

BOARD OF FINANCE  
TOWN OF SOUTHTON  
DECEMBER 9, 2015

The Board of Finance of the Town of Southington held a Meeting on Wednesday, December 9, 2015 at the Town Hall Council Chambers, 75 Main Street, Southington, CT. John Leary, Chair, called the meeting to order at 7:01 o'clock, p.m.

Appropriations from Contingency Account:

Approved to date.....	\$	0
Approved this meeting.....		<u>15,000</u>
Total Appropriations.....	\$	15,000

Appropriations with Revenue Offsets:

Approved to date.....	\$	303,980
Approved this meeting.....		<u>3,355</u>
Total Appropriations.....	\$	307,335

The following board members were present:

John Leary, Joseph Labieniec, Kevin Beaudoin, James Coleman, Sr., and John Moise\*

Staff:       Garry Brumback, Town Manager  
              Emilia Portelinha, Director of Finance

(\*Arrived where noted.)

Absent: Edward S. Pocock, Jr.

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

**III. Public Hearing Items**

None.

**IV. Old Business**

1. Approval of Minutes of November 18, 2015 meeting

Mr. Coleman made a motion to approve the Minutes as presented. Mr. Beaudoin seconded. Motion passed unanimously on a voice vote.

**V. Assess current financial state of the town**

### **1. Review revenues vs budget**

Ms. Portelinha reported currently prior years taxes are approximately \$40,000 under budget. Interest on taxes are \$25,000 under budget. Building permit & fees are \$70,000 under budget. Interest on investments is about \$100,000 above budget. Town Clerk fees are \$55,000 above budget. Then we have the CIRMA equity we hadn't budgeted for which is an extra \$39,000 and the two PILOT monies the state had previously indicated we would not be receiving which gives us a deficit of \$168,000 combined.

Mr. Brumback remarked this is just Part 1 of the Governor's rescission. Something came out today. We haven't had a chance to evaluate it, yet. Right now it looks as though, depending on whose deficit number you believe, we are either two-thirds of the way there or we're all the way there. But prevailing sentiment is we are only about two-thirds of the way of closing the deficit. In February, during regular session they are supposed to have another budget meeting and we're concerned we'll get hit again.

The reason that is so devastating is the first rescission came after almost six months of the year which doubles it because we're spending on track. If one comes in February or March, that's the last quarter. Whatever they take away, we budgeted the entire amount we were told we were going to get originally. It's a multiplying effect.

Discussion.

### **2. Review expenses vs budget**

Ms. Portelinha commented the only items that have come to my attention at this point would be the two items on your agenda under the town manager's memos requiring a transfer and the unemployment compensation we need an appropriation for.

The Chair summarized our overall revenues are down \$109,000, our expense budget is pretty much right on. And, \$109,000, the biggest contributor is a \$168,000 loss in revenue from the state.

Mr. Brumback added we have made up \$59,000 of that \$168,000 and we're hoping that we're going to continue to make progress toward making that a minimum amount.

Discussion.

Kudos to Mr. Coleman with interest on investments coming in at a \$100,000 over. And, Mr. Beaudoin from his previous term really pushing that something be done regarding investing and doing a cash flow forecast.

### **3. Review Capital Projects in Budget**

The Chair entertained a motion to move this item to the January meeting. Mr. Coleman made that motion. Mr. Beaudoin seconded. Motion passed unanimously on a voice vote.

**4. Subcommittee and Liaison Reports (Emphasis on financial aspects)**

**A. Sewer Committee (John Moise)**

Mr. Brumback had nothing to report. The next meeting is tomorrow night. The rate reduction has been passed by the council and it goes into effect in January and it is about a two percent reduction. The Chair stated the whole fund is a break even fund and if it ever should run short, we increase. If it ever runs over, we give back. That's in line with what we said. Ms. Portelinha pointed out there was savings in the fund and that's why the reduction.

Mr. Brumback further discussed a concern at the town council meeting about that type of comment. The reason we are recommending the reduction is because operationally we were able to identify about \$100,000 a year in savings based on how we are now doing the sludge hauling. We tested that over an entire year and are prepared to offer the reduction because of that.

This year it was \$106,000 and this reduction will generate about \$103,000 and that's just money that we think operationally based on efficiency we no longer require.

The Chair reiterated the whole notion is that breaks even. Whether expenses go up or down, or the revenue goes up or down. Mr. Brumback said the confusion was: if the fund would break even, where did you get the \$100,000. The Chair said the intent of the fund is break even. It is never going to be perfect.

**B. Public Works Committee (Ed Pocock and Jim Coleman)**

Mr. Coleman reported on three items: Chief Daly reported that the roof on the police station they had quotes of \$39,000 to do the whole thing over and they were able to do it a different way and reduce the cost down to \$9,200 by putting sheet metal the first three or four feet up. (Courtyard roof)

**\*(Mr. Moise entered the meeting.)**

The leaf pickup, we have trucks that are old and we're going to be required to purchase them or redesign how we're picking up the leaves. The trucks cost about \$250,000. We talked about redesigning the zoning to see if we can get a more efficient way to pick up. We

might need just one and hire other people to do the other work. The cost of that right now is about \$50,000/week to the town.

