

BOARD OF FINANCE  
TOWN OF SOUTHWINGTON  
January 13, 2016

The Board of Finance of the Town of Southington held a Meeting on Wednesday, January 13, 2016 at the Town Hall Council Chambers, 75 Main Street, Southington, CT. John Leary, Chair, called the meeting to order at 7:03 o'clock, p.m.

Appropriations from Contingency Account:

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

Appropriations with Revenue Offsets:

Approved to date.....	\$307,335
Approved this meeting.....	<u>118,772</u>
Total Appropriations.....	\$426,107

The following board members were present:

John Leary, Joseph Labieniec, Edward Pocock, Jr., Kevin Beaudoin, and John Moise

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

Absent:      James Coleman, Sr.

The 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 the December 9, 2015 meeting

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

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

**1. Presentation of Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2015 by Vanessa Rossitto, Partner for Blum  
Shapiro & Company P.C.**

Ms. Rossitto presented the Comprehensive Annual Finance Report (CAFR) and reviewed the required communication from Blum Shapiro to the Board of Finance letter. She further reviewed the Federal Single Audit and the State Single Audit.

(Please refer to the audio recording or the bound copy in the finance department.)

Mr. Brumback expressed kudos to Emilia and her team. This is exceptional. It's really hard to articulate the hours that they put in order to get an unqualified audit like this. It's no small feat.

**2. Review revenues vs budget**

Ms. Portelinha reviewed budget revenues. Our prior year's taxes are currently (half way through the year) about 50,000 under. Interest on taxes is 20,000 under budget. Building permit & fees are 90,000 under budget although the building official is still confident the revenues are coming in and it's just they're coming slower than anticipated.

Interest on investments is up 120,000 over what was anticipated. The town clerk fees are up 70,000. They took in 123,000 in December. A very good month with a lot of property sales.

CIRMA equity not budgeted for for 39,000.

You'll notice the current state cuts. The state has informed us that our ECS will be reduced 52,942, public school transportation will be reduced by 6,829 and then the two PILOT grants. To-date we're at about 228,000 that the state has cut that they previously indicated we would get this fiscal year. They've cut this out of our budget in order to balance theirs.

Mr. Brumback explained the 168,000 was discussed at the last meeting. December 30<sup>th</sup>, the Governor's second reduction is where we got hit with the other approximately 60. The challenge is that it's mid-way through the year. Secondly, even though it's ECS and public school transportation, we can't pass that to the school board. We have to absorb that on the government side because once their budget is enacted it can't be lowered. This is 227,000 being distributed on one-third of the budget. A fairly significant issue.

We've managed to absorb about 70,000 of it. We have not distributed these to the departments, nor do we intend to until the last quarter of the year if it becomes necessary at all.

We'll try to resolve these with the rest of the budget.  
Discussion.

Discussion of the Vo-Ag tuitions and how payment comes in. Ms. Portelinha said she would get an estimate from Ms. DiNello at the BOE as to what she thinks and were there any larger chunks we're anticipating that weren't paid in the first half of the fiscal year. And, she'll ask her to provide what she has billed out and how she bills out.

### **3. Review expenses vs budget**

Ms. Portelinha advised in looking through the expenditures everything is pretty much on target and she doesn't anticipate nor at this point is she aware of any expenditure that'll be an issue as to going over budget that we won't be able to deal with as transfers.

Part of the discussion on budgets we have is also to get an idea of how they think this year will sum up and if there are any issues with respect to needing extra monies.

We still have \$835,000 in contingency at six months into the year. Pretty healthy.

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

Mr. Brumback asked for this item to be tabled. He did advise some good news. Standard & Poors rating came out yesterday and it was once again an AA+. We're very happy about that. Bond sales tomorrow.

Motion to table this item made by Mr. Pocock. Mr. Beaudoin seconded. Motion passed unanimously on a voice vote.

Ms. Portelinha said she would forward the rating presentation to the members. And, she will put it on the website, too.

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

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

Mr. Moise stated the first meeting was a get together just talking about future plans. Nothing substantive at this point.

