

Town of Southington
Board of Finance
Wednesday, January 14, 2015

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.....	<u>2,200</u>
Total Appropriations.....	\$ 2,200

Appropriations with Revenue Offsets:

Approved to date	\$236,400
Approved this meeting.....	<u>29,154</u>
Total Appropriations.....	\$265,554

Vice Chairman Joseph Labieniec called the Regular Meeting of the Town of Southington Board of Finance to order at 7:04 p.m. in the Council Chambers of the Town Hall with the following members in attendance:

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

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

Absent: John Leary, Chairman

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

JOSEPH LABIENIEC ACTING CHAIR, Presiding:

III. Public Hearing Items

None

IV. Old Business

1. Approval of Minutes from the meeting of December 10, 2014.

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

2. Cyber Liability Insurance Update

The Acting Chair asked for that to be tabled for one more month. He did trade voice mails with our insurance agent, but we have not yet had contact. We should be fine for next month.

V. Assess current financial state of the town

1. Presentation of Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2014 by Vanessa Rossitto, Partner for Blum Shapiro & Company PC

Ms. Rossitto reviewed the CAFR (Comprehensive Annual Financial Report) for Fiscal Year Ended June 30, 2014 issued to Southington. (On file in the Finance Director's Office for review.)

She particularly reviewed the required communication from Blum Shapiro to the Board of Finance. The CAFR, Single Audit Federal, Single Audit State and then the Management Letter. (On File in the Finance Director's Office for review.

Mr. Brumback thanked Vanessa and her team. They did an extremely thorough job. The real powerful things for us is that due to the efforts of Emilia and her staff, every aspect they tested in a major way all came away completely clean. Their suggestions are thoughtful and helpful. We intend to implement them over the course of the next year.

I can't tell you how proud I am of the way the finance department is managing our resources. We are secure. Not only did we get clean audits, but she's also comfortable with our internal controls. We are very, very proud and grateful to Blum Shapiro for the work that they are doing.

2. Review revenue vs budget

Looking at the current year's revenues to date, Ms. Portelinha noted the prior year's taxes are coming in \$70,000 above budget. Our interest on taxes is coming in about \$70,000 above budget. Our building fees permits and fees are about \$55,000 below budget. If you recall we actually increased the budget from \$600,000 to \$850,000 this

year being a little overly aggressive based on estimates we had at the time. We are above last year.

Interest on investments re \$30,000 over budget. Town Clerk fees are \$110,000 over budget probably due to increased activity. This past month they had two large property sales and the conveyance tax from the two was about \$25,000. And, we had gotten the BRRFOC distribution rebate of almost \$26,000.

Mr. Beaudoin asked Ms. Portelinha how she arrives at the "over budget" figure. Especially for the Town Clerk's budget. Ms. Portelinha said she looked to the last couple of years and figured out what percentage of revenue comes in each year and then apply that to the budget so I have a number for monthly budgets and then I compare the year to date compared to the budget. I am looking at the way the revenues have come in in the last several years and comparing that to how it is coming in now. It is an estimate, obviously.

Discussion.

3. Review expenses vs budget

Ms. Portelinha explained she looked through the various line items and there is nothing that seems to be causing an issue. I am planning to come before you for regular wages for the fire department because they had their contract renewed and we had set their increases aside in a contingency salary item.

Other than that everything looks good right now.

4. Sub Committee Reports (Emphasis on financial aspects)

A. Sewer Committee

Mr. Brumback said they were presented the facilities update preliminary plan. As that continues to flesh itself out, we will have the developers of that plan come before you. We know there is a lot of work to be done. We are eligible for a certain amount grants. It is going to be a big project which I don't think surprises anybody. But we want to get a tighter handle on the numbers before we come before you. It'll probably come before you in February.

The other thing and a credit to John DeGioia and his crew, they worked very hard as we committed to the public this past year and sought ways to become more efficient.

We feel very comfortable that we have generated at least \$100,000 of annual savings going forward due to efficiencies he has generated

and as a result of that we will recommend to the sewer committee and then to the town council that we reduce the fixed portion of the residential sewer fee by about five percent for next year. We believe we can do that and still be comfortable in our maintenance and operating accounts.

