

BOARD OF FINANCE  
TOWN OF SOUTHTON  
FEBRUARY 10, 2016

The Board of Finance of the Town of Southington held a meeting on Wednesday, February 10, 2016 at the Town Hall Council Chambers, 75 Main Street, Southington, CT. John Leary, Chair, called the meeting to order at 7:48 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 .....	\$426,107
Approved this meeting.....	<u>4,478</u>
Total Appropriations.....	\$430,585

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

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 January 13, 2016 meeting

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

V. Assess current financial state of the town

1. Review revenues vs budget

Ms. Portelinha reported prior years' taxes are currently \$70,000 under budget. Interest on taxes are \$20,000 under budget. Building permits and fees are \$100,000 under budget.

Interest on investments are \$130,000 over budget. Town Clerk fees are \$55,000 over budget. We received a CIRMA equity, as reported previously, for \$39,000.

We did receive this month a BRRFOC/TROC rebate for \$643,000. Unanticipated.

For the ECS grant as Sherri alluded to, when the council adopted the budget the state was still going back and forth trying to figure out what they were doing. When in fact the budget finally got approved by the state, they indicated we would be getting an extra \$222,000. Which they have already reduced by almost \$53,000, more or less.

The ECS money also gets reduced by the adjustment for the prior year's excess cost share grant that the BOE received plus the prior year ECS grant. There are two further adjustments that need to be done.

One has been done for almost \$32,000. I'm assuming we'll get \$190,000 above budget on that. There is still one more adjustment for the state to do to that. They will most likely reduce it further and hopefully not too much further.

Discussion.

The state budget was discussed.

The budgeting of ECS in the BOE budget and in the town budget was discussed. It was noted that if the state falls short, the town still gives the amount over in whole and the town is short. But if that number were go up over the budgeted amount, the remaining surplus would stay with the town. The BOE gets a fixed number. But if the state gives a grant and specifies additional monies has to go to the BOE then we must do that.

Discussion.

The Chair pointed out the only thing the BOE gets above the ECS budgeted amount is the rental fees or if anybody made a donation. And, they have the grants they get.

The VOAG tuition was discussed. The town keeps the VOAG tuitions and the grant. If the amount of the grant is increased, the difference has to go to the BOE.

The additional three grants from the state has reduced us by for a net of \$692,000 was noted.

## 2. Review expenses vs budget

Ms. Portelinha said we are on track. I'm not aware of any major issues in the departments. There may be a transfer here and there but no surprises.

## 3. Review Capital Projects in Budget

Mr. Brumback pointed out that is in the back of the packet. Mr. Moise asked, when you have in 2013, 2014 or even 2015, there was money there and then it has zero so it looked like everything was paid out and then there was money still left over. I want to see where we're at. The projects with the zeros - for an example, GIS. Are there any active funds in there? That's what I was trying to figure out.

Ms. Portelinha pointed out, if you go from the top down, it tells you the order of the accounts. They are in numeric order and that is how they are approved. LOCIP, every year we add to it and then we spend it. Ongoing project.

Other projects, such as the GIS, you have to realize that even though there is a project start date that's very old, we've been adding to it on an annual basis or every few years. Instead of creating different accounts for the same project, we appropriate the money into the same account to try to track the process. Some might look like it is older but the money may've been added recently.

Mr. Moise brought up for an example the fire house roof. They had expended the \$60,000 in November of 2013. Then it was zeroed out but there was extra money in there. It doesn't come across there was money there.

Ms. Portelinha explained the key to the analysis. She noted what is completed is about \$91,000. The other projects are still ongoing. Sometimes there is retainage and it might look like there's no activity but we're waiting to pay the retainage. Then we close the project.

Look at the funding. We have a lot of leeway with the cash money. Once the project is completed we can take the extra money and appropriate it into another project.

But if it is bonding money, then you can't. It has to be used for the purpose it was intended or to pay off the debt of that bond.

Discussion.

Mr. Moise asked about the electrical rebate check we received for the middle schools. Ms. Portelinha said it won't be in here, yet. With that money, when the state looks at what the town spends and what

the town receives, they consider that money. It offsets the grant.  
Discussion.

Mr. Moise asked about the bridge over by School Street. That is not going to affect us as we have a guarantee or warranty with the company? Mr. Brumback said that was a design temporary fix. It was blown up by the changes in temperature. In the spring it will be permanently paved.

Mr. Moise asked, if in the future, periodically we could get an update so we have a better idea of where the money is on this.  
Discussion.

