

Town of Southington  
Board of Finance  
Wednesday, June 11, 2014

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.....	\$ 462,969
Approved this meeting.....	<u>199,331</u>
Total Appropriations.....	\$ 662,300

Appropriations with Revenue Offsets:

Approved to date.....	\$ 532,589
Approved this meeting.....	<u>85,739</u>
Total Appropriations.....	\$ 618,328

Chairman 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:

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

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

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

**JOHN LEARY, CHAIR, Presiding:**

**III. Public Hearing Items**

1. Ordinance Appropriating \$5,200,000 for planning, acquisition and construction for sludge thickening and odor control in the Southington Water Pollution Control Facility, and authorizing the issue of bonds, notes and obligations not to exceed \$5,200,000 to finance the appropriation.

Mr. Brumback explained this was recommended from the sewer committee to the town council to you. The digesters failed 1.5 approximately years ago. Rather than repair them which would've cost almost \$1 million, we incorporated their replacement in with the facilities upgrade but expedited this piece. This is a component of the overall facilities upgrade which we expect to be doing in a couple of years. It is not redundant. This is a permanent solution to the odor control problem which right now we have a temporary fix.

This is not a replacement of the digesters. This is a completely different system that is going to do what the digesters used to do with modern technology.

2. Ordinance Appropriating \$2,640,000 for design, construction and installation of sanitary sewer improvements on Welch Road, and authorizing the issue of bonds, notes and obligations not to exceed \$2,640,000 to finance the appropriation.

The purpose of this extension is to make available the capacity in order to develop the northwest quadrant of town. Lake Compounce put dry pipe in so we know they'll hook up. Lincoln College has plans to expand but were limited in their ability to expand based on the lack of sewer capability. There is a housing development going on there for at least 90 homes. There'll be temporary septic in some of them and the balance will go into sewer. There are other opportunities with just the vacant land that we are convinced will be developed at capacity rather than short of capacity by virtue of sewer capability being there.

Arthur Cyr, 103 Berlin Avenue spoke in favor of this item. He gave the history of the original design by a previous engineering staff which would have gone through a lot of wetlands and it would have been very deep and very expensive.

This is environmentally a 100% improvement. That's why I am in favor it. It will accomplish the goal of opening up our northwest quadrant.

3. Ordinance authorizing the issue of bonds and notes not to exceed \$11,000,000 to finance the design and construction of various road and bridge improvements, and appropriating grants received for such project for an aggregate appropriation of \$12,500,000.

There was approximately \$50 million of road improvements that needed to be done. The initial bonding of \$11 was supported. We told you we would be back. This tees up the second iteration of that. The reason it is written this way is we're hoping to do two bridges and by virtue of a local bridge grant program which now gives us the potential of 50% reimbursement for each bridge, we think we'll do both bridges and have the money based on grants. We're asking for the bonding capability of \$11 million but the spending capability of \$12.5 million. We will use that if we get grants to support it. No additional bonds will be issued.

West Center Street Bridge and Spring Street.

Arthur Cyr, 103 Berlin Avenue spoke in favor. I remind you all that if we had done the proper amount of road repairs for the last ten years we wouldn't be spending \$11 million to play catch up. My streets are not getting done in this batch but eventually they'll be done. This needs to be done. In my estimation we are at least ten years behind if not twelve years behind in road replacement. Explained Cheshire's program that does 10% of their roads every year - repaved.

This needs to be done. So I am in favor of all three bonds, especially the third one.

The Chair closed the public hearing items 1-3. Items 4-9 explained the Chair are in response to the charter which says any new account has to go before a public hearing so the public would have a chance to opine on the nature of the account, whether they feel it should be established or not thus opining on the spend.

These are six items that were in the budget and now we set up the account so we can fill the line item and use it in our accounting system to run the expenditures through.

4. Creation and funding of the capital budget new account for town wide vehicle replacements for \$476,700.

Mr. Brumback gave a brief overview of the vehicles by department requesting. Building department, planning & zoning, recreation, animal control, water pollution control, engineering, calendar house (bus), fire department vehicle, highway truck and a parks vehicle. All are in excess of 100,000 and at least ten years old. This is a

cash purchase and they are bought off the state contract for good prices.

