

BOARD OF FINANCE
TOWN OF SOUTHTON
NOVEMBER 18, 2015

The Board of Finance of the Town of Southington held an organizational and Special Meeting on Wednesday, November 18, 2015 at the Town Hall Council Chambers, 75 Main Street, Southington, CT. Emilia Portelinha, Finance Director, called the meeting to order at 7:14 o'clock, p.m.

Appropriations from Contingency Account:

Approved to date.....	\$	0
Approved this meeting.....		<u>0</u>
Total Appropriations.....	\$	0

Appropriations with Revenue Offsets:

Approved to date.....	\$298,802
Approved this meeting.....	<u>5,178</u>
Total Appropriations.....	\$303,980

The following board members were present:

John Leary, Joseph Labieniec, Edward Pocock, Jr., Kevin Beaudoin,* James Coleman, Sr., and John Moise

(*Arrived with meeting in progress)

EMILIA PORTELINHA, Assuming the Chair:

ORGANIZATION MEETING

A. Swearing in of the Board of Finance

Deputy Town Clerk Ericka Butler administered the oath to the Board of Finance members.

(Sworn, sworn)

B. Election of Chairperson

Mr. Pocock nominated John Leary for the Chairman of the Board of Finance. Mr. Coleman seconded. Motion passed 5 to 0 on a roll call vote.

JOHN LEARY, Chair, presiding:

C. Election of Vice Chairperson

Mr. Pocock nominated Mr. Labieniec as Vice Chair of the Board of Finance. Mr. Coleman seconded. Motion passed 5 to 0 on a roll call vote.

D. Election of Secretary

Mr. Labieniec nominated Mr. Pocock as Secretary of the Board of Finance. Mr. Coleman seconded. Motion passed 5 to 0 on a roll call vote.

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

SPECIAL MEETING

III. Public Hearing Items

None this evening.

IV. Old Business

1. Approval of Minutes of October 14, 2015 meeting

Mr. Pocock made a motion to approve the Minutes as presented. Mr. Coleman seconded. Motion passed on a majority voice vote with Mr. Moise abstaining.

V. New Business

1. Approval of the Board of Finance 2016 Meetings Schedule

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

Mr. Pocock made a motion to move Manager's Memo #5 up for consideration at this time.

Unanimous consent by all members.

(*Mr. Beaudoin entered the meeting at this time.)

MANAGER'S MEMOS:

5. Reallocate \$160,000 Education - School Capital Project

From: Kelley Elementary School Fire Alarm Project
To: Derynoski Elementary School Fire Alarm Project

Mr. Moise and Mr. Coleman made a motion to approve. Mr. Beaudoin seconded.

Peter Romano, Director of Operations for the Southington Public Schools presented. We are experiencing glitches with the fire alarms at Derynoski Elementary School. The system is antiquated and no longer are we able to get replacement parts for it.

I am here to request the approval to redirect some of the funds that were designated for the school district previously approved by the Board of Finance and Town Council in the 2015-16 capital improvement budget for \$160,000.

The funds are for the replacement of the fire alarm at Kelley Elementary School but we are requesting these funds be allowed to be used for the replacement of major components of the system at Derynoski Elementary School.

We have discussed this with the fire department and they are supportive of this request, as well.

The system at Kelley is fully functional. It is tested on a monthly basis as are all the other schools. There are no issues at all at Kelley School. And, that is one of the main reasons why we are asking for this.

As for Derynoski Elementary School, the fire alarm system there has had some glitches. Having said that, I want to make sure you understand that the Derynoski fire alarm is fully functional and the students and staff are all safe. That's paramount to everything we do within the district.

The issue is it is an obsolete system. Replacement parts are no longer available. When a component of the system fails, we have to come up with a work around to keep the system operational. All the modifications we've been doing have been approved and supported by the fire department.

I reinforce the system is functional but the reoccurrence is significant enough we need to be proactive and hit this head on. We can't allow this system to continue without replacement parts.

The funds are not enough to do a complete system at Derynoski. We do anticipate being able to replace the main fire alarm panel, replace two voice EVAC panels and we'd be making some upgrades to the

controls and some ancillary panels. We would add some pull stations to some areas. We would install an elevator re-call system.

