

Town of Southington
Board of Finance
Wednesday, December 10, 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\$ 0
Approved this meeting.....0
Total Appropriations.....\$ 0

Appropriations with Revenue Offsets:

Approved to date\$ 17,343
Approved this meeting.....219,057
Total Appropriations.....\$ 236,400

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 \$5,160,000 for the design and construction of the East Side Pressure Zone project; and authorizing the issuance of \$5,160,000 bonds, notes and temporary notes to finance said appropriation for an aggregate appropriation and borrowing authorization of \$5,775,000

Mr. Brumback introduced the item. This is a project for the water board. Fred Rogers is here to give you the background. We are basically just the vehicle through which to bond. They don't have the ability to bond it on their own.

Fred Rogers, Superintendent Water. I also have Scott Burley, our financial auditor, to answer any questions.

The East Side Pressure Zone came out of a capital improvement plan the board of water commissioners formulated a couple of years ago. It consists of a million gallon concrete storage tank up on the old Smith Street ROW, Carriage Road, which will bring water main down through an the ROW and through an easement on Chesterwood. We'll also be locating a pump station on the high school property that will pump water to the tank.

Basically, it isolates that pressure zone to the east of Route 10, deals with some hydraulic deficiency on Chesterwood and Windemere Ridge and then substantially increases fire flow in the east side town. It also expands our water system potentially to customers we have the potential to run a water main out for them hook up if they have issues with their wells.

All in all it is great improvement to the distribution system. I can provide you modeling we've done. There is a lot of engineering in the background that went on to formulate this project scope. Tighe & Bond did the capital improvement plan and now are doing the design work for t his project.

Ms. Feld asked about previous bonds the town had done for the water board and the status of them.

Discussion.

The Chair explained the town bonding does work out in the best interest of the water customers and doesn't harm the town in any way. From a financial perspective, I see no issue with it myself.

Is anybody going to be effected during this project? Mr. Rogers explained there are several homeowners on Chesterwood who are not currently on the water system. We will be disrupting that area. I've been in touch with those four homeowners, one specifically, where the easement runs through his property and I am working with him for any disruption in the landscape design and putting things back. He's happy. Apron paving. Going through the Chesterwood easement instead all of the way down to the Smith Street ROW lowers the cost considerably to the project. We'll do our best to reach out to each individual to make sure they're happy and informed as the project develops.

The Chair further commented from a board of finance perspective, we do not run the water department and we don't tell them what to do. We want to partner and look out for the best interest of our citizens. That's the reason for the questions.

From a credit worthiness and the ability to repay, you have your account with you. We assume you are running a healthy organization. Revenues and expenses are in balance.

Scott Burley said he ran the numbers for Mr. Rogers over the twenty year repayment period just to see if the current cash flow would permit the repayment of this bond without adversely affecting their operations and everything appears to be in line.

Mr. Brumback requested, if there is no public comment, we now take Manager's Memo 1 out of order?

(Public Comment)

Arthur Cyr, 103 Berlin Avenue. Just a note of clarification, Southington Water Department is part of the Town of Southington but it is a separate entity. They have separate funding. This number does not go into our 8 percent total maximum ceiling that we are allowed to currently bond. That's important.

Ms. Feld interjected it is also why we don't have to do a referendum even though it's over \$1 million. It's not money for us.

They are technically not part of the town even though they are.

It's great they are actually planning like the town for the future with sewers and road. It's not a surprise; it's a planned expansion and enhancement. So, I am in favor.

The Chair asked for unanimous consent to move Manager Memo #1 up on the agenda. Ms. Feld so moved the motion which Mr. Pocock seconded. Motion passed unanimously on a voice vote.

MANAGER MEMOS:

1. Bond Ordinance \$5,165,000 East Side Pressure Zone Project (Water Dept)

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

IV. Old Business

1. Approval of Minutes from the meeting of November 12, 2014.

Ms. Feld so move the motion to approve and Mr. Beaudoin seconded. Motion passed unanimously on a voice vote.

