

Town of Southington
Board of Finance
Wednesday, October 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>0</u>
Total Appropriations.....	\$	0

Appropriations with Revenue Offsets:

Approved to date.....	\$298,202
Approved this meeting.....	<u>600</u>
Total Appropriations.....	\$298,802

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., James Coleman, Sr., & Sandra Feld

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

Absent: Kevin Beaudoin

A quorum was determined.

A moment of silence was observed for the passing of Mr. Beaudoin's mother-in-law and anybody else in the community who has passed.

(Silence, silence)

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

JOHN LEARY, CHAIR, Presiding:

III. Public Hearing Items

None

IV. Old Business

1. Approval of Minutes from the meeting of September 9, 2015.

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

2. Presentation by Turf Field Advisory Committee Chairman Mike DeFeo.

Michael DeFeo, 159 South Borough Road presented. Thank you for having me. I know there was a couple of questions last meeting regarding the turf field.

I was here on November 14th last year and give a quick update. This is a similar update.

(Reviewed the hand-out page by page. Handout is attached hereto as part of the Minutes.)

Mr. DeFeo answered general questions asked by the board members.

Signage for the field was discussed with future projections for revenue.

It was noted that any spending by this committee is done with the approval of the town council first.

3. Recommendation for Town's Cyber Liability Coverage.

Mr. Brumback reported we sought quotes through our broker. We received one quote from AIG. Because we have been fortunate enough not to be a significant target or at significantly great risk, we do believe that it would be prudent to inoculate ourselves against that potential risk.

We're recommending the toe in the water approach with the \$500,000 limit with the \$25,000 deductible. That costs us about \$8,000 a year.

We're at the front edge of this. Not a lot of municipalities are doing this yet in the country. That's not to say it would not be prudent for us to take a certain amount of preventive measures.

Liability with having information compromised would significantly out strip the \$8,000 investment.

It's worthy of evaluating and we evaluate our insurance coverage periodically anyway and we would roll this in and it would be evaluated based on the same criteria we use with our insurance coverage.

The Chair noted with the continuing automation of things, as time goes on, we are collecting and accumulating more data.

Mr. Brumback also we are trying to regionalize and share data and your vulnerability increases as you share.

We've competing priorities here. One is to try to insure the highest level of efficiency but at the same time maintain a reasonable amount of security. We think this probably serves both masters to the best of our ability at this point.

This is a recommendation and we would have to take this policy change to the council for final approval added Mr. Brumback.

The Chair asked for a motion to move forward with this as a recommendation to the town council for \$500,000 of coverage with a \$25,000 deductible through the one bidder AIG.

Mr. Labieniec so moved the motion with Mr. Pocock seconding. Motion passed unanimously on a voice vote.

V. Assess current financial state of the town

1. Review revenue vs budget

Ms. Portelinha advised that currently our prior year's taxes are 30,000 above budget. Our building permit & fees are starting slowly this year and we are currently at \$69,000 under budget. Activity has picked up but it is slow in coming to fruition.

Our interest on investments are up 70,000 above budget. Our town clerk fees are currently 70,000 above budget. One factor this month was we had a property transfer valued at 7 million. It was from one corporation to another. It netted us \$35,000.

We received a CIRMA equity we had not budgeted of 39,000.

We are anticipating having a shortfall in the PILOT Hospital of \$141,000 and the PILOT State Properties for \$27,000. PILOT is payment in lieu of taxes which is paid by the state and they are cutting us those numbers.

Mr. Brumback further added this part of the Governor's rescission which I will discuss in more detail later in the agenda.

2. Review expenses vs budget

Ms. Portelinha indicated she had reviewed the expenditure of departments and there doesn't appear to be any issue at this current time. She will reach out to each department head in the following month as we do every few months.

Discussion of the open.gov program. It was noted on the finance department page there is a link to it. This is a program that is expanding substantially and continuing to improve. Eventually you will be able to drill into individual purchase orders. It's user friendly and easy to operate.

Discussion.

3. Sub Committee Reports (Emphasis on financial aspects)

A. Sewer Committee

The Chair reported the sewer committee is going to meet next week. The two big issues with this committee is getting the sewer billing straightened out and getting caught up. We need to know that the billing is a net zero gain. There's a certain amount of operating cost for the plant and the costs are divided by the sewer users based upon some factors and the revenues are collected for sewer operating expenses. There is no surplus or deficit.

The bigger project coming is the rebuilding of significant portions of the waste water treatment plant. We'll hear more as time goes on. It is still in the design phase. That is significant to the town and very necessary.