Mr. Brumback advised there was a meeting today. We talked about the facilities upgrade where we've got a couple of RFPs that are going to hit. One is for the phosphorous removal system. And, we're continuing to make good progress on the sludge thickening and the odor control project. That went to referendum at \$5.2 million and we think it will come in a little over \$4 million. We're pleased with that. We've a couple of change orders to clean things up. It's in good shape.

The methanol today was the lowest it's been --- below \$1 for the first time. The threshold to come to council is \$3. It usually hangs around the \$1.50 to \$1.70 range. I went below \$1 this past time.

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

Mr. Pocock reported the police department took care of a snow problem on the roof near the courtyard. They put some electrical heating wires in there. The highway paving is done. The leaf pickup, what I saw and heard, the crew did a fantastic job of getting that done. We have some talking to do on alternatives.

The parks departments, the decorations, but the big thing is the ice skating rink. With cold weather coming, it should be open close to this weekend for next week. That's across from the dog park.

Bulky waste new stickers are in at the Town Clerk's office. We have a problem in that we take mattresses now and the public has to be aware they have to be stacked properly in the trailer. If not, it will cost the town money.

The contract was signed for Memorial Park renovations.

As to engineering, about 94% of the LED lights have been put in. Old Mountain Road is open with temporary barriers. West Queen Street bridge, about a week before it opens. The Safe Route for Schools, the Crest Road, that's open and done so they can walk there. The Town Hall roof is completed. The generator at the fire house is a work in progress. The Spring Street bridge that's in preliminary design phase.

The water department has done roadwork and they've had complaints on Mulberry Street. They are going to pave in the spring. And, I'm hoping the water department is picking up the cost on that.

They have some funding they're working on.

They mattresses have to be stacked properly. We are trying to avoid stationing an employee right there because we're paying overtime, etc cetera. We will put up a sign with a guide to tell people how to do it and just kind of training the public said Mr. Brumback. It is a state mandate and right now it is free. But if we have issues, it can cost us.

Chairman Leary brought up the school access walks and a brief discussion was had explaining the policy.

**C. Calendar House Building Committee (Garry Brumback)**

Mr. Brumback advised that RFPs are out for the architect and construction manager. We should have those back by the end of January and the beginning of February. We will make a selection and move forward.

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

Mr. Pocock explained a big thing is the development rights for Hawks Landing. It was approved Monday night by the council. We have other items on the hot seat --- the Johnson and Upson property that we're working on. It's pretty active. We have a meeting tomorrow afternoon at 4:00 pm.

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

Mr. Labieniec noted good results through December. We were under \$150,000 under budget. It puts us around 6% under budget for the year. Halfway through the year this fiscal year we budgeted 14% over prior and we're running only 4% over prior. It's about \$2.1 million was budgeted for this fiscal year above the prior fiscal year and we are only \$400,000 or so over. We are happy with the way things are trending.

**F. Investment Committee (Jim Coleman & Kevin Beaudoin)**

No report. Mr. Brumback advised Mr. Coleman asked us to look into one CD in the bank of Puerto Rico. And, with the financial issues they're having, it's fully insured. Not at risk.

**G. Parks board Liaison Report (Kevin Beaudoin)**

Mr. Beaudoin had no report.

#### H. Economic Development Strike Committee (Jim Coleman)

Mr. Coleman absent. No report.

#### I. Other Committees

Nothing to report.

#### 6. Board Communications

Mr. Moise had a couple. We received a grant or reimbursement check for the middle schools for energy. Mr. Brumback clarified two checks were received. One was for the energy efficiency for the Noresco project we've been doing and the other was for the schools. Mr. Pocock said the other was \$527,000 for JFK & JAD. That was for the energy savings we've done there from the utility companies as an incentive for energy savings further explained Mr. Brumback. Mr. Moise asked if that money would could into the cost of the two schools. Mr. Brumback said it went into the debt service account and will be used to pay back the schools.

Mr. Pocock explained the energy use at the schools. He, Mark Sciota and Chris Palmieri advised the BOE a couple of years ago that we also got more square feet there. We were taking care of some of the BOE bills through the middle schools project. We do have some issues there with adjusting the temperature controls at the schools. The BOE losing the money is not all coming from the middle schools although they want to place it there.