5. Creation and funding of the capital budget new account for dog pound roof for \$120,000.

Mr. Cyr spoke in favor of this item. This has been postponed two years now. We have a dog pound roof leaking badly. Dog pounds are regulated by the state, thus a separate budget. If we lose our dog pound roof, we'll end up having officers taken to another pound or pay rentals at other place. This needs to be done. I support this creating and funding for the dog pound.

6. Creation and funding of the capital budget new account for highway 44,000 lb dump truck for \$215,000.

7. Creation and funding for the capital budget new account for parks - multi services vehicle for \$160,000.

8. Creation and funding of the capital budget new account for highway truck bay wash for \$225,000.

Arthur Cyr, 103 Berlin Avenue spoke in favor of this. We don't use sand on our roads; we use a lot of salt which is very caustic to our vehicles. If we don't start maintaining our highway department vehicles, they're going to rot right off the tires.

This will save our entire fleet at the highway department. I think its well worth the money so our highway department can properly maintain their vehicles.

9. Creation and funding of the capital budget new account for police - radio console replacement for \$300,000.

The Chair closed public hearing items 4 though 9.

IV. Old business

1. Approval of Minutes of May 14, 2014 special meeting

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

V. Assess current financial state of the town

1. Review revenues vs budget

Ms. Portelinha advised prior year's tax collections are currently at approximately \$330,000 above budget. Interest on taxes is going to be approximately \$90,000 above budget. Building permits and fees are going to be approximately \$150,000 above budget. Interest on investments will be \$45,000 above budget.

Our municipal revenue sharing grant came in a little over \$100,000 higher than budgeted. Town Clerk fees are going to be approximately \$200,000 above budget. We have received almost \$135,000 which was two large conveyance taxes paid (Rave Cinemas & 200 Executive Boulevard). The BRRFOC/TROC rebates totaling \$402,000.

When we go through funding the projects discussed, we recommending utilizing the excess revenues to fund some projects.

2. Review expenses vs budget

Ms. Portelinha noted she reviewed the expenditure and with the exception of the items before you today, no department has indicated any issues or shortfalls they'll be encountering.

I apologize Item 15 was left off the agenda and I would appreciate a motion to add it. The Chair said the motion would be entertained during administrative business.

3. Su Committee and Liaison Reports (Emphasis on financial aspects)

A. Sewer committee

The Chair reported the repair of the plant, the expansion of Welch Road and more to come on the complete rebuild of the WPC facility which we all heard about.

B. Public Works Committee

Mr. Coleman said they're still having problems at bulky waste with residents that don't have their stickers and as a result we've had angry citizens caused a situation where the town workers don't feel safe. Therefore, we have to have policemen on duty while the bulky waste center is open. That is an overtime expense that will affect us.

The trench bid low bidder was Millennium Builders and it was just approved for \$83,700.

Discussion was had at the committee meeting about whether we should have stickers available on site. No one thought much of that. Right now we're paying the OT to be there until the town workers feel safe at the bulky waste station.

C. Middle School Building Committee

Mr. Pocock advised they are on budget at this point.

D. Open Space Committee

Mr. Pocock reported there was a walk at Crescent Lake to observe harvest for timber up there and take care of some of the current problems.

Discussion of the dumping on Shweky Lane. Town is working on it.

E. Self-Insurance Committee

Mr. Labieniec advised April was a tough month, \$130,000 over budget but still \$330,000 under budget for the entire year. Still trending favoring. We are 9.2% over prior and we had budgeted about 9.6%. Slightly under budget. Hopefully we should be at or slightly under budget when May and June come in.

F. Gura Building Plan Review

Nothing to report. People are going in/out. It's predominantly used for storage and Kristen's Kloset. Minimal usage. Only utilities are to keep from getting mold and vermin.

#### G. Investment Committee

Mr. Coleman said he had nothing to report. As mentioned last month, we're going to report on a quarterly basis.

#### H. Parks Board Liaison Report

Mr. Beaudoin had nothing to report. Mr. Brumback did mention we are working on the RFP for the lights. We can't do anything until after July 1<sup>st</sup>. Recreation Park, soccer and football, are being targeted. We'll try to do as much as we can with the available money added Mr. Brumback. The leagues using it will have a lease and that lease will come before the board assured Mr. Brumback.

#### I. Health & Well Being Committee

The Chair indicated this could be taken off the agenda going forward.

#### J. Other Committees

Nothing to report.

