

Town of Southington
Board of Finance
Wednesday, July 29, 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.....	\$ 769,900
Approved this meeting.....	<u>17,131</u>
Total Appropriations.....	\$ <u>787,031</u>

Appropriations with Revenue Offsets:

Approved to date.....	\$1,303,718
Approved this meeting.....	<u>(432,227)</u>
Total Appropriations.....	\$ <u>871,491</u>

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

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

Absent: Sandra Feld & James Coleman, Sr.

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

A Moment of Silence was observed for the two high school girls, Anne Marie "Annie" Olender and Olivia Fusco, killed in an accident yesterday in town. Very tragic for the community as a whole.

(Silence, silence)

JOHN LEARY, CHAIR, Presiding:

III. Public Hearing Items

None

IV. Old Business

1. Approval of Minutes from the meetings of June 10, 2015 and June 18, 2015.

Mr. Pocock so moved the motion for approval of the Minutes of June 10, 2015. Mr. Beaudoin seconded. Motion passed unanimously on a voice vote.

Mr. Beaudoin made a motion to approve the Minute of June 18, 2015. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

V. Assess current financial state of the town

1. Review revenue vs budget

Ms. Portelinha reported prior years taxes are \$274,000 over budget and interest on taxes is \$177,000 over budget. And, the main reason for that is that the town had a tax sale whereby we were going to sell off properties. Six properties were redeemed before the auction date and that brought in \$297,000. And, five properties were sold at the auction for almost \$250,000 in taxes and interest and fees. That is a good majority of the taxes we collected and the interest on that. We do have one in bankruptcy and we'll do the tax sale at a later time.

Building permit and fees are \$113,000 under budget. As you recall, last year we budgeted \$600,000 and this year we were trying to beat the number of \$860,000. We're only 13% under the actual budget. Which is very good.

Interest on investments is \$89,000 above budget. Fantastic. That's due to the more aggressive investment funds.

As mentioned previously, our historical society grant, we would not be receiving that because they bid out the windows and they can't do them according to the specs. We wouldn't qualify for the grant. But they still need to do the windows, so they'll be carrying the money forward.

Town Clerk fees are \$102,000 over budget.

This past year we didn't receive a CIRMA equity which they normally give us back, but we are receiving it for fiscal year 2016. Discussion.

Mr. Brumback reported this year we got just short of \$40,000.

Almost \$600,000 to the good in the revenues.

2. Review expenses vs budget

With the exception of all changes requested tonight, we feel that we'll meet our needs. I will be asking you to carry forward \$1.3 million. We'll be spending additional monies we have encumbrances on for almost \$400,000. The BOE still has about \$400. I would anticipate after all is said and done, we are still currently paying old year invoices; we'd have around \$250,000 under budget for the expenditure side.

Discussion.

Mr. Brumback said this also accounts for the harvesting.

The Chair clarified: \$1.3 million was harvested or carried forward from this year, not spent in this year but carried forward into the new year for the same purpose or a new purpose. (Projects or open Pos.)

And, in addition to the \$1.3 million that's carried forward, \$850,000 is going to go into the Rainy Day Fund. (The excess revenue and reduction in expense.)

The Rainy Day Fund right now is about 12% and our policy is 10% and above.

We are going to be using the fund balance we designated for capital projects of \$4.2 million.

Mr. Brumback gave kudos to the department heads and the finance department. They managed this budget very, very well all year long. We got done almost everything we wanted to get done.

The contingency fund balance will go into the Rainy Day Fund. The year is over on June 30th with no more harvesting.

The Calendar House grant was discussed. LOCIP grant was rolled into the current fiscal year. We can't recognize the revenue until we recognize the expense, noted Ms. Portelinha.

Mr. Pocock made a motion to move the Manager's Memos Line 2 & 5 for the fire department. Mr. Beaudoin seconded. Unanimous consent was given.

MANAGER'S MEMOS:

2.	Transfer 14/15	\$8,000	Fire Department Vehicle Maintenance
----	----------------	---------	-------------------------------------

	Transfers 14/15	\$51,140	Fire Department Overtime
--	-----------------	----------	--------------------------

Appropriation 14/15 \$17,131 Fire Department Overtime

Chief Clark explained he set a goal to not come to this meeting and ask for money. But I do have to ask for \$17,131. We had an exceptionally difficult year as far as personnel. We had a lot of folks out: one on long term comp and two others on long term personal illness.