Folks should know a major portion of the sewer plant is not operating. Certain aspects are shut down or offline making it somewhat inefficient.

B. Public Works Committee

Mr. Coleman said the costs for the Memorial Park Pool Project came in under the \$1 million budget. The splash pad will be next year at about \$100,000.

Bids went out for the leaf pickup. We got them back ranging anywhere from \$87/hour to \$110/hour.

Snow removal bids were recommended to the town council and we selected all of the vendors that applied. We will work through those as we do every year.

Architect for the highway garage renovation bids were coming in and we thought it would be about \$20,000. I understand that might've been firmed up since our meeting. It came in right at \$20,000.

C. Middle School Building Committee

Mr. Pocock said we are still waiting on figures as to where we stand. We have some budget items left and punch lists to do. The schools were officially turned over to the BOE.

As a committee we still have to take care of the loose ends.

We had the open houses which went very smooth. People were happy to see what was done.

I'm thankful to my committee. They certainly worked as a team. I definitely had major cooperation and it started with Garry and the town council's approvals. I had Attorney Sciota and the departments of the town help keep costs in line for us. The health department, planning & zoning, finance, police and fire departments were all heavily involved to keep the costs in line.

We're looking good moneywise at this point.

D. Open Space Committee

Mr. Pocock reported we have a new place on the computer now. We have a webpage which is very, very informational.

We've had a problem with some species growing up there which is hindering us from cutting wood at Crescent Lake. That's being work on by a contractor.

The major thing is our referendum coming up for more money to purchase more property.

Mr. Brumback further explained the links indicating the Open Space Committee knocked it out of the park. Additionally, there is a video that is on the webpage as well.

E. Self Insurance Committee

Mr. Labieniec reported on results through August. A budget of 2.3 million and we came in at 1.9 million, 400,000 below budget which is pretty much on last year. Only two months into the fiscal year and very early. We are approximately 4% over prior and we had budgeted 14% over prior. We're in a good position right now with a long way to go.

F. Gura Building Committee

They are continuing to make progress. No impact to the town. It's coming together nicely.

G. Investment Committee

Mr. Coleman stated as of the end of the third quarter, we stood with a total of about 85.6 million in total investments. Of that, 1.5 was operating cash. Short term investments were 73.9 million and our longer term investments were 10.1 million. We have a total of 41 investments right now with an average maturity of 2.6%. Got a total estimated income right now of about \$148,000 (+/-). We have money at ten different institutions.

H. Parks Board Liaison Report

The Chair noted Mr. DeFeo was here earlier talking about the turf field. Mr. Brumback stated that we have now completed the lighting project of the soccer field at Rec Park and that is being utilized by the soccer league.

We are looking now at going forward to light the multipurpose field that is down by the drive in. There was money budgeted for this year.

Both the soccer field and the one at the drive in have come in below budget and contracts for repayment are in place before we start.

The Chair noted the innovative way the lighting project was done. The problem was the league could not afford to put up their lights as they couldn't run their projects long enough to generate money from the concession stand. Being creative, I give to this board, across party lines and coming up with a way for the town to step in and install the lights and make it happen. Allowing the soccer league to have extended playing time and host tournaments to ramp up sales at their concession stand for the ability to repay was a nice thing the town was able to make happen. We should be proud of that.

I. Economic Development Strike Committee

Mr. Coleman noted this was an interesting meeting. Lou Perillo discussed the town needs more industrial land. We have only about ten lots remaining which includes our Brownfields.

We had a representative by Beaton & Corbin. Arthur Bogen is a Brownfield consultant. He was instrumental in the town getting a \$100,000 assessment grant by the EPA when we joined the ECOG. Bottom line is that the Town Attorney said he was reluctant to have the town control the property due to the nature of the contaminants because of migration of the contamination. Mr. Bogen is advising us on how to go in the future.

We discussed continuing to make Southington a destination spot. We had a presentation by Madden Media on a way for us to advertise the benefits of Southington all throughout New England. Half of the cost is picked up by the State of Connecticut. It's going to cost the town

\$5,000 and the state will match the other \$5,000. We'll be in visitors guides distributed throughout the state and New England. There are stories included written specifically about our town in such a way as to make people want to come and visit and spend money in the town. That's positive.

The rest of it is executive session.