#### 4. Board Communications

Ms. Feld requested a Pond View report at the July meeting and then subsequently on a regular basis (monthly/quarterly). Mr. Brumback said they are still in the process of preparing the appeal. No movement since the last time you were briefed. We won at every level. It is an excruciatingly slow process. No deadline explained Mr. Brumback in response to a query by Ms. Feld. Mr. Brumback indicated he would be happy to report quarterly.

Mr. Pocock commented it is nice to see our rating is where it is in comparison to surrounding cities and town where their rating is dropping. It is a pleasure to see how our town is going.

Mr. Pocock further addressed the lights as Chairman of the Middle Schools Building Committee. We are going to lose approximately 4 to 5 fields for soccer. We're going to be redoing them which includes reseeding and we have to have a year into them. Mr. Lapreay has been notified by Attorney Sciota --- who does a great job for my building committee and Linda along with him --- but we are going to lose the fields so these lights might help us out. There is a lot of activity as far as what we're taking away. No choice. If we could expedite

the lights, fast track it, this just came about at our owners meeting this past Tuesday. Mr. Brumback said they are planning to expedite it.

Discussion.

Mr. Pocock said he had the pleasure of being with some DOT officials and this wash bay is so important. The state washes their trucks after every storm and that's extending the lives of their trucks and bodies. This will be well-spent money for the wash bay.

Mr. Coleman offered a general comment. He commended Mr. Brumback on his efforts for cost reduction. We have a lot of good people in the town on boards and committees that are making a tremendous effort to save costs. I was surprised to read in the paper we had a contract approved with a solar company (\$2 million worth of savings) and that was approved and didn't come before the board of finance.

Discussion.

Whose doing the verification of the savings? Who is doing the cash flow analysis of the \$2 million over 30 years versus the layout? Mr. Brumback said there is a real savings as there is no fund layout. It is a 20 year period and it is based on the fact that we'll be generating our own power, continued Mr. Brumback, at no cost to the town.

Mr. Coleman was just surprised that something like that didn't pass through the board of finance. My concern is twofold. We have committee members going out and doing their best efforts to save costs but we have nobody overseeing that whole process. Mr. Brumback informed him that that was his responsibility.

Mr. Coleman noted with the green movement, experts are claiming to be able to do all this stuff, how is it being validated? That concerns me. As a board of finance I thought some of those things would pass through us in some way, shape or form as opposed to reading out it in the general press.

Discussion.

The Chair added the board of finance offers advice through the budget and capital improvement plan. Occasionally some things don't come past us. Just a reminder we would like to have an involvement in anything financial so we could give our advice to council.

Discussion.



Mr. Labieniec mentioned he had two items. (1) Open dot gov. Where do we stand on that? Ms. Portelinha said she's working on that. It should be live July 1<sup>st</sup>.

(2) The 8% debt ceiling we spoke about. Mr. Brumback asked CCM for some feedback. What I got initially wasn't what I was hoping for, so I've sent it back to them and I'm expecting it back any time. It'll be on the next agenda.

The next meeting is July 30<sup>th</sup>. Can we get something from staff by July 23<sup>rd</sup> so we have a week to review regarding the debt ceiling? I think I would like to see a recommendation as to what you believe the appropriate percentage and the reasons for that, including but not limited to a comparison of similar size towns and their percentage. Mr. Brumback said: absolutely.

The Chair had two items. (1) Just a reminder in preparation of the fraud risk assessment, I ask we be diligent in going into the different departments and having a genuine effort to ask them their processes regarding different areas where fraud could occur: theft of an asset, theft of work time. Come back with an understanding of where our potential risks may lie.

Discussion.

This board would like to see the project scope of how we are going to do fraud risk assessment. What departments will be asked? How are going to go from where we are to where we need to be? What is our process regarding compliant and having a good fraud risk detection assessment program.

Mr. Brumback informed the board that a first meeting was held this afternoon. We sat down with the review auditors and we laid out exactly what you just described. We expect that to be done by the end of the summer. A lot of changes are coming such as changing insurance and changing the way we issue pay checks that would make it prohibitive to do it prior to July 1<sup>st</sup>. We'll commence right after the 4<sup>th</sup> of July with it being done by the end of the summer.

They're developing exactly what you asked for and we will provide that you once they provide it to us. The Chair stressed thoroughness and not speed. Take it seriously.

