

Town of Southington
Board of Finance
Wednesday, June 19, 2013

Appropriations from Contingency Account:

| | |
|----------------------------|------------|
| Approved to date | \$ 365,969 |
| Approved this meeting..... | 0 |
| Total Appropriations..... | \$ 365,969 |

Appropriations with Revenue Offsets:

| | |
|----------------------------|------------|
| Approved to date | \$ 622,398 |
| Approved this meeting..... | 292,578 |
| Total Appropriations..... | \$ 914,976 |

Chairman John Leary called the meeting of the Town of Southington Board of Finance to order at 7:00 p.m. in the Council Chambers of Town Hall, 75 Main Street, Southington, CT.

The following members were in attendance:

Anthony Casale, Jr., Sandra Feld, Joseph Labieniec, Edward Pocock, Jr. and Wayne Stanforth. A quorum was determined.

Also in attendance: Emilia Portelinha, Finance Director
Garry Brumback, Town Manager (arrived
7:20 p.m.)

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

JOHN LEARY, CHAIR, Presiding:

Chairman Leary explained that the board would have an Executive Session to discuss contractual matters and would return shortly. At this time the board members and Ms. Portelinha left the room.

At 7:18 p.m. Mr. Stanforth made a motion to adjourn from Executive Session and return to the regular meeting. Seconded by Mr. Pocock and carried unanimously. The regular meeting resumed.

III. Public Hearing Items: None.

IV. Old Business

1. Approval of minutes of the May 15, 2013 meeting. Mr. Casale moved to accept the minutes with an amendment. During the public hearing, Mr. Casale had indicated that he would not vote on the item because it was something that happened in June 2011, before he was on the board. Then later during action items, he did vote, as did Mrs. Feld. He would like to change the vote from 6-0 to 4-0 with 2 abstentions (Casale and Mrs. Feld), just to make the record straight. Chairman Leary said the notation would be in the minutes. The motion was changed to state approved with the notation. Seconded by Mr. Labieniec and carried unanimously on a voice vote.

V. Assess current financial state of the town

1. Appoint Auditors for Fiscal Years ending 6/30/2013, 6/30/2014 and 6/30/2015:

Mrs. Feld made a motion to appoint Blum Shapiro for one year, year ending June 30, 2013. Seconded by Mr. Labieniec and carried unanimously.

2. Cash Handling Procedures:

Ms. Portelinha referred to the Cash Handling Procedures that she handed out to the board and briefly summarized the procedures and asked if there were any questions. Mr. Stanford said they look very thorough. Mr. Pocock made a motion to table the item. No vote was needed as they are just procedures, not policy. Mr. Pocock withdrew his motion and said there were a few things missing. Mr. Stanforth said good procedures are in place. The next step would be to look at some of the areas. In response to a question, Ms. Portelinha said the procedures pertain to all departments that handle cash.

Mr. Brumback said if the board has suggestions, please share them with us. This is not locked in concrete, and he is happy to make improvements. Mr. Pocock said there is a big difference between policy and procedures. We need to tighten it up so it is something we can enforce. Mr. Labieniec asked how it plays out in the real world. Ms. Portelinha said that everything comes into her department and is accounted for. Mr. Labieniec asked if this document is given to them, is it checked on a yearly basis. Mr. Brumback responded that this is fairly evolutionary. You began the process and we agreed it was necessary to have a town wide set of cash handling procedures.

Next step is to train the department heads because they will administer it with oversight by the Finance Department. Periodically we will check how they are complying with the procedures.

Mr. Labieniec said in general town procedures, do we want to put addition dates and revision dates? It would help to know that you are looking at the most recent document. Mr. Brumback said we have not gotten that in the process. It is a great question and we need to resolve that. We will have a proponent department (probably Finance) to make sure there is a date on it.

Mr. Stanforth asked if there was a list of departments who handle cash. Mr. Brumback said there are many departments. We have departments all over town that were handling cash internally. We have not had any fraud or problems, but need to look at it. Mrs. Feld said she is concerned about the drive-in as an excellent example where someone could pocket money if they wanted to. Mr. Brumback said we provided the board information on that last year. They have numbered receipts and different colors. It is working well.