Most importantly, I want you to understand that everything we would do we would make sure this is a system that should ever the school be renovated the items would be reused.

We would work in conjunction with the fire department and the building department to make sure all work is per their requirements and would be able to be reused should the school have a renovation.

Mr. Moise asked, if this is a piecing this together, for lack of better words, and the cost is around \$160,000? Mr. Romano said they don't honestly know. We will do as much as we could and we won't encroach upon the \$160,000 and come back to you. If we redid the whole system it would be north of \$300,000. Discussion.

Mr. Moise said he would be afraid that if we start the project and then something else goes wrong and then we'll get into it for more money than just getting the whole thing fixed to begin with. After speaking with you today, there are other issues that could go along with that such as opening walls to asbestos, et cetera.

It's prudent probably to just go down this path right now. I did speak with you and the fire chief, as well.

Mr. Romano agreed. He did state the only items they would not be touching with a lot of pull stations, horns and strobes as they are functioning. Those are pieces we can should they break. They are not obsolete. To do a full system we would be disturbing areas that are difficult to do construction in which may have some asbestos and we don't want to do that and some lead paint. There is no benefit to us doing that at this time.

Mr. Moise said the fire chief assured him that Kelley School as okay and they don't have the issues that Derynoski has.

Discussion of addressable and non-addressable systems.

Motion passed unanimously on a voice vote.

VI. Assess current financial state of the town

1. Review revenues vs budget

Ms. Portelinha advised this is what we are looking at revenues through October. Our prior year's taxes are approximately \$25,000 under budget. Interest on taxes are about \$25,000 under budget. Our building permits and fees are \$75,000 under budget. The building

official said the projects are coming in for approval but they are taking longer than anticipated for completion. Interest on investments are \$80,000 above budget. Town Clerk fees are about \$60,000 over budget. We received our CIRMA equity check of \$39,000 which was not anticipated.

Back in September, the state cut \$15 million in municipal funding and our portion is they cut the PILOT Program which we had budgeted \$141,000 for hospital and \$27,000 for state properties.

2. Review expenses vs budget

Ms. Portelinha said in reviewing expenses to-date, she didn't see any large discrepancies that might cause an issue with the budget. None of the department heads have brought to my attention any issues they are currently having. I think we are doing well with respect to that.

The Chair advised he would be skipping the subcommittee reports this evening as a lot of them have not met and the town council has not yet initiated the new committees. At our next meeting we will be assigning members to the committees. If there is a committee you'd like to serve on, please let me know for consideration.

3. Subcommittee and Liaison Reports (Emphasis on financial aspects)

- A. Sewer Committee**
- B. Public Works Committee**
- C. Middle School Building Committee**
- D. Open Space Committee**
- E. Self Insurance Committee**
- F. Gura Building Plan Review**
- G. Investment Committee**
- H. Parks board Liaison Report**
- I. Economic Development Strike Committee**
- J. Other Committees**

4. Board Communications

Mr. Moise presented two items. One was that he had read the sewer committee was having a public hearing about reducing rates. The Chair, on the sewer committee, explained that a while back two things happened. The sewer operating revenues were not meeting the operating expenses a while back. They were running a deficit in the sewer operating fund. They had to raise the sewer bills to break even. Secondly, when the town engineer reviewed who was paying how much,

there was a disparity where some were paying more than their fair share and others were paying less than their fair share. The town had to change the way the billing occurred was everybody was paying their fair share. They agreed with the entire annual water usage and then put a sewer fee on to that and have a flat fee and adjust the flat fee for well users. A lot of discussion occurred on that.

However, there was agreement that it would be looked at later and if we were generating more revenue than needed we would adjust downward and if not generating enough revenue, we would adjust upward. We're at the point now where there is going to be discussion about a possible downward adjustment. Discussion.

Numbers have not come back yet, but I do know there is going to be representation from this board on the sewer committee.

Mr. Moise then stated on the self insurance committee, they're going through an audit for dependents of employees of the town and claims. Teachers and others are upset because they have to go buy a copy their marriage certificate at the town hall and this is costing the employees for verification. And, they need the long form birth certificate which costs as well. Is there a way the town clerk fees for our town could be waived?

