

Town of Southington
Board of Finance
Wednesday, November 13, 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.....	\$ 50,000
Approved this meeting.....	<u>0</u>
Total Appropriations.....	\$ 50,000

Appropriations with Revenue Offsets:

Approved to date.....	\$ 57,497
Approved this meeting.....	<u>147,706</u>
Total Appropriations.....	\$205,203

Town Manager Garry Brumback 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:

Joseph Labieniec, Edward Pocock, Jr., Kevin Beaudoin, James Coleman, Sr., & Sandra Feld

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

ORGANIZATIONAL MEETING OF THE BOARD OF FINANCE

A. Swearing in of the Board of Finance

Deputy Town Clerk Kathy Larkin administered the oath to the members of the board of finance.

(Applause)

B. Election of the Chairperson

Mr. Labieniec nominated John Leary, Chairman, of the Board of Finance. Mr. Pocock seconded the nomination. Motion passed 6 to 0 on a roll call vote.

(Applause)

JOHN LEARY, Assumed the Chair:

C. Election of the Vice Chairperson

Mr. Pocock nominated Joseph Labieniec as Vice Chairman of the Southington Board of Finance. Mr. Coleman seconded. Motion passed 6 to 0 on a roll call vote.

(Applause)

D. Election of the Secretary

Mr. Coleman nominated Edward Pocock, Jr., as Secretary of the Southington Board of Finance. Mr. Labieniec seconded. Motion passed 6 to 0 on a roll call vote.

(Applause)

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

III. Public Hearing Items

None

IV. Old Business

1. Approval of Minutes from the meeting of October 9, 2013.

Ms. Feld made a motion to approve as submitted. Mr. Labieniec seconded. Motion passed 4 to 0 to 2 abstentions with Mr. Coleman and Mr. Beaudoin abstaining.

Ms. Portelinha, Finance Director, at this time introduced Joyce Williams, our new treasurer/accountant. She's been with us for about two months now and doing a fantastic job.

Ms. Williams stated it was very nice to be here and serving the Town of Southington.

V. Assess current financial state of the town

1. Review revenue vs budget

Ms. Portelinha advised we are a third through the year. We have prior year's tax collections coming in about \$230,000 above budget. Interest on taxes about \$55,000 above budget. Explained we had several taxpayers that owed quite a bit of money pay this past month.

Our building permits and fees were approximately \$160,000 above budget. We had a couple of large items plus increased activity.

Our interest on investments, we are currently about \$3,000 below budget which is really great for us.

Grant revenue, we actually received more Vo-Ag grant than what we had budgeted. Sherri DiNello will speak to that later on in the meeting.

Town Clerk fees are approximately \$110,000 above budget. The conveyance tax came in at about \$117,000. We had some very large recording fees. Activity has increased.

2. Review expenses vs budget

Ms. Portelinha noted the town council line is at 61.4%. Most of the reason is they have a large expense for professional fees that gets paid right at the beginning of the year.

Mr. Brumback explained after going through this, there isn't anything that isn't unexpected.

Department of Assessments has 20% which is lower than expected and that is because we have the accrual in here for the reval services which would skew the number a little bit.

Elections department is at 16.8%. We haven't paid the election costs, yet.

Insurance is at 90% but we pay the liability, auto and property at the beginning of the year. The remainder is for the workers comp payment on a quarterly basis and there are other smaller expenses paid out of that account. The remaining number is good at this point in time, added Ms. Portelinha.

Auditing services, we are currently going through our audit so that will be spent down totally within the next month or so.

The IT department, they're at 65% mostly because of their computer expense account which is at 73.1. A lot of maintenance contracts they pay every year within the first few months of the year.

Blum Shapiro is doing the audit this year.

Safety program is showing up at almost 59% and that's because of the encumbrances. The percentage used includes not only the expended but also the encumbered.

Animal control, that's the amount we subsidize the animal control fund and we transfer the whole thing out July 1st.

Fire hydrant rental, we are currently almost at 56% because we pay quarterly and we've paid two quarters.

North Center facility, we have encumbered the lease therefore it looks like we've spent 86.5% of the budget.

We have some departments that are seasonal in nature such as snow & ice, the bulky waste, tree maintenance and that's why the numbers wouldn't be at the anticipated 35%.