2. Cyber Liability Insurance Update

Mr. Labieniec spoke to the town manager before the meeting. Mr. Labieniec will look to get in touch directly with our insurance consultant and report at the January meeting.

Mr. Beaudoin made a motion to table. Ms. Feld seconded. Motion passed unanimously.

V. New Business

1. Approval of the Board of Finance 2015 Meetings Schedule

The workshop dates will be provided by next week to the members confirmed Ms. Portelinha.

Ms. Feld made a motion to approve the 2015 Meetings Schedule. Mr. Beaudoin seconded.

The Chair suggested moving the April 8th meeting out one week to the 15th of April.

Mr. Labieniec made a motion to make April 8th the 15th. Ms. Feld seconded.

Motion passed unanimously on a voice vote to approve the calendar schedule as a whole.

VI. Assess current financial state of the town

1. Review revenue vs budget

The Chair noted it is now on a schedule. He would like to see what the budget was and the actual and the bridge in-between. But this is good.

Prior year taxes are up 65. Interest on taxes up 65. Building permits down 50. Interest on investments up 25. Town Clerk fees up 87. And, the distribution from the BRRFOC up 26 for a total of up 218 above budget.

Discussion of the distribution from the BRRFOC. A couple more distributions are expected in the vicinity of half a million dollars between now and the end of the fiscal year reported Mr. Brumback.

2. Review expenses vs budget

Expenses are pretty much on track with no none items outside of some timing. Ms. Portelinha reported there are some overtime monies that will be coming back to the board but it won't affect the overall budget. It's not significant enough.

The fire union just approved their contract and we will be coming before you to move allocations around and possibly get an additional appropriation to cover that. They are getting a retro for almost a year and a half.

The highway budget overtime is currently at 82.4% mostly due to the road projects reported Ms. Portelinha.

The Southington Youth Services drug free grant accounts had been budgeted based on their old grant amount through September. Now they have received the new grant, we'll be before you and have an expenditure appropriation with revenue to match.

We've started working on the operating budget and we'll shortly send out the documents for the capital budget.

3. Sub Committee Reports (Emphasis on financial aspects)

A. Sewer Committee

The Chair was not at the meeting. Mr. Brumback reported we are progressing nicely on the sledge thickener project that was approved at referendum for about \$5.2 million. We are analyzing the facilities upgrade. The upgrade will be broken down into a couple of different components. The most significant to you is it is broken with and without the phosphorous removal piece which amounts to between \$18 million and \$20 million.

We are continuing to go forward with the Queen Street Pump station replacement. It has been approved by DEEP and we will be reimbursed 30%. It is going out to bid and we do not know the final cost.

B. Public Works Committee

Mr. Coleman reported they discussed the park improvement plan that is proceeding on track. We had a consulting agreement for \$70,000 and then we estimate the renovations to be about \$900,000.

Talked about the skating rink getting set up before Christmas.

The big thing was the savings that we are gaining on these new LED street lights around town. We're saving about \$1/per light/month or approximately \$3,000/month to help offset the costs of the lights.

We talked about the bond issue for the water department.

Ms. Feld added the bulky waste transfer station is now on alternating Saturday schedule but you can still bring your leaves on Friday, as well.

C. Middle School Building Committee

Mr. Pocock reported both schools are on schedule. As to finances, we are holding our own.

If you can email me a date that good for you, we can do a tour. Saturdays are okay.

D. Open Space Committee

Mr. Pocock reported on a meeting they had the other night. Working on two or three different items and there will be something down the line. All good for the town.

E. Self Insurance Committee

Mr. Labieniec stated the meeting was before this meeting. Mr. Beaudoin was there. The topic of discussion of funding for fiscal year 2015-16.

As to where we are this year, for November, we came in at budget, 1.8 on a budget of 1.8. Good month.

As to funding for 15-16, we took into consideration the recommendation from Millimen which is what we ultimately went with for a number. We also looked at how we are trending year to date. We are thru November at 9.3 million and through November of the prior fiscal year we were just under 8.7 million. We are about 7.3% over prior. Which means we are about \$630,000 over prior.