Ms. Portelinha said that question was not posed to the self insurance committee. That might've been something posed to the administration. The town manager will get back to you as he is not here this evening.

Mr. Pocock asked if this stuff wasn't already on record at Anthem. This can become awful expensive to get the copies.

Extensive discussion about the audit and fees and how to minimize expense to the employees.

A. Discussion of Town Charter as it pertains to Board of Finance

The Chair explained everyone received a copy of the most recent Charter. There are sections that relate to financial issues and the board of finance. Please review and we can bring them up at the next meeting. If the Charter should open it's also an opportunity for us to look at the financial aspects in the Charter and make recommendations to the charter revision committee should we have one.

Mr. Moise brought up the point that the board of finance recommends expenditures to the council. Sometimes I think that gets lost in the shuffle. We need to reacquaint ourselves with our roll. You will see it says: at the recommendation of the board of finance and not the recommendation of the council. That's my main concern.

The Chair asked to have this item left on the agenda.

Mr. Pocock agreed it is a good idea to look at it and he has seen some items get spun around a little bit.

Discussion on the interpretation of the language in the Charter. Attorney Sciota will be invited to the next meeting to discuss interpretation of the language and specific questions.

Mr. Labieniec commented that tonight we received the adopted fiscal policies on the fund balance and the level of indebtedness. It requires us to review these annually. I think we need to have this discussion soon. Can we plan a separate workshop meeting for the six of us to discuss this?

The Chair asked Ms. Portelinha to calculate where we are and project out the debt service we can do a workshop in December with a follow up meeting in January.

Discussion.

Discussion of projects which may be included and how that affects the debt limit.

Mr. Labieniec felt the fiscal policy should be reviewed at this time. This document is 8 to 9 years old. Forgetting about the percentages, how often is this document actually reviewed. The intent was to review it every year.

Mr. Moise said it was good to be back and he'll enjoy the next two years. It's a good board to be on. You guys work really well together and I look forward to the next two years.

Mr. Labieniec thanked Sandy Feld for her service. We wish her the best in terms of her health and all else involved. She served very well and we enjoyed it. She will be missed.

The Chair indicated we would invite her to the next meeting and prepare a certificate for her for her service for presentation. A very dedicated lady.

Ms. Portelinha advised the self insurance committee will be looking at the budget at their December meeting and would like to know ASAP who the members of the board of finance will be.

Discussion.

VII. Public Communications (Excluding Public Hearing Items)

No comments this evening.

The Chair noted Art Cyr is not present and he is usually with us. We wish him well as he tends to his own issues.

VIII. Review Long Range Plan and Priorities

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

A. Status/Reprioritizations

2. Strategy Discussion- Status of the State Budget and Possible Additional Revenue Cuts

Passed this evening.

IX. Conduct Administrative Business

1. Consent Agenda

A. Appropriation Kloset (Spec Rev)	\$1,973 *	Youth Services - Kristen's
B. Appropriation Board Grant (Spec Rev)	\$2,175 *	Youth Services - Juvenile Review
C. Appropriation Maintenance (Spec Rev)	\$ 581 *	Streetlights - Equipment
D. Appropriation Rev)	\$1,518 *	Parks-Property Maintenance (Spec
E. Appropriation Expenditures (Spec Rev)	\$ 423 *	Police Dept. - Bulletproof Vest
F. Appropriation	\$ 2,344 *	Barnes Museum Trust (Withdrawn)
G. Appropriation Enhancement Gr (Spec Rev)	\$3,513 *	Youth Svcs - Youth Svcs Bureau
H. Appropriation (Spec Rev)	\$930 *	Youth Svcs - Outside Programs
Appropriation Rev)	\$ 300 *	Youth Svcs - STEPS Program (Spec
I. Appropriation	\$1,678 *	Capital Budget - Open Space

Mr. Beaudoin made a motion to approve the Consent Agenda in as one group. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

2. Manager's memos

1. Transfer \$8,335 Police Dept (Withdrawn)

No discussion. Item withdrawn.

