to vote on these separately.

Transfer \$20,000 IT - Computer Maintenance

Ms. Feld made a motion to table. Mr. Pocock seconded. Motion passed 4-1 with Mr. Stanforth opposed.

Transfer \$11,615 Capital Fund - IT modifications at
North Center

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

3. Transfer \$700 Calendar House - Dues & Conferences

Bob Verderame explained his request. The first one for \$700 is for dues and conferences. That takes up our education balance, travels and dues and basically mileage reimbursement for our staff. Also it takes up class time and other organizations that I belong to as municipal agent for the choices counseling for insurance.

I have a \$2,000 balance when I start off. And, \$900 is dues and conferences leaving me \$1100. We've been averaging close to \$1400 one-way rides. Explained.

The balance is not going to cover us for the remaining of this year. This is a transfer of \$700 from buildings grounds and maintenance.

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

Transfer \$3,500 Calendar House - Temporary / Seasonal

Mr. Verderame explained this has to do with our matching grant. Explained the history of the \$41,770 which began back in June. We have received two payments. They did not get appropriated until January and that meant we had to use up our temporary fund which is part of our line item which is for our instructors at Calendar House. We used close to \$23,000 and we only have \$5,000 left in that account. I won't make it to the end of the year.

The third and fourth payments for the matching grant should be coming in and that should help. If I save money in the state grant in the third and fourth quarter we can roll it into the new fiscal year which will help us if this happens again.

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

Mr. Stanforth went over the numbers again and the way the grant was approved with the town manager and the change in January that was made. Mr. Verderame further clarified his position.

Discussion.

Discussion followed regarding taking the money directly from the grant fund.

Mr. Stanforth amended his motion to approve the money into the temporary seasonal wages taken from the grant that is now available to pay that per Ms. Portelinha. Ms. Portelinha said they would take the expenses out of temporary seasonal and charge them correctly to the grant as opposed to moving grant funds into the general fund. Mr. Casale seconded.

Further discussion regarding the procedure Ms. Portelinha will follow.

Ms. Feld suggested withdrawing the motion altogether. It's a paper transfer.

Mr. Brumback advised to finish what we started and we'll take care of it. The issue will be resolved the way Mr. Stanforth described it.

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

4.	Transfer	\$55,000	Snow & Ice - Overtime
	Transfer	\$30,000	Snow & Ice - Contracted Services
	Appropriation	\$100,000	Snow & Ice - Contracted Services

Mr. Brumback explained this is a direct result of the blizzard. This adjusting the various accounts within his budget in order to properly place the money where he is going to or has already expended it recognizing that the appropriation request is from contingency and that is to provide him the resources necessary to absorb storms like the one we're going to have tonight and going forward.

The blizzard storm was a significant event and far beyond anything we could absorb and still have the ability to keep operational going forward.

We expect a portion of this to be reimbursed by FEMA. However, it won't happen in time for this fiscal year.

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

Ms. Feld she had no problem with the two transfers but she needed some more detail on the appropriation. We don't have any specific or approximate figures.

Discussion.

Ms. Portelinha said he is obviously holding contractors invoices or statements pertaining to the \$105,000. He indicated contractor costs for the storm were \$185,000. And, some of them he was able to encumber in the system. It is almost exclusively for overtime and contract services.

Discussion.

Motion passed 5 to 0 on a roll call vote.

The Acting Chair noted for the record that as of February 25, 2013 the contingency fund balance was \$787,735 and this will bring it down to \$687, 735. We've only appropriated to-date \$62,265.

5. Appropriation \$40,000 Fire Department - Vehicle Maintenance

Chief Clark stated that they've gone through the entire vehicle maintenance funds at this point. Referring to the second page of my memo, it says we have \$2800 left. This week we had a problem with Rescue One's rollover protection. Explained the repair needed. We are now at less than \$800 left in that account.

Explained the history of vehicle maintenance in the fire department.

Last year we spent about \$130,000 bringing all repairs up to date. All vehicles didn't get done last vehicle year. He explained some repairs that didn't get done on which vehicles as per the memo submitted.

Specific discussion regarding specific vehicles the board of finance members brought up.

Discussion, in response to Ms. Feld's question, about which work has and has not been done and the amount per vehicle.