#### 4. Sub Committee and Liaison Reports (Emphasis on financial aspects)

##### A. Sewer Committee (Mr. Moise)

Mr. Brumback advised neither Mr. Moise nor he were able to attend but I can provide a little bit of an update. The facility plan is continuing to make progress. Still shooting for a May, 30% in order to prepare the referendum question. It still on track for the estimate of between \$46 and \$50 million. The state has not signed off on the plan yet. They say they will, but we need them to sign off on it.

The sludge thickening project is going very well and it should be completed within the next month or so.

Queen Street Pump Station has been turned back over to us.

##### B. Public Works Committee (Mr. Pocock & Mr. Coleman)

Mr. Pocock reported on Old Mountain Road. It is going to be taken care of in the spring. It's open again now. It is all pavement. Nothing to do with the bridge. The bridge is fine.

The elevator bids came in and that's going to be started shortly at the town hall.

West Center Street, the engineering department is working on the plans for the bridge out there.

West Queen is open. It will be shut down again in the spring for a short time for milling and paving. The bridge has been replaced.

I do have to compliment the town. The team has done a fabulous job with keeping our roads safe for our motoring public.

C. Calendar House Building Committee (Town Manager)

No report.

D. Open Space Committee (Mr. Pocock)

Mr. Pocock said the East Street property is going under contract. Hawks Landing, we've got the building rights.

We have a pretty nice video for open space. It's on the Parks & Rec website.

The Chair asked for unanimous consent to bring Manager Memo #3, the highway garage renovation put to the front so we can best use staff time.

(Unanimous consent)

Manager's Memos:

3. Transfer \$200,000 Capital Fund- Highway Garage Renovation

Mr. Brumback explained we had planned on making town hall improvements to the air conditioning for a couple of hundred thousand dollars. We had originally planned to do it through the energy efficiency, NORESKO, program. Council asked us to see if any local HVAC guys would bid on it and we budgeted for it. None of the local guys bid on it. NORESKO did it. This is an extra \$200,000.

We have a couple of critical things that need to be done. One is the highway garage renovation and the other is a truck wash. Both came in at about twice what we had originally estimated.

We are asking for your permission to take that extra town hall improvement capital and move it to the highway garage renovation.

Mr. Coleman asked why the estimate would be twice what we estimated? Did we under estimate or did we run into an unforeseen problem?

Annette Turnquist, town engineer, explained originally the budget was \$240,000. That was to renovate the front office space, the lunchroom and the men's locker room. That's where the \$240,000 came from.

There's other things that need to be fixed there. My office is there so I am intimately familiar with the facility. There's a lot of things that are not ADA compliant. The main entrance to the building,

you have to step up. If you came in a wheelchair, you'd have to go through a garage bay to get into the building.

The restrooms are not ADA compliant. The men's locker room doesn't have hot water or showers. When you are there for 36 hours, for example, I'm sure some would like to shower.

We don't have a women's locker room. If we were to hire a female laborer or operator, there's no facilities for them.

The office space is limited. We need more office space and that wasn't considered in the original plan. We'd like to take the first two bays which are only used for pickup trucks that could be parked somewhere else and turn them into office space.

The front office, we have files in three different places in that facility. They're in the garage, above the mechanic's bay. Difficult to find things as they aren't where they should be.

Lunchroom doubles as a conference room which is awkward. Explained the set up. You could be having a meeting and trucks are beeping and guys are walking thru to use the bathroom.

It needs a lot of upgrading.

We had an architect do a plan and estimate. It came in around \$459,000. I think we can shave some off of that. We can make some revisions to the HVAC system and get that price down and the highway department would be able to do some site work to reduce the cost.

I think the additional \$200,000 we can work with that number. We can get it down.

Mr. Brumback said this has been in the capital plan for a couple of years.

Ms. Portelinha said it is in the capital budget. We approved the amounts they thought they would need.

Mr. Pocock said he is down there quite often and it is very much needed. There's no hot water and no privacy there. If we have a lot of lady laborers or truck drivers in the future, we don't have a locker room there. It'd deplorable as far as I am concerned. I am totally in favor of this.

I am also in favor of the wash bay because it will save us our trucks. This new material we use is eating things. Mr. Brumback said that has been in the budget, too. Mr. Pocock mentioned it as he feels as though it needs to be done.

The Chair said he felt the town made mistakes over the years. One of them being not combing the police and fire department together

in one facility and avoid redundancies in locker rooms, training rooms, heating systems, cooling systems, generators. Communications.

