

Town of Southington
Board of Finance
Wednesday, April 15, 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	\$750,200
Approved this meeting.....	<u>0</u>
Total Appropriations.....	\$750,200

Appropriations with Revenue Offsets:

Approved to date	\$320,920
Approved this meeting.....	<u>4,150</u>
Total Appropriations.....	\$325,070

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

None

EXECUTIVE SESSION: Personnel

The Board of Finance of the Town of Southington entered into executive session at 7:02 o'clock, p.m. on Wednesday, April 15, 2015 at the Town Hall Council Chambers, 75 Main Street, Southington, CT in order to discuss personnel.

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

Also in attendance: Emilia Portelinha, Finance Director
Garry Brumback, Town Manager
Mary Baker, Chairman of the Fire Commission
Michael Bunko, Fire Commissioner

No motions or votes were taken.

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

(Whereupon, executive session was adjourned at 7:25 o'clock, p.m.)

REGULAR SESSION

JOHN LEARY, Resuming the Chair:

IV. Old Business

1. Approval of Minutes from the meeting of March 25, 2015.

Ms. Feld made a motion to approve the Minutes as presented which was seconded by Mr. Beaudoin. Motion passed unanimously on a voice vote.

V. Assess current financial state of the town

1. Review revenue vs budget

Ms. Portelinha reported prior year's taxes are \$65,000 above budget currently. Interest on taxes is \$90,000 above budget. Building permits & fees are \$90,000 under budget. But you recall we did increase our budget from \$600,000 last year to \$850,000 this year and we anticipate with April the fees will rebound. Very long winter with a lot of building put on hold. We just got \$23,000 for permit fees for the \$1.5 million anaerobic digester (B & R Corporation/Supreme Industries) that was transmitted to finance the beginning of April.

We have interest on investments are \$60,000 above budget. We have town clerk fees that came in \$105,000 over budget. In March we had conveyance tax of \$11,000 from a \$2.25 million purchase of Executive Boulevard South. We received an extra \$17,000 for the State of Connecticut controlling interest transfer tax. They had a couple of properties.

The BRRFOC/TROC distribution rebate of \$210,000 was received and we are approximately \$413,000 above budget.

We have a historical society grant listed here for \$26.5. At this point we don't think that will materialize. The bid for the windows was too expensive.

2. Review expenses vs budget

We have started the meetings with department heads. We've spoken to multiple department heads at this point and they've pointed out a few items they'll need additional monies on but transfers are planned for all of them at this point.

3. Sub Committee Reports (Emphasis on financial aspects)

A. Sewer Committee

The Chair reported the biggest thing there is the complete renovation of the plan that is coming up. And, we have to be mindful of our debt level as we'll have to take on debt to rebuild the sewer plan for \$46 million. We'll probably hear other competing initiatives like a library or renovation of a senior center all happening at once on top of the school renovations which are hardly on the books, let alone paid off.

Ms. Feld asked about repairs made. How are all these things we've been doing affected by the complete renovation of the sewer department? Mr. Brumback explained nothing is redundant. Anything we're doing of substance to repair the plant is done to the standard

of the future waste water treatment plant. We are not doing a short term fix. We are doing it the way it would be done if it was renovated so that we don't have to do it twice.

Discussion.

Mr. Beaudoin asked about state grants. Mr. Brumback responded if everything goes as we're hoping we are one of the top three towns to renovate to the low phosphorous level that entitles us to fifty percent of that portion of the project. There are other portions granted for thirty percent and then there are some at twenty percent. Combined it works out to about a thirty-five percent grant. We are expecting today it will hit the taxpayers at about \$31 to \$2 million. Ms. Portelinha added we are hoping to get the two percent loan, as well.

B. Public Works Committee

Mr. Coleman said the only thing related to dollars is the snow budget. We had \$800,000 added and that should be enough to get to the end of the year. LED lights are still going in and we are roughly about half way through and that is saving the town money. We are talking about pavement preservation options which are in review such as things other than chip seal.

C. Middle School Building Committee

Mr. Pocock reported we are in the last phase of both schools. One is a phase of classrooms mainly and the other is the girls' locker room and four rooms to do. We're starting to tighten up on our finances a little bit and watching what we are doing. We have a wish list and hope we have something left over. At this point we are still on budget.

D. Open Space Committee

Mr. Pocock reported there is a meeting tomorrow. I don't have anything to report for this meeting.

E. Self Insurance Committee

Mr. Labieniec reported a good March being over \$300,000 under budget. For five of the six past months we have been under budget and we are currently at four percent over prior and if we finish the last three months at even seven over, we would end the year on budget at 23.1. The budget for next fiscal year is 25.1, a little under nine percent over. The committee will have one more meeting before the town council approves the budget to see if anyone felt we should go

with a lower number based on how we are trending. It has been a good run.