Chairman Leary said yes, we need policies with issue dates and the person responsible. It is not for the Board of Finance to dictate this. It is a management function. The procedures are the "how" and policy is the "what". You don't know if the control is effective until you do an audit. This procedure is newly revised. Members of the board have concerns and may look at the tax collector's office but may not look at the police department or the dog licenses, etc.

Chairman said the Finance Department issues the policy, issues the procedure and also does some testing to make sure internal controls are effective. He looks forward to seeing how these procedures play out but also the effectiveness. Mr. Brumback said for what it's worth, we completely agree.

3. Review revenues vs. budget:

Ms. Portelinha said property tax revenues are about \$150,000 above budget, prior years taxes are \$170,000 above budget, interest on taxes are \$30,000 above budget, and building permits are \$150,000 above budget. Interest on investments are \$85,000 under budget but are \$44,000 higher than last year. Municipal revenue sharing grant of \$390,000 is anticipated at the end of the year. Town Clerk fees increased activity is about \$180,000 more. We have discussed the distribution rebate

from BRRFOC of almost \$400,000. It came in. A portion we will look to appropriate at this meeting. State DOT refund for closed out projects was \$228,000. We are at approximately \$1.2 million above budget. It seems huge but in perspective about a million is made of additional revenue sharing, DOT refunds and almost \$400,000 BRRFOC rebates. These were not anticipated. In addition, activity picked up.

Mr. Labieniec asked if we believed we would get the municipal revenue sharing. Mr. Portelinha said it would go into the General Fund and we would have to account for it this year. We are not getting it next year.

4. Review expenses vs. budget: Ms. Portelinha said there are quite a few transfers. Mr. Casale asked about the \$40,000 for North Center Facilities Renovations. The Planning and Zoning Commission said we had to comply for the accoutrements for the renovation. Ms. Portelinha said expenses are still coming through.

5. Discuss unplanned items that impact revenue or expenses.

Chairman Leary asked if there are any surprises in the \$50,000 and up category. There are none expected. Ms. Portelinha said we still have \$400,000 in contingency if needed.

6. Sub Committee Reports:

A. Sewer Committee

Mr. Stanforth stated there was no meeting.

B. Public Works Committee

Mrs. Feld said she was not at the meeting but reported from the minutes. Trench bids were recommended to P & S Paving at \$98,452. Crack sealing bids were recommended at \$56,382 to Seal Coating Inc.

There are stumps to be ground for less than \$10,000 because CL&P doesn't do stump grinding.

C. Middle School Building Committee & Education Capital Building Committee

Mr. Pocock reported we are about \$1.2 million ahead of the game with the bids. We rebid several trades. The committee is happy at this point. There are two bids left and Mr. Pocock does not expect them to be a problem. They do not expect any surprises.

There was nothing to report on the Education Capital Building Committee

D. Open Space Committee

Mr. Pocock reported that a bike trail is planned and is a non-cost item. It will be a narrow pathways at the Flanders Novick property. Mr. Brumback said that at the Council meeting the bike group that was proposing the trail withdrew their proposal, so it is not happening. Mr. Pocock was not aware of that and said there was a lack of communication there.

E. Self Insurance Committee

Mr. Labieniec reported there is a meeting next week. We don't have the May numbers yet. Preliminary number is \$1.9 million on a budget of \$1.6 million, which is 15% over budget. The work the committee did in stating the budget for next fiscal year is very good. We expected May and June to come in 15% over budget (about \$250,000) and May did. Even if June comes in at 15% above budget, we are still under with approximately \$300,000 surplus. Mr. Labieniec felt we are still in a very good position with the recommendation for the next fiscal year at \$21.85 million.

Mr. Casale said the committee cut the self-insurance commitment. Mr. Labieniec disagreed and said we came up with a new FY 13-14 number based on more accurate information. We assumed the worst case scenario for May and June.

Chairman Leary said we changed consultants and we were above the midpoint, Anthem came out with a new projection and we were above their number. With the percentage increase for the next year we are in a more conservative position.

F. Gura Building Plan Review

Suggestion was made to remove this item from the standing agenda unless something pops up. Mr. Brumback said that Representative Aresimowicz told the committee that they would be receiving a \$500,000 grant. Mr. Casale said we should leave this item on the agenda.