B. Public Works Committee

Mr. Coleman reported it was a quick meeting with a very short agenda. What affects this board is the favorable information that we've had only two or three small events this year so our maintenance costs are down and all the expenses with preparing the roads, et cetera, are below budget.

C. Middle School Building Committee

Mr. Pocock advised the middle schools are on budget and we are moving ahead. We are in the blue phases. We have two more phases left after this phase. Moneywise they are both within \$100,000 of each other so we are hoping to stay right within our budget.

I'd like to do a tour with this board so you can get a good idea where the money goes.

D. Open Space Committee

Mr. Pocock had no activity to report.

E. Self Insurance Committee

Mr. Labieniec reported we had our meeting earlier today and the good news is for December claims we were about 4223,000 under budget for the month which for the year puts us under budget for about a half a percentage point. Good news.

Looking at how we are trending year to date, we are 6.7 percent year to date over prior and our total budget over prior is 5.1 percent.

There are still six months to play out. We'll see how it trends. A good month in December and we are hopeful we can keep that good run going.

F. Gura Building Committee

Mr. Brumback reported it is under construction and they are making good progress. They almost ripped it to the studs on the

inside and they continue to work hard on it. By all accounts they are making good progress.

G. Investment Committee

Mr. Coleman advised as of December 31st, we had a total of about \$46.6 million and of that 21 percent of \$9.7 million was in investments. About 30 different investments. Of that \$9.4 million about \$303,000 was in cash. The investments right now have an average maturity of about 964 days. An average yield of about 1.34 percent. Moving in the right direction.

H. Parks Board Liaison Report

Mr. Beaudoin had nothing to report.

I. Other Committees

Nothing to report.

5. Board Communications

Mr. Beaudoin asked about the open space next to DePaolo, the horse farm. Mr. Brumback responded they are still evaluating different proposals. The main thing that is keeping us from going forward at all is that is a site that is being considered for the senior center. They have a public input session tomorrow. Until that gets better defined, there are no plans.

The parks have shown interest in it. DePaolo Middle School has shown interest in it.

Once these things settle, we'll go forward.

The Acting Chair noted a number of internal workshops coming up and we have presentations from various departments. They are public meetings and posted. I did want to mention tomorrow night is the second BOE workshop being held at Plantsville Elementary at 7:00 pm.

I also wanted to ask the town manager to give a quick summary of the economic development tour that occurred this past Saturday.

Mr. Brumback confirmed it was this past Saturday from about 10:00 am to just a little bit short of noon. Lou Perillo led it. It was very well reported by the Record Journal.

Lou took us on a lot of the sites that we have often heard about but maybe had not gone to. The Turning Earth site up adjacent to BJ's and across the street from that is an upscale bowling alley complex which is tying into two themes that Lou was talking about. Theme one is futuristic type of industrial, the anaerobic digestion, a lot of high end technology. We went by some of the reuse of Executive Boulevard, the old Hartford building. Some significant renovation and work went on there.

The anaerobic digestion, we have been fortunate to have the only two are currently being permitted in the state. One is Supreme Industry off of DePaolo Drive. That is interesting because not only do they do a lot of wood work with chipping and mulch and composting and those kinds of things, but they also have not only saved us the money because they are taking our leaves and working them in their compost, but we used to have to pay \$22,000 a year to lease a facility in order to dump our leaves.

That is coupled with the fact that they using a portion of the old DePaolo landfill which is otherwise required to lay fallow. So they were adaptively reusing property that didn't have any value whatsoever. It's a really fascinating operation all the way around. You see a lot of the different kinds of use for chipping wood, leaves and compost that you might not imagine.

There is a small amount of residential going on on Liberty.

A lot of new restaurants taking place.

We saw Yarde Metal which is our number one employer in town.

Up around Captain Lewis Drive and on that hill off of west Queen Street on the south side is where the sports complex is being planned. That is 30 acres of the old Sepko Farm.

That we went back down West Street out to Sign Pro which is an extraordinary beautiful facility. If you come up north on 84 from south of Southington, it is a beautiful landmark on the side of the highway.

We wrapped it up about 11:30 to 11:45 am.