We have combined the parks and high departments for several years. I get what you said about the highway department needing to be modernized for many reasons. I'm fully supportive.

At the same time, why wouldn't we want parks and highway all together. Mr. Brumback said that is contemplated. Ms. Turnquist added that is one of the reasons we decided we would take the two garage bays and turn them into office space. It will allow us to have the assistant parks superintendent have an office there, the parks foreman, too.

The Chair asked about the future of Panthorn Park's building. Ms. Turnquist said eventually for the mechanics. There's three at the highway, one at the parks department and it would be more effectively and efficiently used if they all worked together out of one facility. Also we could use it for storage. Seasonal equipment storage.

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

E. Self-Insurance Committee (Mr. Labieniec & Mr. Moise)

Mr. Labieniec said the numbers didn't change from the last meeting. We don't have the January numbers. We're still \$780,000 under budget or about 6% under which is good. I did want to mention we do have our next meeting on February 24<sup>th</sup> and this will be something the committee takes up. Speaking for myself and not the other members, as far as the level of funding for the next fiscal year, the intent when the budget was passed from 25.1 down to 23.7 was that it would be effectively level funding. In the BOE budget, the impact was not what was expected in terms of a neutral impact. I cannot guarantee any action, but it is definitely something that will be discussed at the next meeting. If changes were made, we would know that in advance of our first budget workshop.

F. Investment Committee (Mr. Coleman & Mr. Beaudoin)

Mr. Coleman said we report generally once a quarter when all the information is in so that'll be a March update. One issue I was concerned with was a note that we had with Puerto Rico and some of the problems they're having, I understand it is totally collateralized and there is no risk to the investment whatsoever.

The Chair added the \$130,000 above budget in interest income is not a bad thing.

G. Parks Board Liaison Report (Mr. Beaudoin)

The Chair said he got a call and it is good news. The parks board finally sorted out an equitable way to handle the league subsidies. There is a formula which is a combination of a fixed fee per usage plus an adder for a complicated sport versus a straight forward sport. There is now rationale. We can look forward to seeing that. No league was harmed by this.

Mr. Pocock asked who was responsible for doing this. Mr. Brumbach said Dave led the charge but the board itself did it. Mr. Pocock said that is great, a real important step forward.

H. Economic Development Strike Committee (Mr. Coleman)

Mr. Coleman said he didn't attend the meeting, but from the Minutes I gleaned we applied for a Brownfield grant for Beaton & Corbin of \$400,000 from DECD. We got it today. Great news.

The town applied for a STEAP grant for John Weichsel Crossing for \$183,000 and the Plantsville Parking Area for \$114,000. That's in the works.

We still have two interested parties for the Sports Complex.

We have a lot of renewed interest in West Street since Webster Bank announced it will relocate to Executive Boulevard. All good.

The budget is submitted at \$75,000 and \$500,000 was requested in the Capital Improvement Plan.

I. Other Committees

No response.

5. Board Communications

Mr. Moise said a lot of things are going on with the fire department. It goes back to what we've been talking about. We have a job to do when the budget is sent to us. It seems that some of the people on the council are doing some of the vetting prior to the budget process. We are supposed to recommend it to the town council after the town manager gives it to us. People are getting ahead of themselves. Let the town manager do his job and give it to us.



I'll harp on every time I see it. The Town Charter --- two sections I'll refer to. Section 719-C. We make the recommendations to the council on all actions which include the allocation of money. It seems like in a couple of cases it is going the other way around. I've seen it and I'm trying to make sure that we talk about these things. We have to get through to them. We have a job to do and I feel like our hands are tied sometimes. We're trying to do a process and what's right. If we are going to meet with people while doing our job it is part of our job as a board of finance. After that it goes to the next step. Not the other way around.

Mr. Pocock said he has seen a couple of items go directly up there being brought up there by a council member and I brought it to the attention of certain people. We are an elected board here and the Charter is very clear. It needs to get straightened out. I mentioned it and let's see what happens. I don't like to be by-passed and I am not afraid to tell anybody that.

All the time I worked the Middle School, everything with me is communications. I can say me. And, then I bring in all my people to bring them up to date. I feel the same way here. I feel if we don't have communications, we don't have anything and we have to all work together. We've done a great job at that but can't have things by-pass us.

If it is an emergency situation, that's a whole different thing. But just normal --- people have seen what I've sent you. I've talked to different department heads and I'm very aware what's going on in town here. We have to pay attention. I totally agree with that.