G. Other Committees

There were no other reports.

7. Board Communications

Mr. Casale thanked Mr. Pocock and the Middle School Building Committee for all their hard work - kudos. The committee is doing a great job. Mr. Pocock said it is a great

team with the town manager, Mark Sciota, BOE personnel, DEEP commissioners, the EPA. A lot of people should be thanked. We had a rough start and a lot of work but it worked out pretty decent.

Mr. Pocock spoke about sick time and vacations. Last year we got hit with some serious numbers. No one seems to have a good handle on how much is accumulating. Mr. Brumback said we know how much people have. We rarely know when people are going to retire until just before they give their notice. Mrs. Feld said the BOE people seem to know when people are going to retire. Maybe we can learn something from them. Mr. Portelinha said they may be giving their employees an incentive to give the information on a timely basis, but she would have to confirm that. She has asked if there will be any retirements but has not received any information. Mr. Brumback said he would ask.

Mr. Stanforth asked how we are doing with the street repair program. Mr. Brumback said we are doing very well. We found that we will have some expenses that will cost us to go a little higher than we predicted. We are doing everything - the subsurface and the surface and running the TV cameras and finding some challenges. He is cautiously optimistic we can do everything we said. He will keep the board updated.

Mr. Stanforth asked if we could get an updated list of the capital projects so we can discuss them as a board.

Mr. Pocock said the town has come a long way in the Stonegate area. Mr. Brumback said we keep checking.

VI. Public Communications

Art Cyr, 103 Berlin Avenue. Mr. Cyr asked if the Cash Handling Procedures discussed earlier could be attached to the minutes. Chairman Leary said it might be a slippery slope to put policies attached to minutes. That is something that the manager would have to look at how broad. Some may involve security that is more internally focused. Mr. Cyr believes the BOF is the right board to make policy. Chairman said we would take it under advisement.

Mr. Cyr said the audit of the Fire Department is the basis of our ongoing charter revision. It is evidence that we need change.

Mr. Cyr also gave a tip of the hat to Mr. Pocock and the Middle School Building Committee. He attends meetings every week. There is an incredible amount of work; town staff did changes to cut our costs and hopefully eliminate change orders. He thanked everyone for all their work.

Regarding vacation time and people retiring. A couple of residents said that a lot of people have comp time. He thought we eliminated comp time. Mr. Brumback said there is no comp time in the union but non-union people have comp time in lieu of overtime and we do track it.

VII. Review Long Range Plan and Priorities

The cash handling procedures were discussed earlier.

VIII. Conduct Administrative Business

1. Consent Agenda

Mrs. Feld asked that we take Item E out in order to vote on it separately.

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|----|---------------|----------|---|---|
| A. | Appropriation | \$268 | * | Police Department - Vehicle Maintenance Loss Damage (Spec Rev) |
| B. | Appropriation | \$408 | * | Youth Services-STEPS Donations (Spec Rev) |
| C. | Appropriation | \$5,215 | * | Youth Services-Overtime- Drug Free Grant |
| | Appropriation | \$1,359 | * | Youth Services- Fica/Medicare/Mers-Drug Free Grant |
| D. | Appropriation | \$813 | * | Youth Services - Kristen's Kloset (Spec Rev) |
| F. | Appropriation | \$900 | * | Fire Dept -Extra Duty |
| G. | Appropriation | \$57,730 | * | BOE Operations |

Mr. Labieniec made a motion to approve the consent agenda items with the exclusion of Item E. Seconded by Mr. Pocock and carried unanimously.

Mr. Stanforth made a motion to approve Item E on the consent agenda - Appropriation of \$159,124 - Board of Education - Building/Facilities Maintenance. Seconded by Mr. Labieniec.

Discussion. Mrs. Feld questioned whether RFPs were submitted and competitively bid, and why is it coming out of General Fund money and not BOE money? Mr. Brumback explained that this is the district BRRFOC money. The BOE can pursue a grant and if they get it they will reimburse the town. They are in the process of going out to bid. It is for safety and security measures. It is time sensitive and that is why we are expediting it. Mr. Casale asked if we know where the panic buttons will be installed. Mr. Brumback said we are piggy backing on their bids to do the town and the BOE together. The locations would not be disclosed publicly. Motion carried 6-0.