Lou Perillo has done a remarkable job. We are looking at fairly consistent bumps in the Grand List thanks to his efforts. In times when other folks weren't necessarily as fortunate as we were, his quote on Saturday was: If you really think that the industrial development is dead, come to Southington. We have more people asking to come to Southington for industrial use than we have property to be able to put them in. A very enviable position and in no small measure due to his efforts and his hard work.

And, credit where credit is due. This board along with the town council supported a fairly dramatic increase in his budget and I think it is very easy to see that that was dollars well spent. The investment in economic development has really come back for us.

Another tour will be set up.

VI. Public Communications (Excluding Public Hearing Items)

Arthur Cyr, 103 Berlin Avenue. I was surprised in listening to the presentation from Blum Shapiro that when they did some of their audit checks and they were taken in and used, they actually looked at the Vo-Ag money and the special education money. My question is: these are town auditors, with all the state and federal grants that we get in on the town side; they couldn't look at how the town side handled it? They looked at the Vo-Ag. Ms. Portelinha and Mr. Brumback responded that comes through the town. It is ECS money.

I would wish we had more transparency in the town on the BOE side. I still question we have two schools of identical size and one has a \$60,000 year electric bill and the other one has a \$30,000 electric bill because they take in \$30,000 in from some vendor and they offset their bills. In my opinion we are not seeing the true expenses of the BOE when they take funds in and cut their costs.

Discussion.

Discussed a PTO budget which showed a line item showing \$2,500 from the free money program at Stop & Shop and it is nowhere in the BOE budget which means it must go into the school fund and not the PTO fund. There is no accounting for the \$15,000 or \$20,000 that Stop & Shop alone pays to the BOE and I don't call that transparency.

I wish somebody in the auditing field could tell me how that transparency is and how is that accuracy.

I told the BOE last week, transparency is my word the year.

At their first workshop, I was very, very unhappy to hear they're asking for a 4.41% increase because I was the witness in your workshop last year when a majority of the board sat there with you and you

talked about fully funding their budget last year and getting a 2% increase for this year. As you spoke about them, they were all nodding their head. I said we should've had it in writing.

Discussion.

He discussed the turf field funding.

Discussion of the proposed increase for this year. They said they'll cut programs and maybe even the \$25,000 for the turf field and we'll get it to a 3% increase and it's going to be millions of dollars more. I am very unhappy. Every chance I get for the next three months I will say again and again the BOE was deceptive, deceitful and not honest with the BOF or the taxpayers of this town. When everybody runs for re-election, you'll hear me say it again and again and again. We tried as a town to be a team player and somebody is not being a team player in this town.

I can't wait for the fall elections. I hope they're held accountable when we go to vote in November.

VII. Review Long Range Plan and Priorities

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

A. Status /Reprioritizations

B. Strategy Discussion

Item tabled for this evening.

VIII. Conduct Administrative Business

1. Consent Agenda

A. Appropriation \$5,542 * Streetlighting - Equipment Maintenance (Spec Rev)

B. Appropriation \$180 * Youth Services - Outside Programs (Spec Rev)

C.	Appropriation	\$1,000	*	Youth Services - STEPS donations (Spec rev)
D.	Appropriation	\$1,864	*	Youth Services - Enhancement grant (Spec Rev)
E.	Appropriation	\$2,250	*	Library - Family Literacy Grant (Spec rev)
F.	Appropriation	\$19,461	*	Youth Services - Regular Wages - Drug Free Grant
	Appropriation	\$5,000	*	Youth Services - Overtime - Drug Free Grant
	Appropriation	\$4,693	*	Youth Services - FICA/Medicare/MERS-Drug Free Grant

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

2. Manager's Memos

1. Appropriation \$2,200 Building Department - Vehicle Maintenance

This is the direct result of a blown transmission in a vehicle in the building department. They have a small maintenance budget. John believes this vehicle still has several years of useful life and is asking for an appropriation from the maintenance account as he doesn't believe it is necessary to replace the vehicle which is the only other option. We are recommending approval of this appropriation to replace the transmission.

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

2. Transfer \$450 Library - Program Services (Withdrawn)

Item withdrawn.

3. Recommendation of Debt Service Limit to Town Council

No discussion this evening.

ADJOURNMENT

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

(Whereupon, the meeting was adjourned at 7:37 o'clock, p.m.)