2. Transfer \$110,000 Capitol Fund - Town Hall Improvements

Mr. Pocock made a motion to discuss. Mr. Coleman seconded.

Ms. Portelinha introduced the item stating we have had a lot of issues with the elevator in this building. Even when it's working, it is slow. It has been breaking down a lot. We need handicapped accessibility for those who visit the town hall. A bid was put out to have the elevator replaced and based on the Director of Public Works letter; he had selected Otis Elevator as the recommended bidder at \$97,580. A contingency is being built in to bring the amount to \$110,000.

We are asking for a transfer of excess funds in various accounts to cover the cost. The roof projects came in under budget and there was a little money left over in the highway heavy equipment account.

The roof project for the fire department was discussed. The budget was \$147,000 for this item and the actual expenditures came in at \$60,356. Discussion of how the budget amount was arrived at. Ms. Portelinha can get additional information if the board wants it.

The dog pound roof was originally budgeted for \$120,000 and it came in at \$98,833 as a final cost.

Mr. Moise said in the budget, in 2013 the expenditure was \$147,000 and it seems like it was carried over but it is zero across the board for 2014 and 2015-16. Where was this money for the last two or three years and why wasn't the roof repaired? Ms. Portelinha explained the cash funding of the capital fund is budgeted in the general fund. So, the \$147,000 pertains to the money that was being moved over to the general fund to be spent out of the capital fund for that project. She explained it was in the budget for fiscal year 2014 and we harvested funds in 2013 to pay for it. The actual project didn't start until the following year and was completed in 2015 fiscal year.

Mr. Moise about the discrepancy in the savings, you were able to go to the state contract versus the local and saved some money? Ms. Portelinha will provide that information as she can't recall off the top of her head.

Mr. Moise noted the savings are significant especially when you're estimating \$147,000 for a roof and it comes in \$80,000 less. That's problem in and of itself.

Discussion.

The Chair asked for background on where the initial amounts came from and how we settled on the lower amounts.

Mr. Moise said we need to move this along as the elevator needs to be done and it shouldn't be held up.

Mr. Pocock asked about the money from the heavy equipment account at highway. How did that end up back here? There are several places down there where I could see they could use it. Ms. Portelinha pointed out it was appropriated for the specific purpose of heavy equipment cost. That came in less and they can't use the money for other projects.

I agree we shouldn't hold this up. But I'd like some information on that item. Where it was designated and what it was used for.

Ms. Portelinha will provide the information for all three projects.

Mr. Coleman brought up the elevator. You have the base bid, the car interior and the cylinder. What is included in the base bid? What would repairing just the cylinder do? Is it necessary to spend \$100,000 to redo an elevator? Is there a way to improve its ability to go up and down without spending the \$100,000 and doing the interior over and the cylinder and base bid? Ms. Portelinha could not provide technical information but would ask the public works director to provide that. However, if we didn't have to replace the parts, we wouldn't be doing that, she added. The task is to get a working elevator that doesn't break down every two days.

Mr. Pocock said the cylinder drives this up and down. I would assume that is the main drive on it.

Mr. Coleman asked: Is it feasible we can get what we want and spend \$30,000 as opposed to \$100,000?

Ms. Portelinha said they were projecting \$250,000, so when these amounts came in, we were pleased.

Mr. Coleman again posed the question: Is it feasible we can get what we want and spend \$30,000 as opposed to \$100,000?

Ms. Portelinha will have the public works director provide an answer to the question.

Mr. Moise suggested a tabling of the matter in lieu of the questions we have.

The Chair said procedurally in the future, he is going to send the agenda beforehand and if members think we need specific staff present to answer questions we have on a matter, we can do that. Let's say the agenda goes out on Thursday or Friday, by Monday if you have a lot of questions, we will recommend somebody be here to represent the issue.

Mr. Labieniec pointed out this is a public safety concern to get this repaired. Should we table a month?

Discussion.

We don't know enough based upon what is provided to us in this package and there is nobody representing this item. It's hard for us to make a fully informed decision. So in the future, we will call upon the person to come to the meeting.

Discussion.