We tried to conserve everywhere. Thus the large transfer that we're asking for. We had negotiations resulting in an increase in pay and also retro pay.

And, \$ 17,000 though it is a large number, it is one of the smallest we've ever asked for with all the things we ran into.

Mr. Brumback added this represents the continued effort by the Chief to take care of the vehicles. Secondly, in keeping with what this board asked him to do two years ago, and that is to do everything he can operationally and tactically in order to keep overtime only to those things essential to preserve public safety and then pay for it, if at all possible. You ought to be very proud of this as we all should the Chief. This is a good news story. He had a projected need of being \$50,000 or \$60,000 short when the budget was submitted. We reduced it and with a stretch goal for him to do the best he could. And, he did in this tough year for him.

Their operation is better. They initiated all but one or two of the ICMA recommendations as requested by this board.

He's doing a really good job of managing his resources. Hats off to both sides noted Mr. Brumback.

5. Transfer 14/15 \$13,319 Fire Department Regular Wages
 Transfer 14/15 \$511 Fire Department Stipend

Mr. Beaudoin made a motion to lump items 2 and 5 together and approve. Mr. Pocock seconded.

Mr. Pocock agreed with the Town Manager's comments. You have done a really good job with the managing up there. A lot of times you don't see it until you see an incident like yesterday with the heat how much your people have to put up with.

Also, this is going for all departments but we know there is a lot going on with the technology in the rigs. Great job with that. Kudos to that from me and the board.

The Chair thanked everyone for their comments.

Motion passed 4 to 0 on a roll call vote.

The Chief gave an update on all the new equipment to be put in service.

He explained a grant received for a new washer & dryer. Kudos to Captain Eric Heath who writes our grants for us.

3. Sub Committee Reports (Emphasis on financial aspects)

A. Sewer Committee

Mr. Brumback noted the last meeting was cancelled. They are continuing to work on the facility's upgrade. The new superintendent, Mike Finoia, is doing a bank up job! No odor issues because the guys are proactively staying on top of it.

We've smoke tested around town. A lot of wastewater treatment improvements have been made. All within the budget.

B. Public Works Committee

Mr. Brumback said there is an awful lot of drainage work and milling work along with overlay work going on. School Street work is going beautifully well. The projects are coming in on time and on budget. We're looking real good in that perspective.

The bulky waste transfer station has been reconfigured and is operating real well. Per state law on July 1st, we are required to accept mattresses at no cost. It is the challenge of the summer. We have to configure them in a way to avoid to having to pay for it. We're averaging between 40 and 60 mattresses a week --- because we're free. Right now it doesn't look like a problem.

Discussion on the cutting down of contractors bringing stuff in which they are continuing to work on. Their permit will be revoked if we find out they're doing that.

Scanner use was discussed.

We have to protect the users and avoid the abusers.

C. Middle School Building Committee

Mr. Pocock advised we are still on budget. Running close but we are right on budget. My committee is a great committee to work with and some people are really paying attention to what is going on along with me. Deputy Town Manager/Town Attorney Mark Sciota spends a lot of time with me walking the buildings, et cetera.

D. Open Space Committee

Mr. Pocock advised he couldn't make the last meeting. There is a lot going on. I want to make sure the public knows about the referendum in November on the ballot.

We've developed a webpage that they're working on. Really nice. It should be up by the end of next week. Mr. Brumback advised it is going to be interactive and linked to the GIS. You can click on an open space and it will pull up a picture and description with direction on how to get there. It'll also have ways and opportunities to donate property if you are so inclined. It'll talk about the fact Southington is dedicated to preserving open space. It'll have pictures. It'll have its own webpage.

These are separate properties from the Southington Land Trust.

The Chair brought up the Hatton Meadow issue for discussion. The Hatton Meadow is NOT open space. It just town owned land. You need to know a lot of land the town owns while it is not used it doesn't fall into the technical definition of open space which is land set aside for passive recreation and nothing else. Land that the town owns can be used for whatever the town decides to do with it even though it might not be occupied or used now. There is a difference between open space and land that the town owns that is not currently used for anything.

Discussion.

Mr. Brumback clarified the referendum item is to be used for purchasing open space or development rights to preserve the open space and not for just simply town owned property.