2. Manager's Memos

Motion by Mr. Stanforth, seconded by Mr. Casale, to move up the Police Department items since Chief Daly and Captain Palmieri were in the audience. Motion carried unanimously.

11. Transfer \$3,000 Police Dept - Overtime - Withdrawn
Chief Daly said this item is withdrawn because he had a surplus of almost \$9,000 in that account.

Transfer \$7,500 Police Dept - Building Maintenance

12. Transfer \$5,000 Police Dept - Other Professional Svcs

Transfer \$30,000 IT Dept - IT Hardware

Chief Daly explained the transfers. He said they are looking to make repairs to their HVAC system and the computerized system that controls it. Temporary/Seasonal will cover legal issues that came up at the end of the fiscal year. The IT transfer will cover replacement of 32 desktop systems operating on XP which will no longer be maintained. Going forward we will have a replacement plan.

Mrs. Feld made a motion to approve Item 11, \$7,500 transfer to Building Maintenance. Seconded by Mr. Pocock and carried 6-0.

Mrs. Feld moved to approve Item 12, \$5,000 transfer to Other Professional Services and \$30,000 transfer to IT Department. Seconded by Mr. Stanforth.

Discussion followed on what is covered by Other Professional Services. It is the labor attorney and covers any grievances and disciplinary hearings that may come up during the

year. You can't predict if that will happen. This year we did not have contract negotiations; that was done last year. Mr. Brumback commented that when contracts are coming up, the budgets are increased to reflect that. Chief Daly added that it also includes the professional he hires to do the promotional processes, not just the labor attorney.

Discussion ensued regarding the IT transfer. Mr. Brumback said the IT Department did not have the money to support the purchase of computers. It is experiencing growing pains. We don't have enough money to do the town things. He said this is more important right now. We consolidated IT this year. We don't want any department ordering their own computer stuff.

Chairman Leary praised the Police Department on the way the June 4th request was written with the justification, the table showing all the machines, etc. It should be a model for other departments. Mr. Brumback said we shared that with all the department and asked them to submit their requests in a similar fashion. Chairman asked if there were other machines in worse condition in the organization that should be addressed before these. Mr. Brumback said he did not believe so. IT is rolling out a plan next year to preserve the inter-portability of the Police Department.

Following discussion, motion carried 6-0 on Item 12.

1. Tax Collector Suspense Transfer List

Ms. Portelinha explained that on an annual basis the tax collector reviews the tax rolls and what she deems uncollectible. This year it totals \$84,568.21. Most of it is motor vehicle, either registrations have expired, people moved out of state, died, etc. They are on a suspense list and she will still try to collect. It is just taking them off the current list. They do a lot of collections themselves.

Motion by Mr. Labieniec, seconded by Mr. Pocock to accept the tax collector's suspense list. Discussion followed. Mr. Pocock commented that you can't register your car if you don't pay your taxes. Ms. Portelinha said they are not giving up on these. The revenue does come in. Chairman Leary said they are still pursuing the receivable and removing it from the assets list. In response to a question, Ms. Portelinha said we pay for the service at Motor Vehicle. We do qualify. Motion carried unanimously.

2. Transfer \$1,796 Library - Office Supplies

Mr. Feld moved to approve Item #2, seconded by Mr. Labieniec and carried unanimously.

3. Appropriation \$250 * Calendar House - Overtime

The money has been received. This would be on the consent agenda but is listed here because Mr. Pocock works part time at the Calendar House. Mr. Casale made a motion to approve the transfer, seconded by Mrs. Feld and carried 5-0-1 abstention (Pocock).

4. Transfer \$615 Town Hall - Contracted Services

Motion by Mr. Pocock to approve. Seconded by Mrs. Feld and carried 6-0.

5. Transfer \$15,450 Calendar House - Gasoline
 Transfer \$6,400 Calendar House - Temp/seasonal Wages
 Transfer \$700 Calendar House - Dues & Conferences

Mr. Labieniec made a motion to approve, seconded by Mrs. Feld. Discussion followed. Mr. Casale said we are taking \$11,000 from Building Maintenance; what are we not doing? Mr. Brumback said the floors. Gasoline account is low because of the increased Dial A Ride trips. Mrs. Feld said she would like something in writing to substantiate the amount of trips as opposed to last year. Mr. Labieniec said it is in the request. Chairman Leary added that we did have the Senior Citizens Commission come to a meeting to talk about their program.