Mr. Stanforth commented that the repairs need to be done to the equipment.

The Chief explained the survey was done last year in the middle of the year. It described what we had to do to get our fleet back on the road in good, safe condition. It cost about \$1500. We had a list for each vehicle and we started on the repair work. That list, we didn't have time to complete the list. When we set the budget for this fiscal year, we thought we would make it to get all the work done and we just did not. That's why we're in this situation. Looking forward to next year with the \$92,000 budgeted; I would expect to not have to come in to ask for more money.

Mr. Casale asked the amount he needed today to carry him through. The Chief said \$40,000. Explained.

Mr. Pocock asked about the tire cost, the brush truck, Engine 22 and Engine 32, and Rescue One. Extensive discussion followed.

Discussion of the numbers submitted as explanation.

Ms. Feld asked if he would be coming back to the board of finance this fiscal year. Chief Clark said he would be coming back for overtime. Assuming this appropriation is passed, I would not expect to come back for any money for vehicle maintenance.

Mr. Casale made a motion to table.

(No second)

Discussion on the figures for maintenance needed.

The acting chair said his expectation heading into the meeting tonight is that we have the detail and the dollar amount. The chief is here to explain further. I guess going forward we could have it resubmitted with a do over. Would you want to see an explanation for everyone of these bullet points? Mr. Casale said yes. Mr. Stanforth didn't think we should micromanage a department head on the maintenance he needs on equipment.

Discussion.

Mr. Casale removed his motion to table.

Mr. Pocock made a motion to approve as is. Mr. Casale seconded. Motion passed 4 to 1 with Ms. Feld opposed.

IX. Discussion auditor selection for the Fiscal Year 2013 year-end closing.

The acting chair referred to and read a portion of the letter which was sent to us by Emilia regarding auditor selection.

Mr. Brumback pointed out you have time to go out with an RFP if that is your desire.

Ms. Feld said I think it is in the interest of the town always when you have a firm like Blum, Shapiro, excellent, serving the town for six years; it's good to look around and see what's out there. It's a matter of principle. It's not to say that Blum, Shapiro won't end up being the one we choose, but I do think it serves the town best to get some RFPs out there.

Mr. Stanforth said he thought it was agreed earlier that we would do that.

There is agreement on the board to go out for RFP.

Meeting Adjournment

Ms. Feld made a motion to adjourn. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

(Whereupon, the meeting was adjourned at 8:18 o'clock, p.m.)

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

Board of Education Southington Public Schools

Revenues

The BOE budget does not have a revenue section of the budget. Revenues that we anticipate receiving back in the form of an appropriation have been applied to various accounts to reduce the operating budget request. The following provides a breakdown of the accounts where the revenues are applied:

Rental Revenue: Oak Hill rents are applied to the Thalberg School Electricity account #32120. Upon review of the location budget document you will see that the Thalberg account is significantly lower than Hatton or Strong schools which are similar in size and enrollment. Other rental revenues are applied to the Repair of Building account # 41430.

Residency Tuition: The \$140 received this year is the first time that the district has received residency tuition and therefore we had not anticipated these funds. Our plan is to apply the funds to the Other Professional Technical Services account # 31900 to reimburse us for the cost incurred from the residency officer that the district has hired.

Special Education Tuition:

Preschool Tuitions: The funds we anticipate receiving for regular education preschool student tuitions reduce the Hatton School special education para professional salaries account when the operating budget is calculated. When the program began, the BOE wanted to cover the cost of the additional paraprofessionals needed when then enrollment increased by adding the typical peer role models in the program.

Other Tuitions: Predicting the tuitions for special education students with a nexus district is extremely difficult. These students are attending Southington Public Schools because DCF has placed them in our community. If they have a parent living in another Connecticut town we are able to charge that town's school district for the special education portion of the student's education. These students are often only here for one school year or less. Most of the invoices involve salary associated with the para professional support that we hire if needed and therefore we did not budget the funds because we did not know we would have the student in district so the revenues are applied to that account once appropriated. The remaining portion of the invoices are usually for additional special education support the student receives and we apply the funds to our purchase service account. When the budget is developed we make an assumption that we will receive approximately \$40,000 of revenues for this purpose and the Purchased Service account #83319 is reduced.