Mr. Brumback expanded on the Brownfield. Currently nobody owns the property and the company who had the title is bankrupt. The challenge is getting the money to clean it up without putting yourself in the position of being liable and subject to additional DEEP requirements. The mechanism we are looking at is having the state underwrite without making the town take control and underwrite the grants necessary to clean up the property which then makes it developable. In order to do that you have to have the resources and own the property and have a developer who can do the work and have a plan going forward.

All we really did is identify the process which we are required to use to get there.

J. Other Committees

Nothing.

4. Board Communications

Mr. Pocock stated it has been a pleasure to work with the group. It's been my pleasure anyways.

Mr. Coleman and Chairman Leary agreed.

The Chair added we've been together for quite a while but these are two year terms. They come to an abrupt end the night of the election. It's probably the night of the election we may be here or we may not. We'll know on the night of November 3rd.

I think we got along well as a board and I want to thank everybody and your vote of confidence in me as Chair.

Going forward, I wish everybody well. Everybody here is running as is Mr. Beaudoin. Good luck!

VI. Public Communications (Excluding Public Hearing Items)

Arthur Cyr, 103 Berlin Avenue. I thank you. This has been a well run board for the last four years, pretty much non-partisan. My biggest decision is which four do I vote for as I can't vote for all six of you. That makes it tough as you've been an excellent board.

It horrifies me to go back to the way the board was run before four years ago. We had too much money in reserves. We weren't spending any money. We weren't budgeting correctly or spending correctly. We weren't dealing with our capital needs. We changed that in the last six years and I'm thrilled.

Discussion.

Spoke about the current practice of letting the town manager manage the budget.

Spoke about the budget being \$42 million for the town and \$85 million to the BOE. You can control your budget but you have very little control over the monster BOE budget.

Discussion.

Spoke about the new roads. The sewer plant is coming along. That's the way I want to see it.

Again, my biggest dilemma is which four do I vote for? Thank you and I hope to see you all back here 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 - The Governor's Rescission

Mr. Brumback said this problematic --- not the amount, but the way in which it was done. When the Governor decided his budget couldn't be managed with the deficit being projected, we took him at his word last spring when he said here are the numbers the municipalities can plan on. We budgeted \$168,000 that is no longer there.

Additionally, it is compounded by the fact that we've completed one quarter of our fiscal year with the assumption that \$168,000 would be coming. Also, it is \$168,000 that the Governor is cutting across the board allegedly but he has eliminated two-thirds of our ability to absorb that. It isn't going two-thirds to the BOE and a third to the town. As to the statute all \$168,000 of reduction needs to be absorbed by the town government side.

Discussion.

Emilia and her entire staff has been working on how do we do this respecting the process we have used over the course of the last several years. And, the trust between us and you.

Our recommendation is to go ahead and keep this off to the side as expected revenue not realized and deal with it in the last quarter of the year without jerking around the departments. I believe that we'll be able to distribute this \$168,000 across all departments to a lesser extent. We've seen our harvest go down because of trust in the departments. Our revenues look like they are going to be able to absorb some of it. I think we'll manage the rest through reduction in expenditures.

I don't think it is necessary at this time for us to take any action in how to direct these cuts at this point.

Quite candidly, our biggest concern is is the Governor going to be able to hold off on just these or something else coming down the road that he'll hit the municipalities with that we don't know about.

In conclusion, our recommendation is we set these off to the side. We allow the department heads to continue to do their work and we feel very confident we'll be able to come back to you with a recommendation in the last quarter when we can move money around to allow us to absorb these cuts without significantly disrupting operations.

Discussion.

The Chair pointed out at some point it will affect people and programs. It has to. That message isn't always as clear as it needs to be.

Discussion.

VIII. Conduct Administrative Business

1. Consent Agenda

A. Appropriation \$2,997 * Police Dept. Bulletproof Vest Expenditures (Spec Rev)

B. Appropriation \$3,844 * Sewer Plant - Vehicle Maintenance (Spec Rev)

Mr. Coleman made a motion to approve the Consent Agenda Items A & B. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

2. Manager's Memos

1. Transfer \$3,640 Planning & Zoning - Temporary/Seasonal

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

Mr. Brumback said this was necessary based on an employee who was out for long term injury and because of workload and requirements with the POCD in the planning department we needed to have temp/seasonal help which was unanticipated in the budget process.

Motion passed unanimously on a voice vote.

2. Appropriation \$600 * Calendar House - Overtime

Mr. Coleman made a motion to approve. Mr. Labieniec seconded. Motion passed on a majority voice vote with Mr. Pocock abstaining.

The Chair thanked the voters for their confidence in us. We look forward to the election. We wish everybody well.

Meeting Adjournment -

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

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