E. Self Insurance Committee

Mr. Labieniec reported the end of the year ended good. The last four months were all under budget, significantly so. For the year closing out in June it is a little over \$1.1 million under budget which was about \$20,000 under the prior year. All very good news.

The numbers are just under \$22 million on a budget of \$23.1 million.

We have a reserve of \$3.2 million in this account in case we have higher claims in the future than budgeted for. We will add to that this \$1.1 million.

We have a policy as to how to handle reserves which is 15% needs to be there before we can tap into for anything else. It designates the use up to 15%.

We have reinsurance for large claims which protects us as well added Mr. Beaudoin.

F. Gura Building Committee

Mr. Brumback noted they are continuing to make progress. They're working on the inside. The big stuff on the outside was the footing for an elevator to be added on. We wish them well.

G. Investment Committee

Ms. Portelinha said at the end of June we had long term investments of almost \$10 million. We have average maturity of 2.7 years and average rate of 1.43 percent.

We've been working with area banks to try to increase the interest they give us on short term investments. We have about \$27 million in short term investments and operating cash. The results of operation for the year netted an over budget amount of \$89,000. Very good.

H. Parks Board Liaison Report

Mr. Beaudoin advised the lights have been installed at Rec Park in the soccer complex. Looks nice. Going forward there'll be funds available for maybe another complex to have lights. Good news for the youth sports.

I. Economic Development Strike Committee

No report as Mr. Coleman is not here this evening.

J. Other Committees

None this evening.

4. Board Communications

The Chair advised the BOE is having a meeting the second week of August and they'll be talking about entering into negotiations with the teachers' union. A member of the fiscal authority board (the BOF) could participate in that. Ms. Feld participated in that previous years. The Chair will send a notice to the BOF members to let him know if they are interested in doing that.

VI. Public Communications (Excluding Public Hearing Items)

Arthur Cyr, 103 Berlin Avenue. Commended this board and all staff for their accountability and the controls we have in this town. It should make a lot of taxpayers in town breathe a lot easier. Management from the top down has really tightened up. We should thank everybody in this room for the great job controlling and accounting for every taxpayer dollar that comes in and goes out.

Discussion.

Appropriation 14/15	\$60 *	Youth Services - Kristen's Kloset (Spec Rev)
C. Appropriation 15/16	\$225 *	Youth Services Outside Programs (Spec Rev)
Appropriations 15/16	\$215 *	Youth Services Outside Programs (Spec Rev)
Appropriations 15/16	\$45 *	Youth Services - Kristen's Kloset (Spec Rev)
D. Appropriation 14/15	\$10,185 *	Capital Fund - Widening, Resurfacing, Drainage
E. Appropriation 14/15	\$5,675 *	Drug Task Force - DHMAS Grant (Spec Rev)
F. Appropriation 14/15	\$1,756 *	Capital Budget - Town Aid Roads
G. Appropriation 15/16	\$24,000 *	Central Dispatch - E911 State Subsidy (Spec Rev) (Ms. Portelinha changed the amount to \$24,254.)
H. Appropriation 14/15	\$16,150 *	Capital Budget - Open Space Conservation
I. Appropriation 14/15	\$20,220 *	Recreational Park Football Complex Insurance Proceeds

Mr. Beaudoin made a motion to approve the Consent Agenda with the changes. Mr. Pocock seconded. Motion passed unanimously on a voice vote.)

2. **Manager's Memos**

1. Appropriation 15/16	\$27,393 *	Calendar House - Part Time Bus Drivers (Spec Rev)
Appropriation 15/16	\$5,500 *	Calendar House - Overtime (Spec Rev)
Appropriation 15/16	\$13,000 *	Calendar House - Gasoline (Spec Rev)
Appropriation 15/16	\$9,000 *	Calendar House - Vehicle Maintenance (Spec Rev)

Mr. Beaudoin made a motion to approve. Mr. Labieniec seconded. Motion passed 3-0-1 on a roll call vote with Mr. Pocock abstaining.

2. See earlier in the Agenda.

3. Transfer 14/15 \$5,000 Sewer Fund - Plant - Overtime

This is just a minor adjustment due to some issues. Mr. Finoia is putting in overtime to avoid some of the odor issues.