The health department, the majority of expense in that would be the program subsidy we pay in quarters. We've paid half of it. And, we encumbered the rest so it looks like 97% expended.

Ms. Portelinha stated to the best of her knowledge, at this point in time, there are not anticipated issues with expenses that she has been informed of.

Calendar House is at 39% because building maintenance is currently at 81% and that is mostly because they've already encumbered all their custodial, snow and ice, lawn services.

Recreational department, they have a large number of programs that are summer and fall so their expense is showing at 48.6%.

The public library, the biggest piece here would be the books and multimedia. They've already encumbered a good portion of it making the total budget at 39%.

The leaf pick up is included in the highway department in contractual services Ms. Portelinha informed Ms. Feld. The majority of expense will be in this month.

The capital budget, we haven't transferred the funds yet to the capital fund that's why it is at zero percent.

Payroll taxes and MERS shows 40% and that is because we have some amortization costs that we pay MERS upfront right on July 1st.

Then we have our miscellaneous expenditures which include an accrual which was set aside for 53rd pay. Our accumulated payout, so far we have had only a couple of people retiring so we haven't used a good portion of that. The expenses for that department are at 13%.

As far as contingency, we have only utilized \$50,000 of our \$850,000 to this point.

The sewer fund, for the administration, we are currently at 53.5 for the sewer office and most of that is because of the Tyler module for the sewer billing system.

As far as the sewer operating fund goes, they're currently at 38.8% because they encumbered carry forward projects.

Mr. Leary commented on the recreation fund which takes in the revenue and pays out the expense. He would like to keep an eye of that --- I assume the intent is it is a break-even operation or we pay a little. I'd like to know where we are with those items. At some point we'll ask the Recreation Director to give us for each particular event how much was taken in and how much was paid out. The net should be the balance carried. Mr. Brumback said the Recreation Director knows that. The original intent was to bring it forward in conjunction with the budget but we can do it earlier explained Mr. Brumback. Mr. Leary would like an update on the net of the fund just so we can understand it better.

Discussion.

The Chair indicated he would like to have that report for the next meeting.

3. Discuss unplanned items that impact revenue or expenses

Nothing to report.

4. Sub Committee Reports (Emphasis on financial aspects)

The Chair advised the BOF is allowed to have participatory rights on various town council established committees as noted below. He wanted to know from the members who would like to be on which committee. Until then, let us continue to go to the committees to which we were assigned. (Reviewed assignments)

Discussion.

The Chair added two positions and he wanted comments from the members:

- Investment Committee - He would like to re-establish two members of the BOF providing oversight to that function. Everyone agreed that would be a good idea. Mr. Beaudoin said he would be interested in being on that committee. This committee would be meeting on a quarterly basis. And, bring our investment person in twice a year as his reports are easy to review.

Discussion.

The Chair asked if Mr. Coleman could be involved in it, as well. He does have to check with the regulatory authorities to see if he could serve in that capacity before we appoint him.

How we operate with our excess cash would be something we need to discuss added the Chair.

- Liaison to the Park Board and to Recreation - It would help us understand the inner-workings of how parks and recreation operate. We have a unique balance in town of what buildings are paid by the leagues and what are paid for and maintained by the town. It appears to be a gray area to me. I'd like to have a representative or two to the Park Board and Recreation who could bring back the wisdom to this board when we are discussing budgets and as issues pop up to help us understand what is being discussed and said at the Parks Board.

Discussion.

Mr. Beaudoin agreed and said he would be interested in that, as well.

Discussion.

The league is responsible for the internal stuff and the roof and the outside and that stuff was the responsibility of the town clarified Mr. Brumback. The fields are the responsibility of the town for the most part, as well. It is not a standard, one size fits all kind of thing. Various leagues have various capabilities which they exercise when they desire to exceed the standards and expectation and they pay for that.

Discussion.

The Chair will contact the Chairman of the Park Board and let him know we are thinking of having a deeper involvement and a collaborate working relationship with them.

Mr. Brumback reported a new committee established by the town council: Health and Wellbeing. It's being chaired by Councilwoman Triano. The intent is to kind of gather our arms around all of the social service and health programs; ie: Activate Southington, Bread for Life, Community Services. Looking for redundancy and overlap to see if we can make that organizational structure more efficient. It would seem to me that would also be an appropriate board for the BOF to participate in.