Mr. Moise said this is one of the items he was referring to earlier when the town council last Monday went through this process to approve. The questions weren't asked that we're asking here now. They approved it before the board of finance vote. The Chair said if that is an issue, he'll address that with a notice to the town council to put things in order. If we are advisors to them, we get it first.

Discussion.

Mr. Pocock wanted to get this moving because of safety reasons.

Mr. Labieniec said what if we made a motion to approve and it passed but we asked for the information that Mr. Coleman wants that can be disseminated to us and if there are concerns any of us have after seeing that before the council votes to approve our Minutes, you can get that to the town council. The Chair suggested approving with a stipulation.

Mr. Coleman agreed that if this is a safety issue, you have to have it fixed. The question is: they break it down to a base bid. Then there is the car and carrier which is the lipstick on the thing. Then you have the cylinder. Is the cylinder what is responsible for driving the elevator up and down and can we solve our problem by sending \$30,000 as opposed to \$100,000? That's all I'm asking.

Mr. Labieniec said this is the recommendation from Garry. Why is he in favor of this? If we have questions, we can get it to the Chair prior to the approval of our Minutes at council.

A motion should be made to approve Item 2 pending further information as to what is absolutely necessary in the bid from the town engineer. We will disseminate it to all members.

Discussion.

Mr. Labieniec clarified we have a concern this should be moved forward because it's a public safety issue yet we have financial concerns. We'd get the information and they have an option.

Mr. Coleman pointed out \$10,000 of it is not a safety issue. Mr. Labieniec said what if the interior needs to be upgraded to make it work with the new cylinder? I have no idea. Maybe it is needed.

A motion was made to approve pending further clarification from the town engineer on what is necessary and what isn't and then we'll share that with the members. We'll bring the concern forward if a member has one in the package to town council by Mr. Coleman. Mr. Labieniec seconded.

Mr. Moise said he didn't want to go on the cheap but in the beginning of this meeting we talked about the state cutting back and we're going to have to look at where we can cut back and it's never too soon to do that. If we can save \$20,000 here now and \$30,000 next month or so on different items we'll get to that figure plus whatever else they throw at us. I think it's prudent to do it that way.

Safety is the number one concern pointed out Mr. Labieniec.

Motion passed unanimously on a voice vote.

**3. Transfer \$3,500 Barnes Museum -
Temporary/Seasonal Wages**

Mr. Labieniec made a motion to approve. Mr. Moise seconded.

Mr. Pocock said is there anybody down the library they can send? Ms. Portelinha said they indicated they did not.

The Chair said the concern is the Curator would be alone 35 hours a week and this would insure the safety of the Curator having somebody in the building so nobody is working alone. That's the narrative behind this.

Mr. Pocock had no problem with that. Is it going to be an outside person? Ms. Portelinha said it was her understanding that it would be.

Discussion.

Motion passed 5 to 1 with Mr. Pocock opposed.

4. Transfer \$200,000 Capital Fund (Withdrawn)

No discussion. Item withdrawn.

5. Reallocate \$160,000 Education - School Capital Project

From: Kelley Elementary School Fire Alarm Project
To: Derynoski Elementary School Fire Alarm Project

Addressed earlier in the agenda.

Before adjourning, Mr. Moise is concerned that we have this item for \$200,000 that was for the rehabilitation to the West Queen Street Bridge; transfer needed to cover the cost of current and anticipated project costs and then it was withdrawn. It's a lot of money to withdraw for something this is needed one minute but not the next. Can you address that?

Ms. Portelinha explained when it says: C012, this is the \$11 million bond ordinance that was approved as a whole during referendum for the road projects and for the bridge. Part of the ordinance indicated that funds could be shifted between the various road projects and the bridge with approval of the public works director and the town manager.

What happened is they took \$200,000 from the road project and allocated it to the bridge which is 80% reimbursable by grant. So it'll be less money we'll be bonding.

It came to this board by accident because it is still all part of one ordinance. We are not shifting funds.

It's one bond ordinance approved as a whole.

X. Meeting Adjournment

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

(Whereupon the meeting was adjourned at 8:24 o'clock, p.m.)