F. Gura Building Committee

Nothing to report.

G. Investment Committee

Mr. Coleman stated as of the first quarter, we had a total of \$77.6 million operating cash of \$19.9 million. Of the 77.6, 49.7 were short term investments and 9.9 million were long term investments. As to the longer term investments, that is comprised of about 40 CDs that have a shortened duration to about 2.7 year's average maturity.

H. Parks Board Liaison Report

Mr. Beaudoin had nothing to report.

I. Other Committees

Nothing to report.

4. Board Communications

The Chair advised that on April 17th, 2015 at 8:00 am the BOF has been invited to Hatton School by the BOE to broaden our understanding on how special education works within Southington and some of the goals of the BOE regarding the future of special education in Southington. Hatton School is where some of the programs exist.

April 17th from 8:00 am to 10:00 am is the time.

The other item is the town council's public hearing on the budget is April 27th. The BOF budget will be brought before the council and the public. The public will have a chance to opine on the budget when it is in the hands of the council. That's at 7:00 pm in the Municipal Center.

VI. Public Communications (Excluding Public Hearing Items)

Arthur Cyr, 103 Berlin Avenue. I had the pleasure of listening to the BL presentation at the council for the Calendar House changes. It's not cheap. We have a sewer plan we'll need millions for and people are going to be lining up for a new library and the BOE will come in for one, two or three more schools. In the end it comes to you. I think being an election year, I think it would be responsible

for the BOF to come up with a priority list either in conjunction with the council and the BOE or on your own of what you think is important.

Discussion.

I would like to see a list of the BOF priorities sometime before June, and an open, publicized, recorded conversation. I think it is important.

I ask you to come up with a long range plan and vision for the rest of the departments in this town and the residents. The superintendent said that there is nothing in our needs list that doesn't deserve consideration and that is true. But it shouldn't be all of this group and all of that group. We need to start prioritizing.

Discussion.

In my opinion the senior citizens in this town have waited long enough to stop getting hand me downs. You need to walk thru that building to see that it is not workable.

The Chair moved Item VII. to the end of the agenda with unanimous consent. Ms. Feld so moved the motion and Mr. Colman seconded.

VIII. Conduct Administrative Business

1. Consent Agenda

A. Appropriation 4355 * Youth Svcs - Outside Programs (Spec Rev)

B. Appropriation \$45,150 * Parks - Property Maintenance - Loss/Damage (Spec rev)

C. Appropriation \$3,300 * Capital - Open Space/Conservation

D. Appropriation \$12,530 * Town Clerk - Program Services - Nominee Fee (Spec Rev)

E. Appropriation \$2,767 * Street lighting- Equip Maintenance - Loss/Damage (Spec Rev)

F. Appropriation \$7,881 * Community Services - FEMA Grant - Emergency Food and shelter (Spec Rev)

Ms. Feld made a motion to accept the consent agenda in total. Mr. Coleman seconded. Motion passed unanimously on a voice vote.

2. Manager's Memos

1. Transfer \$11,500 Calendar House - Temporary Seasonal

Ms. Feld made a motion to accept for the purposes of discussion. Mr. Beaudoin seconded.

Ms. Feld questioned the paperwork. According to that paperwork from the Calendar House director, this was because they were short a full time driver and had to hire part time help. Instead of moving all this money from these various accounts to temporary seasonal wages, didn't they have a salary for the full time driver budgeted? Why isn't that being used?

Mr. Brumback said he did not know the answer to the question but would get that and forward. He noted in a separate letter it was explained why this money was available.

Ms. Feld said she couldn't accept this without an answer. Should we put this off to the next meeting?

Discussion about the information that was provided and not provided.

Mr. Brumback did point out that normally this board doesn't dictate from where transfers are made. If the money is available and there is a legitimate rationale for the money being available --- if you have a personal preference it be taken from wages, that's fine. It doesn't matter is my point.

Discussion

Mr. Beaudoin said if there is extra money, it will be harvested from wages except from the other accounts, so it is all the same in the end.

Mr. Pocock said you had an area in the last part of April to the end of our fiscal year for that year coming into this year and all the way down to almost January before they hired a full time driver. Our part time wages come from state grants so it is a little different to appropriate the money out of that. If they're going to harvest it out of regular wages, I don't know. The idea is if you do not approve this tonight, I can be very clear to you, it's not going to run.

That's the bottom line.

Discussion.

Discussion of harvesting funds from accounts.

Mr. Labieniec didn't think this board should start a precedent of starting to dictate where transfers are made. I think it would be acceptable tonight to approve this but ask the question about regular wages. It is a legitimate question but we shouldn't be dictating where departments transfer money from.