Discussion.

Discussion of a fraud whistleblower policy in town.

(2) The Chair brought up how we perceive presence at a meeting, specifically using distance tools to recognize a presence. Maybe equipping a couple of conference room with some distance tools. Simply, a good speaker phone. More than that, possibly a smart board we can Skype in. Having a conference calling number is easy to establish. Or a Go to Meeting type arrangement on line. A lot of different ways but I want to ask we look to use that for our meetings.

Discussion.

Mr. Labieniec spoke about insurance. We are slated to privacy insurance in place effective 7-1. In terms of insurance overall, and the adequacy of limits, when do we review limits? Are we reviewing these limits annually and who is doing that? Ms. Portelinha said she and Mark Sciota and Sherri-Lin DiNello do that. We look at it and H G Segur a lot of times will come to us and say let's review the limits and see what we can do. We make a determination if we want higher deductibles or keep them as they are. That occurs during the time we are signing up.

Mr. Labieniec said at some point during the next fiscal year that would be a long range discussion. The insurance we're buying, the limits, other coverages available and whether or not we are adequately covered. That would be a good discussion for the board to have.

Mr. Pocock said with the bi-weekly pay, are the stubs going to have vacation time, personal time, sick time on there? Ms. Portelinha confirmed the stubs would have that information.

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

Arthur Cyr, 103 Berlin Avenue. Just one item. It regards money. It's coming up in two weeks and its big bucks. The more we talk about it the better the citizens will be aware. On Friday, June 27<sup>th</sup>, they'll be shutting down the bridge on 84. There's going to be 13 police officers, at time and a half, at all times manning the roadblocks and 6 or 12 foremen that are going to be stationed in different places. A huge expense that doesn't affect our budget because it's being paid by the State DOT, 100%.

I heard the presentation four times. It's going to be a wild weekend in Southington starting on the 27<sup>th</sup>. Hopefully, they'll be completed by Monday, the 29<sup>th</sup> of June.

It starts at 5:00 pm the 27<sup>th</sup>. We will be able to watch on the state DOT website. Live streaming video.

No cost to the town other than a new bridge.

#### VII. Review Long Range Plan and Priorities

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

###### A. Status / Reprioritization

Mr. Brumback noted as said earlier, we are waiting for further information. We will provide the information once we get it along with our recommendations and rationale for your consideration.

The Chair asked for unanimous consent to add Item 15 to the Agenda. Ms. Feld so moved the motion and Mr. Beaudoin and Mr. Pocock seconded. Motion passed unanimously on a voice vote.

#### VIII. Conduct Administrative Business

##### 1. Consent Agenda

A. Appropriation \$2,710 \* Community Services - FEMA Grant  
(Spec Rev)

B. Appropriation \$250 \* Youth Services - Kristen's  
Kloset (Spec Rev)

C. Appropriation \$1250 \* Capital Budget - Rails to Trails  
Donations (Spec Rev)

D. Appropriation \$12,315 \* Police Department - Uniform  
Cameras (Spec Rev)

Mr. Labieniec made a motion to approve Items A thru D. Mr. Beaudoin seconded. Motion passed unanimously on a voice vote.

E. Appropriation \$85,080 \* Board of Education - Operations

Mr. Labieniec made a motion to approve. Mr. Beaudoin and Mr. Coleman seconded. Motion passed unanimously on a voice vote.

2. Managers Memos

1. Bond Ordinance \$5,200,000 See Public Hearing Item # 1

Ms. Feld made a motion to approve. Mr. Labieniec seconded.  
Motion passed 6 to 0 on a roll call vote.

2. Bond Ordinance \$2,640,000 See Public Hearing Item #2

Mr. Coleman made a motion to approve. Mr. Pocock seconded.  
Motion passed 6 to 0 on a roll call vote.

3. Bond Ordinance \$11,000,000 See Public Hearing Item #3

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

The road management system numbers were discussed. This is being maintained through the engineering department. Mr. Brumback said we are in year two of the first ordinance for three years of construction. At the end of that, it is my assessment to see where we are. My intent is to do it after each iteration and provide it to you all in 2016.

Discussion.

Motion passed 6 to 0 on a roll call vote.

The Chair advised that these three items just voted on are over \$1 million each and go to the public on referendum in November.

The town council public hearing date is June 23, 2014.