Mr. Brumback said that Mr. Pocock is working on a committee to eliminate superfluous routes and trips. Chairman asked if Mr. Brumback could talk about it at the next meeting under Long Range Plan and Activities. He will be happy to do it. Mr. Pocock noted that they got \$7,000 extra this year just because of the increased trips.

Mrs. Feld said they have the in kind grant. Does this transfer have anything to do with it? Mr. Brumback replied yes. It is being used for the Dial A Ride program.

Motion carried 5-0-1 abstention (Pocock).

6. Transfer \$700 Town Clerk - Office Supplies
 Transfer \$700 Town Clerk - Dues & Conferences

Mr. Pocock made a motion to approve Item #6. Seconded by Mr. Casale and carried 6-0.

7. Transfer \$1,500 Elections - Office Supplies

Mrs. Feld made a motion to approve Item #7. Seconded by Mr. Pocock and carried 6-0.

8. Transfer \$36,613 Town Manager - Legal Fees

Motion by Mr. Stanforth and seconded by Mr. Pocock.
Discussion. Mrs. Feld believes there is money available in the Legal Fees account; why can't that be used? Ms. Portelinha said some legal fees pertain to environmental issues. We keep those separate so we know how much that is costing us. Mr. Brumback said his legal fees account is for union negotiations. Only Fire and Police have legal fees accounts; the other unions are handled through the town manager's account. Motion carried 5-1 (Feld opposed).

9. Transfer \$9,500 Parking Authority - Grounds Maintenance

Mr. Pocock made a motion to approve Item #9, seconded by Mr. Labieniec. Discussion. Mr. Casale said he was at a Parking Authority meeting last year and they talked about doing some of this work. Mike Riccio said they would do a couple a year. What is the change? Mr. Pocock said he would vote to table this because of the questions. Mr. Brumback said the goal is still the same, to replace the mulch with stone. This is a cost saving. He believes he will be able to do everything with this transfer. It reduces some of the maintenance and saves money.

Motion by Mr. Pocock to table Item #9. Seconded by Mr. Casale. Motion failed in a roll call vote:

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|----------------|-----|
| Mr. Stanforth | No |
| Mrs. Feld | Yes |
| Mr. Casale | Yes |
| Mr. Pocock | Yes |
| Mr. Labieniec | No |
| Chairman Leary | No |

Mr. Labieniec made a motion to approve the \$9,500 transfer. Seconded by Mr. Stanforth. Discussion about Item #14 being connected. It all nets out in the end. Mr. Brumback said we are doing a lot of these things and perhaps it could have been

done more efficiently if we got them at the same time. Motion passed 4-2 on the roll call vote:

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|----------------|-----|
| Mr. Stanforth | Yes |
| Mrs. Feld | No |
| Mr. Casale | No |
| Mr. Pocock | Yes |
| Mr. Labieniec | Yes |
| Chairman Leary | Yes |

10. Transfer \$1,630 Library - Building Maintenance

Mrs. Feld moved to approve Item #10. Seconded by Mr. Casale and carried unanimously.

Items 11 and 12 were done earlier.

13. Transfer \$300 ZBA - Office Supplies

Mr. Pocock moved to approve Item #13. Seconded by Mr. Stanforth. Motion carried 6-0.

14. Transfer \$3,468 Planning & Zoning - Contractual Services

Mr. Labieniec made a motion to approve Item #14. Seconded by Mr. Stanforth.

Mrs. Feld made a motion to table Item #14. Seconded by Mr. Pocock. Discussion. The two commissions authorized the survey and would like to see it move. Motion failed 3-3 on a roll call vote:

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|----------------|-----|
| Mr. Stanforth | No |
| Mrs. Feld | Yes |
| Mr. Casale | Yes |
| Mr. Pocock | Yes |
| Mr. Labieniec | No |
| Chairman Leary | No |

Mr. Pocock said he is very positive about the downtown but wants to table it to have someone come present the plan to us. He recalled the North Main Street study that cost about \$40 or \$50,000 and we didn't get much from it.