Ms. Feld pointed out it is questioning, not dictating.

It is a fair question and we should ask the question and go no further than that.

Mr. Brumback will talk to the director and respond.

Motion passed 4 -1-1.

Ms. Feld: No
Mr. Coleman: Yes
Mr. Beaudoin: Yes
Mr. Pocock: Abstain
Mr. Labieniec: yes
Mr. Leary: Yes

2. Transfer \$1,000 Fire Dept - Equip Maint/Fuel Pump Repair

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

3. Appropriation \$850 * Calendar House - Overtime

Mr. Beaudoin made a motion to approve which Mr. Coleman seconded.

Ms. Feld asked how much they actually spent on overtime per the memo. Mr. Brumback will get the answer.

Discussion.

Ms. Feld also asked if the overtime is left, does the remainder go into the general fund. She would like an answer to that question, as well.

Motion passed on a majority voice vote with Mr. Pocock abstaining.

4.	Transfer	\$62,990	Fire Dept. - Regular Wages
	Transfer	\$41,830	Highway Dept - Regular Wages
	Transfer	18,450	Parks Dept - Regular Wages
	Transfer	\$2,115	Community Services - Regular Wages
	Transfer	\$24,837	Fire Dept. Stipend

Mr. Beaudoin made a motion to approve for discussion. Mr. Pocock seconded.

Ms. Portelhina explained when we adopted the current budget (2014-15) the contracts for the fire department and the public works union had not been completed. We had set aside funds in the contingency salary increase account in order to fund the salary increases for the union and non union personnel.

The fire department hadn't gotten any raises and neither did their non union personnel in those departments, either.

Rather than request appropriations at the beginning of the fiscal year to cover the total amount needed at the time in each of these individual departments, I waited until the end of the fiscal year in order to determine what was necessary for the department through the end of the fiscal year and then came up with numbers to transfer into the various departments thereby not requiring as much funding for those department that had situations like having openings they didn't fill immediately or having workers comp or that sort of thing.

In essence, that allowed us to be able to transfer. That's the reasoning that I waited this long for these numbers and basically in here we have the fire department salary increases for their union and non union personnel including \$5,057 for a 3% increase for the fire chief and his secretary retroactive to the beginning of this fiscal year, July 1, 2014.

Mr. Brumback said we are managing these in order to avoid appropriations unless they are absolutely necessary to meet a need. My direction to the department heads is manage within your budget to the greatest extent possible focusing on trying to transfer rather

than appropriate so that they may maintain a certain incentive to be efficient. We've done that. We can't transfer until the last three months of the fiscal year. We consume the first nine months even though there are things unanticipated or accounted for elsewhere in order to manage these down and reduce the amount ultimately necessary.
Discussion.

How payroll taxes are figured by the finance director was explained.

Motion passed unanimously on a voice vote.

5. Transfer \$54,510 Misc - Accumulated Payout

Mr. Beaudoin made a motion to approve. Mr. Pocock seconded.

Ms. Portelinha explained we have had six long term employees retire and one additional employee left. Now, we have three additional employees we need to payout. We've already paid out \$169,000 out of this account. Based on the information that I have, those are the people that will be retiring prior to June 30th. These are contractual obligations we need to pay.

Motion passed unanimously on a voice vote.

6. Appropriation \$86,845 Sewer fund - Accumulated Payout

Mr. Pocock made a motion to approve. Mr. Beaudoin seconded.

Ms. Portelinha said this is a similar situation. We have one employee retiring and one employee passed.

Motion passed unanimously on a voice vote.

7. Transfer \$10,285 Information Technology - lease -
Printers/Copies

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

Mr. Brumback offered background. This is a continuation of the transition from owned printers to network and leased printers. This is the third year. These printers have worn out and they are transitioning to the network which is this additional cost. The money is available because Jay Baker, the IT Director, continually looks at opportunities to consolidate maintenance agreements.

Discussion.

This represents six printers which are being leased. When we went from owned copiers with maintenance agreements to leased with maintenance we experienced almost a \$20,000 savings added Mr. Brumback.

Motion passed unanimously on a voice vote.

VII. Review Long Range Plan and Priorities

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

A. Status /Reprioritizations

B. Strategy Discussion - Debt service

Ms. Feld thought this was going to be done in a workshop. The Chair agreed that is what we should do and we'll set the time now.

Mr. Coleman also wanted to talk about how we prioritize projects in town to get done. What is the rationale and criteria considered.

Workshop date: Thursday, April 30, 2015. 6:00 o'clock, p.m.

In the finance department conference room. No camera, no Minutes.

ADJOURNMENT

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

(Whereupon, the meeting was adjourned at 8:17 o'clock, p.m.)