It was brought to our attention that we're being billed for some street lights that are not there. We've identified 3,461 lights that have been converted and we realized in the process some we're being billed for are not ours. It is a small number but worth noting.

The Spring Street Bridge, we've negotiated the scope of services so the bridge is moving forward. The design of the bridge was a little over \$112,000 out of \$1.3 million. About 48% is reimbursable through state grant.

**C. Middle School Building Committee (Mr. Pocock)**

The Chair reported that the committee went dormant and remains in existence should something pop up or there's warranty work or some stuff on a punch list that needs to get completed the committee will look after that. Pretty much the project is complete.

This Committee is dormant. Mr. Brumback recommended that topic be moved to the Calendar House Building Committee. Mr. Brumback will provide feedback.

**D. Open Space Committee (Ed Pocock)**

Mr. Brumback reported there was an executive session and we talked about potentially purchasing some property. More important note, the council acted on Monday to send the 8-24 for the purchase of the development rights for Hawks Landing to planning & zoning. That's a big deal from an open space perspective.

**E. Self Insurance Committee (Joe Labieniec & John Moise)**

Mr. Labieniec reported through October we are about \$300,000 under budget. About 5% over prior. We had budgeted for this fiscal year around 14% over prior so through the first months of the year we have resulted on we are running at 5% over prior, so that is favorable. We had budget about \$3.1 million more this fiscal year than the prior fiscal year. We are about \$400,000 over compared to prior. It's still early. I think we feel good at this point in time about the track that we're on.

We were supposed to have a meeting this afternoon to determine the level of funding for the next fiscal year. Anthem did not have the projection ready, so we had to delay the meeting until next week.

At that meeting we will have to come to a decision on what the level of funding should be for the FY16-17 and then also on the agenda

is to analyze and determine the breakdown between the town and the BOE. That meeting is next Thursday.

Mr. Moise had a question: As to the audit, I know we're not going to waive anything as they've extended the time to January for people to comply. A concern brought up was when working with an outside company, they have this private information, is there a provision in the contract they won't be able to sell this information to anybody else. Ms. Portelinha said the information will be coming back to the town and the BOE. Mr. Brumback added it is all confidential.

#### **F. Gura Building Plan Review**

Mr. Brumback said it is continuing to make progress.

The Chair suggested this be taken off the Agenda and if anything comes up, just make us aware.

#### **G. Investment Committee (Jim Coleman & Kevin Beaudoin)**

Mr. Coleman stated we get a report on a quarterly basis. We will be prepared to have a full reporting in January when we get the yearend statement.

The municipality is very limited in how they can invest. We've gotten creative as the state law would allow us commented Mr. Brumback. And, that is due to these guys along with our advisor. We've been doing better than a lot.

The Chair asked and discussion followed about cash flow/budgeting and determining how much and when to invest it. Sources and uses was discussed.

Mr. Brumback explained just in time bonding rather than bonding in advance and sitting on it. A lot of moving pieces.

#### **H. Parks Board Liaison Report (Kevin Beaudoin)**

Mr. Beaudoin reported that Musco is doing the football field / multipurpose field lighting. They're hoping to do it in time for the spring season. We've entered into a contract for the reimbursement piece of it. They'll do as much of the work as they can now.

Mr. Moise asked if the money was in the budget and Mr. Brumback said it was. Mr. Moise asked if in the future, at the town council meeting when something like this comes up, if you could just clarify at that meeting that the money is in the budget. It takes the air out of a BOF thing versus TC thing. Mr. Brumback said he would try to remember to do that.

Mr. Brumback did state the elevator matter should have come here first and he made that mistake. Your point is valid. We don't bring stuff to the council that is outside of the budget unless we come here first, normally and under circumstances where I don't make a mistake.  
Discussion.

**I. Economic Development Strike Committee (Jim Coleman)**

Mr. Coleman said they have not met since the last meeting.

**J. Other Committees**

Nothing to report.

**5. Board Communications**

Mr. Moise and Ms. Portelinha discussed the capital fund versus capital budget. She explained the general fund is where we cash fund some of the capital projects. The money on July 1<sup>st</sup> gets moved over to the capital fund where it gets spent.

Mr. Moise and Ms. Portelinha discussed the carry forward amount and what is included in that and why this amount wasn't.

Mr. Moise requested the capital projects be an agenda items so we can see where everything stands in the future. Mr. Brumback noted we are going to do that but it is not ready, yet.

The Chair announced next Wednesday is our workshop on fiscal policies. We had agreed to a start time of 6:30 pm. We'll look at the fiscal policies and make sure we're in agreement and in those policies sits the rate of the debt service. We have to talk about how to approach those rates and what we do when our actual debt approaches the ceiling set in the policy and how we go forward. Bring any proposals or thoughts to that meeting so we can have a focused discussion. This is more of a conceptual meeting.