The vote was unanimous on the number for fiscal year 15-16. The concern was we have a \$23.1 million budget this year and how realistic is it that we will come in at \$23.1 million or will we be higher. We took that as the base and determined that if we are going to be higher for this fiscal year, what is the appropriate percentage increase then for 15-16 fiscal year.

Ultimately, we decided on a \$25.1 million budget for 15-16 which is a \$2 million increase over the current fiscal year which is approximately 8.7%. The important note is that we come in for this fiscal year somewhere in the neighborhood of \$23.6 million which is about a half million over budget and it is how we are trending right now, the budget that was picked for 15-16 would be approximately 6.4%.

The Anthem recommendation was \$24.5. Millimen was \$25.1. The vote was unanimous.

The increase is due to both increased usage and cost. And, we are impacted by some high dollar claimants. The committee decided to go to the \$25.1 for the next fiscal year.

The allocation will be the BOE is responsible for 76% and the Town will be responsible for 24% of the total.

Mr. Labieniec further added the committee will look at instituting a policy was to how often we review the allocation and what the criteria is for decision.

The number of insured is consistent.

F. Gura Building Committee

Mr. Brumback reported there is activity. They are working in there and gutting it which is positive. The down side is they cut the electricity to the building which also turned off the parking light lights. We'll have to find an alternative way to light the peaking lot. It is very, very dark. Be careful until it is lit again.

G. Investment Committee

Mr. Coleman had nothing to report other than the interest on investments is up.

H. Parks Board Liaison Report

Mr. Beaudoin said he talked to Dave Lapreay today. The only thing new is the town and the Youth Soccer have agreed to a loan contract to fund the lights at Recreation Park. We'll going to contract it out to Techlighting, a sports lighting company, out of Texas. They are expected to be done by spring.

The town will pick up the cost of a new service by the CL&P.

I. Other Committees

Nothing this evening.

4. Board Communications

Mr. Pocock stated a while ago there was an article in the paper about construction and it refers to the highway department. One private company doing work for us got most of the credit in setting up the land for the roads. It really is the brute force is being done by our guys at the highway department. The outside company is basically doing the paving. I don't think the highway department got a fair shake and I feel as though they deserve a good hand for what they do.

I hear it every day that the people are very, very happy with what has been done and looking forward to what is going to be done.

The other thing is, when we have department heads that are due to come in, I'd like to see a system where we have their cell phone numbers if we need them to save them from coming in here. The Chair said that if we say to them you're on the agenda tonight; stay prepared in case a call comes. If we had their cell phone number, it would save people from having to come and just be on call for their issue. It'll help everybody operate more efficiently. The Town Manager commented that would be fantastic. The only ones I ask to come in are those that I don't feel comfortable questions you might have or they're more complicated and need their explanation. A phone call to them, if that's what you agree to, that's great for us.

The Chair asked for a simple draft process to be put together. A list of their off hours contact numbers or cell phone numbers. They would be made aware of the meeting agendas specifically. If any one member of the board wanted them to come, we would tell them with reasonable notice to be there. If not, they would be on call and should a question arise, we would dial them in.

If we see it and think its good, we'll roll it out and every department head knows he's on call and have his information with him during the hours of 7:00 to 9:00 pm on that Wednesday.

Mr. Labieniec asked if for the workshops meetings, we are going with the three meetings and the optional four meeting. The Chair concurred.

The Chair advised that on December 16th at 7:00 pm at Hatton School we are invited to a joint session of BOF/BOE to discuss any thoughts and questions we have in advance of the budget being formatted. We've been asked to prepare our questions and send them to Emilia who would then send them to Sherri DiNello who would compile them into one unified document. The BOE is being asked something very similar. At that meeting we would come prepared. I have not had any questions yet from the BOE. Just make sure if you have any questions that they are sent to Emilia to be forwarded over.