Mr. Beaudoin asked who was ultimately responsible, the oversight or compliance with the Charter? The town council? Mr. Pocock said it would have to be brought to the attention of the town attorney.

The Chair said he thought maybe items come up at the town council that they don't realize were not discussed at the board of finance. The item is on the agenda, they discuss it, and before you know it, it leads to a decision. Even the Calendar House got to the town council before it got to the board of finance. By the time we got it, it was pretty much decided.

Mr. Moise said what are we here for if things are already decided? I take in pride in what we do here. We look out for the money, ask the tough questions, try to vet things out and talk to the departments heads and town manager.

The Chair said when you ask the people on the council, they'll say they didn't realize the board of finance didn't see this.

Mr. Moise said we are trying to do the right thing. Try to figure things out. When we get the budget, what we know now may not be what is actually in the budget on February 18<sup>th</sup>.

Mr. Coleman said perhaps the item could be coded in such a way so that they know it has been to the board of finance. Mr. Moise said that was the first thing he asked when he came in November.

Discussion.

Mr. Brumback explained he brief the BOF Minutes at the council meeting for their approval. The vast majority of items go the proper route.

Mr. Pocock said if it is an emergency it has to go to the town council because they're your boss. And, that'll happen. But there have been a couple of items that have spun up there and they're in the Minutes. It's not hidden. If someone told us, it's not that big of a problem. But I've got a problem with it not being communicated to us.

Mr. Brumback said he would make sure that happens. I'll be more diligent.

Discussion.

Mr. Moise again pointed out some things are getting a little out of hand. Mr. Brumback said he'd work on that.

Mr. Labieniec confirmed the four dates set aside for workshops. March 14, 15, 22 and 23. Do we know when we plan to tackle the BOE and the town side so we can be prepared with the questions and ask the appropriate people to be there. Can we have some direction prior to.

The Chair said we'll take the town budget at the first meeting. The BOE at the second meeting. The third meeting we'll bring the two together ourselves and we'll have the fourth meeting, if needed.

The Chair said the larger departments usually present. Are there any smaller ones that should come before the board to mention what they're doing? Mr. Brumback said this year he'd like to highlight the recreation department and have them bring forward the process of how they developed the formula. And, I'll think about it.

Discussion about the DMV and their mess. Mr. Brumback said it is crushing us. Our Grand List has not been officially published, yet. The big reason why is because at one point we were missing about 10,000 vehicles. It is still scrambled. Brian will do the best he can with what he has and when we present it, it is a good news story. Right now it looks positive. I'll send it to you as soon as we get it. This year is unique and it will be adjusted going down the road.

Ms. Portelinha wanted confirmation on the dates so she could post them and talk to departments you'd like available. They will start at 6:30 pm. The Chair asked for any conflicts with the schedule be to him thru email by the end of the week.

Mr. Coleman brought up the purchase services. The increase is rather substantial. We had engineering reports that talked about the overall expectations of the savings versus what has been implemented. Are the engineering estimates of the savings incorrect and if so, why? Or is it really a case of timing?

Mr. Brumback said it really is a case of timing. There was an extensive amount of engineering analysis done on what the expectations were for savings by facility based on each individual upgrade. The problem was there was some anticipated savings prior to the guarantee. And, that is where we got in trouble.

We didn't realize particularly in both the BOE and on the town side was that 80% completion of the project did not generate necessarily 80% of the savings. Some of the critical pieces were at the end that were going to generate those savings.

We anticipated as the projects came on line that they would start generating savings.

Mr. Coleman said the engineer should do a compare and a contrast. Mr. Brumback said they're doing that. Mr. Coleman said we should see that. Since the numbers are so large I think it makes sense that we make sure that we are looking at this thing properly. When everything fully kicks in we should be able to make a judgment and maybe the savings is better than anticipated.

## VI. Public Commissions (Excluding Public Hearing Items)

Arthur Cyr, 103 Berlin Avenue. He spoke about the BOE presentation of their budget. The town runs around 40 million and the BOE runs around 80 to 90 million. I hear Mr. Goralski's favorite phrase: everything in this budget is worthy of consideration and I smile. It's too bad our town engineer got bumped up and isn't still sitting here because if we were to run the town the way they run the BOE, we should be proposing a Calendar House that's three times the size because everything for the seniors is worthy of consideration.