Mr. Moise asked for a breakdown on the bigger departments on how that's working out as far as overtime. The comment was made that if we added more people the overtime would not go down. I wanted to get an idea of how the overtime --- especially this year with fire hasn't there haven't been any big problems or storms that I'm aware of but the overtime still keeps going at the same rate if not higher than the past couple of years. Just to get our hands around that before budget time. We can ask them for it when they come in, but I'd rather have it ahead of time. Mr. Brumback explained he was not able to answer that question. The Chairman of the Fire Commission would be notified.

And, to be fair, with the police department, as well.

Discussion as to by the design of the departments and how the overtime works, it becomes almost a part of the total compensation of the employee. We should understand it a little bit more. Most in these departments have overtime as an assumed component of the job

based upon how the job is designed. We can have them come and talk about that.

Mr. Labieniec had two quick things. Do we have any tentative dates for the budget, town department presentations or our budget workshops? Ms. Portelinha will email them the information this week.

The BOE workshops are scheduled for Tuesday, January 19<sup>th</sup> at 7 pm at Kennedy in the library, Thursday, January 21<sup>st</sup> at 7 pm at the municipal center and then the BOE meeting to adopt their budget will be January 28<sup>th</sup> at 7:30 at the municipal center during the normal course of a BOE meeting.

Mr. Labieniec asked as this was brought up at the November meeting, but some type of an official acknowledgement from the town or this board about Ms. Feld's service. The Chair asked for the standard protocol so we don't deviate from what is the standard. Ms. Portelinha said there is no standard. The Chair said it would be fair to have a certificate if you've completed a term of service and a thank you. Mr. Brumback said he would speak with Pat about it.

#### **VI. Public Communications**

Arthur Cyr, 103 Berlin Avenue. Explained it was nice to have to not have to worry about fraud, missing funds, et cetera in this town. It's reassuring to hear everything is absolutely fine in town.

Discussion.

Thank you to the Board of Finance and to our finance department for keeping us on the top. It's very, very reassuring.

We thank you all.

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

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

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

Tabled to discuss with the Capital Projects discussion.

#### **IX. Conduct Administrative Business**

1. Consent Agenda

- A. Appropriation \$6,400\* Fire Dept - Equipment-Carbon Monoxide detectors (Spec Rev)
- B. Appropriation \$15,500\* Fire Dept - Equipment- Gear Washing/Dryer (Spec Rev)
- C. Appropriation \$5,250\* Police Dept - Police Consoles (Spec Rev)
- D. Appropriation \$118,772\* Board of Education - Operations
- E. Appropriation \$2,000\* Building Dept - Vehicle Maintenance -Loss/Damage (Spec Rev)

Mr. Labieniec asked to approve the Consent Agenda minus Item D. The Chair entertained a motion on the Consent Agenda Items A,B,C & E.

Mr. Labieniec so moved the motion. Mr. Beaudoin seconded. Motion passed unanimously on a voice vote.

Item D: Appropriation \$118,772\* Board of Education - Operations

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

Mr. Labieniec asked about the motion made in the 2004 council meeting and it mentions this would be provided on a monthly basis. I think this is provided now twice a year. Are you happy with that frequency as opposed to monthly or quarterly?

Ms. Portelinha said they can't spend the funds until you appropriate them. From our perspective if they find it easier to do it every six months, that's fine.

Discussion.

Secondly, continued Mr. Labieniec, this is money they're getting in rental fees and or other special educations costs, it is going into the general fund and its appropriated back to them and they are offsetting their budget, some line items based on what they anticipate this to be. Ms. Portelinha confirmed that is correct.

Are these the only funds we treat this way or are there additional board of education funds that are handled this way? He further discussed on how the board of ed tuition fees are handled differently. Mr. Brumback said there were no other funds that he was aware of.

Motion passed unanimously on a voice vote.



**2. Manager's memos**

1. Transfer                   \$25,000     Police Dept - Building  
Maintenance

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

The Chair reviewed the explanation letter that was attached. He asked that it be passed on to the Chief that these explanation letters are excellent.

Motion passed unanimously on a voice vote.

2. Transfer                   \$2,000     Human Resource Dept - Medical  
Services

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

The Chair reviewed the explanation letter be provided.

Motion passed 4 to 0 to 1 with Mr. Pocock abstaining.

**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 8:20 o'clock, p.m.)