December 16th, 2014 at 7:00 pm at Hatton School

VII. Public Communications (Excluding Public Hearing Items)

Arthur Cyr, 103 Berlin Avenue. Yesterday at Walmart State Senator Markely and State Representative Sampson in two hours ringing the Salvation Army bell collected \$43,300 which Walmart will match dollar for dollar. Direct cash going to Janet Mellon at community services. We set the record in the United States.

Discussion.

Two weeks ago on November 17th at the Town Council meeting, I gave you a shout out that I'll repeat here. It is regarding the purchase of a 33.6 acre parcel of land for open space on the mountain off Marion Road and the Cheshire town line. It is 33 acres for \$253,000. It's a steal.

I gave you a shout out as well as Dawn Miceli because you didn't cut the open space purchase funding money in the budget last year.

I thank you for the trust you put in the members of the open space committee and the town manager. We need money in the yearly budget so if another parcel comes up we have money available.

Discussion.

Open space is important as it protects areas from development and it protects the habitat. And, we need to protect the habitat for our wildlife.

Thank you.

He spoke of department savings such as the revaluation which is going to cost us \$300,000 instead of \$800,000. As a taxpayer, I appreciate those savings.

Our finance director worked out a new deal with the new bank to save us from all bank services fees, lots of money.

Discussion on the water company bonds.

Have a nice holiday!

VIII. Review Long Range Plan and Priorities

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

A. Status /Reprioritizations

B. Strategy Discussion

Nothing this evening.

IX. Conduct Administrative Business

1. Consent Agenda

A. Appropriation \$435 * Youth Services - Outside Programs (Spec Rev)

Appropriation \$20 * Youth Services - STEPS Donations (Spec Rev)

B. Appropriation \$2,635 * Police Dept. - K-9 Supplies (Spec Rev)

Ms. Feld made a motion to accept the consent agenda as presented. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

2. Manager's Memos

1. Bond Ordinance \$5,165,000 East Side Pressure Zone Project (Water Dept)

Acted on earlier in the agenda.

2. Transfer \$2,750 Police Department -
Supplies Repairs Maintenance

Transfer \$35,000 Police Department-
Temporary/Seasonal Wages

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

Motion passed unanimously on a voice vote.

3. Appropriation \$219,057 * BOE - Buildings/Facilities
Maintenance

Mr. Brumback noted this is an appropriation. We received the money. It was payment from an insurance company for damage done to DePaolo Middle School for water. Any additional questions can be directed to Mr. Pocock.

This was a negotiated settlement between us and the insurance company. No deductible.

Mr. Beaudoin made a motion to approve. Mr. Coleman seconded. Motion passed 5 to 0 to 1 abstention by Mr. Pocock.

Mr. Brumback said that the Town will be selling bonds at the end of January, and will treat any premium received on this bond sale the same as this past year's premium, which is to put the funds in the Debt Reserve Fund to be utilized to smooth future years' debt repayment.

EXECUTIVE SESSION: Contract matter - policy and procedures

Mr. Brumback said the item will be brief to discuss the response to risk assessment. Ms. Feld made a motion to go into executive session, barring the press and public, but including the BOF members and the town manager and finance director. Mr. Coleman seconded.

No action is expected outside of executive session.

Motion passed unanimously on a voice vote.

(Whereupon, the meeting adjourned at 7:44 o'clock, p.m. to executive session.)

EXECUTIVE SESSION

The Board of Finance of the Town of Southington entered into executive session immediately following their regularly scheduled regular meeting on Wednesday, December 10, 2014 at the Southington Town Hall, 75 Main Street, Southington, CT in order to discuss a contract matter and policy & procedures.

Present were:

Joseph Labieniec, Edward Pocock, Jr., Kevin Beaudoin, James Coleman, Sandra Feld and Chairman John Leary.

Also Present:

Garry Brumback, Town Manager
Emilia Portelinha, Finance Director

No motions or votes were taken.

Mr. Pocock made a motion to adjourn executive session which Mr. Beaudoin seconded. Motion passed unanimously on a voice vote.

(Whereupon, executive session was adjourned at 7:52 o'clock, p.m.)

REGULAR SESSION

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

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

Garry Brumback
Acting Secretary