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

4. Transfer 14/15 \$1,175 Recreation Dept. Temp/Seasonal

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

5. See earlier in the Agenda.

6. Transfer 14/15 %6,736 Unemployment Compensation

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

7. Transfer 14/15 \$3,210 Housing Authority - Utilities

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

8. Transfer 14/15 \$36,430 Payroll Taxes -
FICA/Medicare/MERS

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

Ms. Portelinha explained she had transferred funds out of that account and in doing so she estimated what she thought would be the projection through the end of the year. She under estimated for the amount of overtime being utilized. And, a position was being filled she had not accounted for. I over transferred out and would like to transfer money back in to close out the year.

Motion passed unanimously on a voice vote.

9. Transfer 14/15 \$1,245 North Center - Utilities

This is yearend clean up.

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

10. Transfer 14/15 \$1,900 Central Dispatch - Overtime
Unanticipated overtime for replacement due to an illness.

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

11. Transfer 14/15 \$602 Town Council - Advertising

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

12. Transfer 14/15 \$1,175 Highway - Overtime
Transfer 14/15 \$200 Highway - On-Call
Transfer 14/15 \$1,656 Parks - Overtime
Transfer 14/15 \$794 Parks - Temp/Seasonal
Transfer 14/15 \$575 Parks - Equipment Maintenance
Transfer 14/15 \$700 Parks - Vehicle Maintenance
Transfer 14/15 \$3,650 Bulky Waste - Overtime
Transfer 14/15 \$300 Trees Maint - Grounds Maint.

This is just moving things around to cover. Mr. Beaudoin made a motion to approve. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

13. Appropriation 14/15 \$(280,518)* Capital Budget -
LOCIP

Appropriation 15/16 \$280,518 * Capital Budget - LOCIP

AND

14. Appropriation 14/15 \$(180,000)* Capital Budget -
Calendar House Engineering

Appropriation 15/16 \$180,000 * Capital Fund - Calendar House Engineering

Mr. Brumback explained 13 and 14 are both just moving money from last year into this year because we didn't expend the money last year for the projects. Both LOCIP and the Calendar House, we have the revenue and the expense in the operating budget to match. Take those out of the current year and put them into the following year because that is when the work is going to be done.

Mr. Labieniec made a motion to approve 13 and 14. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

15. FY 15/16 Carry Forward List

Mr. Brumback explained the total amount is \$1,258,637. It is broken down with \$591,000 parks complex lighting and then the other ones are the revaluation for \$210,000 and \$70,000 so about \$280,000. Window restoration was noted for the historical society for \$50,000. Some ongoing projects in economic development and some fees for CPOD. Discussion.

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

The Sewer is part of Item 15 which is \$582,214 as itemized (read item by item).

The Chair asked the motion be amended to include this Sewer Item. The motion will be amended to include both the general fund and the sewer fund. Both the motioner and seconder agreed. The general fund is \$1,258,636 and the sewer fund \$582,214.

Motion passed unanimously on a voice vote.

The Chair stated that the BOF is not doing the work. While some of us may be accountants and auditors, we are not doing the accounting and auditing and maintaining the financial records for the Town of Southington. We are providing governance, oversight, direction, voice of the public, recommendations to the town council, but we are doing the day to day work. All of that work is done by the finance department.

If you walk into the office, on the wall are a bunch of accolades, a bunch of certificates that honor the town from the Government Finance Officers Association. (Read a letter the town

received. The letter is dated June 16, 2015. The letter is on file in the Town Manager's Office.)

The Chair advised Ms. Portelinha to take the pride back to the finance department and hang another one on the wall with pride.

Take great pride in this. Contact the people from the Press and make it known we do do a good job here and our workers in government deserve this recognition.

Mr. Beaudoin congratulated Emilia and her staff for doing a great job. As an auditor, I looked at the review of this town and Emilia's department handles all that and they did an outstanding job. It's a lot of work. Thanks for doing an outstanding job.

The Chair advised that the financial information, both government and BOE, is available to anyone willing to come and look through it.

Ms. Portelinha advised they have the Reports for the past few years as well as the bonding statements on line under the Finance Department. If you need help going through it, I will be happy to walk you through it.

Staff thanked the BOF for their comments.

Meeting Adjournment - Mr. Pocock made a motion to adjourn. Mr. Labieniec seconded. Motion passed unanimously on a voice vote.

(Whereupon, the meeting was adjourned at 8:00 o'clock, p.m.)