The Chair will reach out to Rev. Triano and get some of her thoughts.

We will slot people in at the next meeting officially.

A. Sewer Committee

Nothing to report.

B. Public Works Committee

No meeting this month.

C. Middle School Building Committee & Education Capital Building Committee

Mr. Pocock stated we are out of the ground. The outside is coming along quite rapidly and they're working on the inside on the second shift. So far we're where we are supposed to be within budget. Our schedule is good.

D. Open Space Committee

Mr. Pocock reported this past Saturday they had the sawmill up at Crescent Lake again. We're always looking at grants and looking for land.

E. Self Insurance Committee

Mr. Labieniec reported we have results through September. We had a good month in August. We are nearly \$140,000 below budget. In September we were \$240,000 below budget. On budget for this year, we are about 6.3% under budget. The budget this year is \$28.5 million. We had budgeted through September a little bit over \$5.5 million. We're at \$5.2 million. That's really good.

Relative to the prior fiscal year, the \$21.85 million budget was just about 10% over our actual from the prior fiscal year so that's what we were anticipating. So far we are just over 1%. Things are looking good, noting it is only one quarter of the year that we have results for. A lot of time left.

F. Gura Building Plan Review

Nothing.

G. Other Committees

Nothing.

7. Board Communications

The Chair pointed out this is the point where we raise things we feel we need to raise on behalf of the taxpayers or ourselves.

Mr. Pocock noted as we are in negotiations with personnel, my biggest thing is job classifications and having something that tells us what should be done. Can we include that?

Mr. Brumback explained we are in the process of reviewing job descriptions. This board has supposed as has the town council getting some human resources help and I'll talk about that later in the agenda.

One thing we are looking at doing is as vacancies occur; the first thing is we are updating job descriptions before we rehire somebody in the position.

As we are able and when we get the expertise onboard, we'll be looking at going across the board at all the job descriptions.

We have not met any resistance from the union in doing those things. Some come with a little bit of a premium and some stay the same. The union recognizes the value in accurately depicting what the individual employees are doing at work on the job.

We're working with the union and taking it one step at a time. Baby steps at this point. Once we get expertise onboard we'll do a better job at that.

We are negotiating with four separate unions: Town Hall Supervisors, Town Hall Administrative, Public Works and Fire Department. They're all in various stages. As those get contracts get settled I will be providing updates on where those stand.

Mr. Pocock said he appreciated that. With 1980 job descriptions, it's an embarrassment. Seeing it being taken care of, we're coming back up to date.

Ms. Feld asked: When you say when we get the expertise onboard, what do you mean? Mr. Brumback said once we sort through the shared service piece with the BOE, we are looking at combining that as a shared service. When we define that, then we'll hire somebody into that position. We have not done that yet.

Ms. Feld asked: You are going to hire somebody to do HR for the town, only? Mr. Brumback explained for the BOE and the town. Shared service.

Discussion.

One team will do both entities stated Mr. Brumback. We'll do this as soon as we're able.

Discussion.

Ms. Feld stated she felt the outdated job descriptions hurt us in union negotiations. They have to. Mr. Brumback said we are making progress updating them.

VI. Public Communications (Excluding Public Hearing Items)

Nothing this evening.

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 discussed shared services. One of the efforts, with the support of the BOE, the superintendent and I have looked at opportunities for us to collaborate and share services recognizing that we don't need individual capabilities that are redundant and there are efficiencies to be gained.

The area that we are most focusing on is human resources. And, rather than the town creating a human resources department --- which would be fully justified and understandable --- we don't think we need all that. We think that with some additional skills and additional capacity added on to the structure that the BOE already has, we can get more bang for our buck and still do human resources for both entities under one organization. That's one.

Two, we are looking at IT and opportunities to partner with the BOE on IT. Again, we have a relatively Spartan structure for IT and they have a little bit more capability. Combining them, the synergy that would create far exceeds just enhancing either of the two individual departments.

The BOE has agreed to take on some of our purchasing capability. We have no in-house purchasing capability and that has fallen on the individual departments for time and memorial. The BOE has a purchasing agent --- very good purchasing agent --- that has been willing with the support of Ms. DiNello and the business operation to take on the town staff's purchasing --- at least assisting in some of the bigger picture.