4. Transfer \$941 Community Services - Building  
Maintenance

Mr. Labieniec made a motion to approve. Mr. Coleman and Mr. Beaudoin seconded.

Discussion of the unexpected changes.

Motion passed unanimously on a voice vote.

5. Transfer                   \$25,000      Town Manager - legal fees

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

6. Tax Collector Tax Suspense List - \$31,107.26

This is an annual occurrence and it is important to note that even though this is removed to the suspense list, this does not mean the tax is abated and efforts are still maintained to collect the taxes. Just a different section of our books.

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

7. Transfer                   \$11,720      Police Department - Overtime

Mr. Coleman made a motion to approve and Mr. Beaudoin seconded.  
Motion passed unanimously on a voice vote.

8. Transfer                   \$9,000      Police Department - Other  
Professional Services

Mr. Beaudoin made a motion to approve. Mr. Coleman seconded.  
Motion passed unanimously on a voice vote.

9. Transfer                   \$5,000      Sewer Fund - Plant Overtime

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

10. Transfer                  \$6,000      Parks - Overtime

\$5,200 Parks - Equipment Maintenance

\$5,400 Parks = Ground Maintenance

Mr. Beaudoin made a motion to approve. Ms. Feld and Mr. Coleman seconded. Motion passed unanimously on a voice vote.

11. A. Transfer/Appropriation \$476,700 Capital Budget -  
Town Wide Vehicle Replacement

B. Transfer/Appropriation \$120,000 Capital Budget -  
Dog Pound Roof

C. Transfer/Appropriation \$215,000 Capital Budget -  
Highway 44,000 lb dump truck

D. Transfer/Appropriation \$160,000 Capital Budget  
- Multi Service Vehicle

E. Transfer/Appropriation \$225,000 Capital Budget -  
Highway Truck Wash Bay

F. Transfer/Appropriation \$300,000 Capital Budget -  
Radio Console Replacement

This is from the public hearing. Ms. Feld asked for a general fund expenditure transfers for Item 11. I had asked for a breakdown by department of why there is money extra left over. Mr. Brumback explained this is part of the harvesting. Ms. Feld understood that. She wanted to know why for each department there is money left in certain funds. Mr. Brumback further explained it is a challenge as some of these are really small items that have been combined into larger items.

Discussion.

Discussion as to whether or not these items were over budgeted.

Mr. Labieniec explained in the budget process we know going in the exact number budgeted is going to be wrong. Rarely is it that number on the dollar.

Discussion.

Mr. Beaudoin said it could be said of the 1.5 million:

- \$600,000 was savings from the department
- \$700,000 is extra revenue we didn't expect
- \$200,000 from the contingency account.

Ms. Feld said she understood that. Mr. Brumback further stated the level of effort necessary to go through the mishmashes that net out to these numbers would be extraordinarily time consuming and I don't know if you did a cost benefit analysis it would be worth it.

Discussion.

Mr. Labieniec discussed the 53<sup>rd</sup> pay and whether or not it was a sinking fund set up with staff. Going to b-weekly pay, this will never be an issue informed Mr. Brumback.

Mr. Labieniec asked about the contingency. Why not use the balance and not take the money from these accounts? Mr. Brumback said we don't need it and it will go back into the undesignated fund.

Discussion.

The Chair further discussed the 53<sup>rd</sup> work week funding. Mr. Brumback reminded the board they elected not to do the sinking fund this year.

Discussion.

Mr. Beaudoin made a motion to approve. Mr. Coleman seconded. Motion passed unanimously on a voice vote.

12. Transfers	\$90,922	Various Departments -
Regular Wages		
Appropriation	\$659 *	Youth Services - Regular
Wage - Drug Free Grant		

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

13. Transfer	\$1,185	Heart & Hypertension-
Insurance		

Mr. Beaudoin made a motion to approve. Ms. Feld seconded. Motion passed on a unanimous voice vote with Mr. Pocock abstaining.

14. Transfers	\$89,962	Capital Budget - IT
Infrastructure Improvements		

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

15. Library	Transfer	\$8,600
	Appropriation	\$9,060

Mr. Beaudoin made a motion to approve. Mr. Pocock and Mr. Coleman seconded. Motion passed unanimously on a voice vote.

#### IX. Meeting Adjournment

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

(Whereupon, the meeting was adjourned at 8:27 o'clock, p.m.)