Discussion.

Mr. Moise had one other thing. He was concerned with the BOE and their energy issues. They have projected apparently at least a \$500,000 deficit. I want it out there so they don't come back and say it was a bad year. They're aware of it now and are looking into it.

Mr. Brumback said after speaking with the Superintendent they are concerned about two things: the middle schools are consuming at a rate they weren't necessarily predicting and the energy efficiency they had

predicated would start to kick was not guaranteed until February and it hasn't kicked in. One solar is on and we're about to see another one. It's too soon to tell what is going to happen. We're meeting monthly on that to get a handle on it.

Discussion.

The Chair brought up information requests to the town staff and the most efficient way to handle it. Mr. Brumback said he would prefer at a minimum that he is copied on any requests of my staff. Preferably that it comes to me to make sure we understand the question so we don't waste time answering questions that weren't intended and I manage their workload. We believe we ought to be responsive to elected officials and that might mean dropping things that should be getting done in favor of getting the ad hoc requests. As a courtesy if they would come to me and then I will make sure we understand the question and set reasonable expectations for the questioner and the person who is getting the question so we don't get sideways with each other. I need to be able to manage that.

In responding, we respond to the whole board the questioner is on. If it is a collective nature that is going to come before the board, it would go to all members. If it's an individual question then I will respond back to the individual.

Discussion.

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

The Chair advised he cancelled Attorney Sciota for coming because we didn't have specific questions for him to prepare.

But do we have questions after reviewing the Charter?

Mr. Moise said the concern is perception versus the reality of what we hear and you clarified that very well. If we have questions, we know we can talk to the Town Manager or the Town Attorney. I don't think we have to have them come here. We're all on the same page now.

#### **VI. Public Communications (Excluding Public Hearing Items)**

None. However, the Chair reported that Art Cyr is doing well and sends his regards.

#### **VII. Review Long Range Plan and Priorities**

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

The Chair asked for discussion on the status of the state budget, how it may affect the BOE and possible additional revenue cuts and some options.

Mr. Brumback said it is in the process of being analyzed. We know there is a disconnect between the individual parties in the general assembly believe the deficit actually is. One thinks around the \$200 million range and the other things it's in the \$350 million range. They've solved the \$200 million issue. It hit the town by \$168,000 and our goal was to try to work our way through that with things like the overage in the investment account, et cetra. I didn't want to pass that down to the department heads at this point as it would be pretty disruptive. What we can't resolve by gains in other areas in revenue, we will resolve in the last quarter where we can transfer and move money through efficiencies within the departments.

If that was the only rescission levied by the Governor, I was cautiously optimistic. Now, I'm not nearly as confident because the rumor is there is going to be another set when they meet in February and that is to be determined.

Discussion.

We are also looking for other grants. We now have a part time partnership with a grant writer. We're pursuing STEP grants. We're looking for LOCIP. A new thing called LOTCIP (sp) which is a consolidation of a lot of the other transportation type issues like hazardous intersections and unsafe or accident prone roads. We're pursuing those for areas like Jude Lane.

Bottom line is we will keep you apprized as to the best of our ability as to what is going on. Unfortunately it is still fluid.

Discussion.

In response to a query by Mr. Labieniec, the strategy for building the 2016-17 budget was discussed.

Discussion about the possible state car tax to go into effect. That's a big hit, about 2.5 mills, if our car tax collection goes away.

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

Already discussed above.

## **IX. Conduct Administrative Business**

### **1. Consent Agenda**

A. Appropriation \$2,000 \* Youth Services - STEPS Program  
(Spec Rev)



B. Appropriation \$3,355 \* Capital Budget - Open Space

Mr. Moise made a motion to approve the Consent Agenda. Mr. Coleman seconded. Motion passed unanimously on a voice vote.

**2. Manager's memos**

1. Transfer \$2,200 Town Manager -  
Temporary/Seasonal

Mr. Brumback explained his secretary had a huge amount of accumulated vacation time and I've asked her to take that. If she's gone more than a day, I need administrative help to handle phones and calendar events. I am asking to transfer from my training and HR account this amount to be sure I have the ability to hire temps.

Mr. Moise made a motion to approve. Mr. Coleman seconded. Motion passed unanimously on a voice vote.

2. Appropriation \$15,000 Unemployment Compensation

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

Ms. Portelinha explained we're on a pay as you go for unemployment. The individual applies to the state and the state then bills the town for our portion. We've had employees who have worked for the town either on a part time basis or the summer help, they get jobs elsewhere and the state has a look back period and we're cut in that and we get billed for the amount the state pays them based on the amount they made with us.

I am requesting this come out of contingency. To-date we have not used any of our contingency money.

Motion passed unanimously on a voice vote.

**X. Meeting Adjournment**

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

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