And, we are looking at opportunities for consolidating legal services.

These are in the process of being worked on at the staff level pending the election and then we are going to go forward and invite

representatives of the BOE, town council and BOF to join in that conversation to see how best to go forward with input from professional staff and elected officials.

The goal is to roll all of these shared services discussions into and incorporate them in the FY 14-15 budget.

VIII. Conduct Administrative Business

1. Consent Agenda

- A. Appropriation \$273 * Barnes Restoration - Renovations/Improvements (Sec Rev)
- B. Appropriation \$5,820 * Capital Budget - Turf Field
- C. Appropriation \$5,000 * Capital budget - Community Services Paving Project
- D. Appropriation \$5,000 * Community Services - Access Health CT Grant (Sec Rev)

Ms. Feld made a motion to approve the consent agenda. Mr. Beaudoin seconded.

Mr. Pocock referenced Item D. Mr. Brumback explained it was a grant received from the state to provide liaison services for the Access Health System for Connecticut.

Mr. Pocock pointed out shared services. We need them and the town council has taken the first step on this of looking at redundancy within departments and we're dealing with this particular one right here.

Mr. Brumback said the break is age. The Calendar House is focusing on folks with Medicare and those kinds of programs. The seniors are being taken care of at the Calendar House.

Those that are not eligible for that are being taken care of at community services. And, they are collaborating. They're capable of doing both.

Motion passed 6 to 0 on a roll call vote.

1. Manager's Memos

- 1. Transfer \$12,000 Assessor - Regular Wages
- Transfer \$4,000 Tax Collector - Overtime

Mr. Pocock made a motion to approve and Ms. Feld seconded.

Mr. Brumback explained this is the result of combining the assessor's department and the tax collection department. As you all remember, that's what generated our ability both from the position standpoint and the revenue standpoint to be able to avoid this HR person.

However, in combining those two departments, we have now created one director to replace what used to be two. This represents a pay increase for that director.

We have also elevated a deputy on the collector's side without replacing the collector. That is in the increase in salaries for those two positions.

The overtime is directly related to some fairly significant staff illness within the collector's department and the ability to compensate while they were going through July, their busiest month.

This recognizes the requirement to get part time help, temporary help to cover the gap in the collector's office.

Motion passed unanimously on a voice vote.

2. Appropriation \$142,706 * BOE- Operations

Sherri Dinello, Business Manager for the BOE, you have an appropriation request for the BOE and that is directly tied to the grant received this year for the VO-AG Program. That dollar amount is based on a per pupil allotment by the state and general statutes.

The statute was changed in the spring to increase the per pupil allotment by \$1,000 per student enrolled in the Vo-Ag Program last October. Along with the wording in the statute is that the grant money received up and above the grant received in the previous year cannot be used to supplant the educational funding and therefore it needs to go back into the Vo-Ag Program.

So the request before you is directly tied into the grant amount received of \$373,400 which is an increase over the \$230,694 that was received last year.

I'll answer any questions.

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

Ms. Dinello commented on the tuition amount. We are anticipating meeting the tuition amount you had budgeted for the Vo-Ag Program. We

are actually expecting you will receive close to probably about \$40,000 higher than budgeted.

As an FYI, the state did reduce the per pupil tuition amount we were able to charge this year from \$7,992 down to \$7,200. So it was a \$792 per person reduction we were able to bill.

However, because our enrollment increased, that reduction will not impact the revenues. There is talk they might be going back to that statute and revisiting it this year because there was no notice on that.

If that is changed, we may have the opportunity to go back to the sending district to bill the additional \$792 this year which would generate approximately another \$55,000 in revenues for that line item. It is just being proposed and I don't know that that will happen.

I can assure you we will meet the revenues budgeted for the current year.

The money going back into the budget will enhance the program. The BOE will approve the final listing at the finance committee's meeting. There will be some staffing and upgrades with computer replacements, greenhouse improvements, hydroponic systems, cold water agricultural systems. It's exciting!

Discussion of the special ed charges and the regular charges. We are waiting to hear whether or not they changed that dollar amount.

We still have a waiting list for in town and out of town students.

Adjournment

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

(Whereupon, the meeting was adjourned at 7:53 o'clock, p.m.)