Mrs. Feld made a motion to table Item #14. Seconded by Mr. Casale. Motion carried 4-2 on a roll call vote:

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|----------------|-----|
| Mr. Stanforth | No |
| Mrs. Feld | Yes |
| Mr. Casale | Yes |
| Mr. Pocock | Yes |
| Mr. Labieniec | No |
| Chairman Leary | Yes |

Chairman asked to have representatives come to the next meeting.

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| 15. | Transfer | \$462 | Fire Dept - Volunteer Firefighters |
| | Transfer | \$1,000 | Fire Dept - Dues & Conferences |

Mr. Labieniec made a motion to approve Item #15. Seconded by Mrs. Feld. Discussion followed. Mr. Brumback explained that the conference was recommended in the ICMA study. It is in Phoenix. He commented that the usual rule for conferences is in state or online. Some are not available that way. It would probably cost more to have someone come here to present the conference. Motion carried 6-0.

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| 16. | Transfer | \$15,000 | Sewer Fund - Plant, Overtime |
|-----|----------|----------|------------------------------|

Mr. Stanforth made a motion to approve. Seconded by Mr. Labieniec. Discussion. Mrs. Feld questioned the "anticipated" overtime. It is vague. Ms. Portelinha explained that it is expected that it will be used by the end of the year. If it is not used, the money goes back into the Sewer Fund. On May 31 the account was negative \$4,000. Mr. Brumback said for the sewer plant, there is no option to go or not go. It is based on past history. Mr. Labieniec said he made an estimate. The balance is negative. It is his best guess at the time to cover for the rest of the fiscal year. The fiscal year cutoff is June 28. Motion carried 6-0.

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| 17. | Transfer | \$10,000 | Highway Dept - Overtime |
| | Transfer | \$10,000 | Parks Dept - Grounds Maintenance |

Mr. Labieniec made a motion to approve Item #17. Seconded by Mr. Casale. Discussion. Mr. Brumback said CL&P has been very aggressive in their tree trimming. Mr. Pocock noted that they don't grind the stumps which are in the town right of way. Mr. Brumback stated that Steve Wlodkowski believes it is cheaper to use overtime than to contract this work out; he is trying to do as much as he can. Motion carried 6-0.

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| 18. | Transfer | \$12,800 | Town Hall/Annex - Utilities |
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Transfer \$2,000 Town Hall/Annex - Telephone

Mr. Stanforth made a motion to approve Item #18. Seconded by Mr. Labieniec. Discussion. Ms. Portelinha said when we budgeted for the first time without the Annex, it was under budgeted. The telephone is a shared account with the town hall. We still have IT in the Gura building. They use it for storage and repair for the PCs. Mr. Casale asked if each department has cell phones. The answer was no. We do anticipate IT moving out of the building at some point. Motion carried 5-1 (Feld opposed).

19. Transfer \$1,100 Engineering - Gasoline

Mr. Casale made a motion to approve Item #19. Seconded by Mrs. Feld and carried 6-0.

20. Transfer \$150,000 Capital Fund - Public Safety/Town Hall Infrastructure

Transfer \$210,000 Capital Budget - Highway-Heavy Equip.

Transfer \$147,000 Capital Budget - Fire Co. 3 Roof

These items were discussed at budget time. Ms. Portelinha said she has an extensive list of transfers, about \$357,000. She asked the board to allow her some leeway to bring the books to a close. She does not anticipate a lot of changes.

Motion by Mr. Labieniec, seconded to Mr. Stanforth to approve the request with flexibility. This was discussed at budget time. Motion carried 6-0 on a roll call vote:

| | |
|----------------|-----|
| Mr. Stanforth | Yes |
| Mrs. Feld | Yes |
| Mr. Casale | Yes |
| Mr. Pocock | Yes |
| Mr. Labieniec | Yes |
| Chairman Leary | Yes |

21. Transfer \$1,500 Historical Society - Utilities

Mr. Labieniec made a motion to approve Item #21. Seconded by Mrs. Feld and carried unanimously.

IX. Meeting Adjournment

Mrs. Feld made a motion to adjourn the meeting. Seconded by Mr. Labieniec and carried unanimously. Meeting adjourned at 9:00 p.m.