We have a highway and parks building that hasn't been upgraded. We have facilities that haven't been upgraded in 20 years. Everything that could be proposed in your budget like 10 new trucks for the parks department, 15 new trucks for the highway department, 5 new fire engines, 15 new firemen, more police. Everything is worthy of consideration if you want to listen to Mr. Goralski and the

Superintendent of the schools and the people sitting here at 6:30 tonight. Laddy-dah.

Here is their budget, Page 90. It is the enrollment history from 2002 to 2016. Reviewed the number. Ten years ago, the 2005-06 budget we get 6,901 students. They are estimating for next year, 6,596 students. That's less students and yet somehow we've lost hundreds of students and no employees. They've added supervisors and all kinds of people.

Discussion.

You guys have to stop it. The town council will not stop it because we've got three town council people in conflict of interest because either they work for the BOE or their wife works for the BOE and how those three people will be voting on town budgets is beyond me.

You have to hold the line for taxpayers like me. I'm not happy with my new assessment.

Talked about a zero budget increase in other towns. Nobody at the BOE gets told they will get a zero budget increase or they have to hold it to a \$1 million increase. They come in with 3.2. That's outrageous from a taxpayers' point of view.

Discussion.

Harvesting of budgets was discussed as being done on the town side by our town manager. He does a great job at harvesting budgets. It saves taxpayers money. We've been able to spend money on necessary things.

The BOE budget is twice the size of the town budget and they harvest as well as we do. Explained.

You need to ask them how much they harvest every year. When they refuse to tell you, you need to give them a zero budget increase because it's not fair to the taxpayers of this town. Respect and honesty? Really. Let's be totally honest. I want to see the budget reallocations. It's a one-way street with budget money.

At the sewer committee meeting today, not only do we do it on capital items but we've been doing it at sewer. Not only did we come in under budget on our Middle Schools, we came in under budget on our sludge thickening project and on our Queen Street Pump Station. We've gotten much better at this.

Congratulations to our entire team! It starts with the BOF and the Town Manager.

Thank you.

The Chair noted one more item that missed the Board Communications Section. Mr. Coleman brought up grants that we get from the state in the round number amount of \$25 million and that should be viewed as a potential contingent liability if the state ever pulled back funding.

There's an ad that the state is running which addresses this topic to all citizens. Anybody that comes across it should definitely listen to it. It is a video that lasts 8 or 9 minutes. It walks thru the fact you have expenses for safety, infrastructure, school systems and it explains how some is covered by grants from the state and that the state is in trouble and possibly could pull those back. The result of pulling back the funding is that it puts pressure on the Grand List. We have to make that up through a tax increase.

If you do come across it, it's great to watch and learn.

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

1. Review status of LRP items in current fiscal year budget
  - A. Status/Reprioritizations
2. Strategy Discussion

No discussion on these items this evening.

#### VIII. Conduct Administrative Business

1. Consent Agenda
  - A. Appropriation \$1,200 (1,210) \* Youth Services - Outside Programs (Spec Rev)
 

Appropriation	\$610 *	Youth Services - STEPS Program (Spec Rev)
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  - B. Appropriation \$6,910 \* Town Clerk- Program Svcs - Nominee Fee (Spec Rev)
  - C. Appropriation \$4,478 \* Police Dept - Overtime pay

Mr. Coleman made a motion to approve the consent agenda as noted.

Ms. Portelinha noted the first item should be \$1,210. Typo. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

2. Manager's Memos
  1. Transfer \$18,608 Town Attorney - Legal Fees

Mr. Brumback said the Pondview Legal matter is now completely closed and we've received settlement. This is for unanticipated Hatton Litigation. We request the balance of the Pondview Legal fees be transferred to the town attorney's legal fees to cover the shortfall for Hatton.

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

Mr. Moise asked what exactly this means. I alluded to this earlier about the town council, but if they're putting the \$29,000 or whatever it may be for legal fees for that situation and that's executive session stuff, why don't they just say that here. Mr. Brumback said the town council isn't doing this. The town attorney is. Mr. Moise replied the legal fees are to pay for, if I'm not mistaken, offset some of the costs as he didn't have enough money in his budget to pay for the ethics complaint if I am not mistaken.

Mr. Brumback said this is not the ethics complaint. Ms. Portelinha stated this is about Hatton. Mr. Brumback reiterated this is about the Hatton litigation and not the ethics complaint.

Mr. Moise pointed out they have approved \$30,000 and there is nowhere in the budget we can get \$30,000 or \$28,000. Mr. Brumback said that will come before you. It has not come before you. I suspect it will come before you. But this is not that. This is a completely separate lawsuit.

Mr. Moise said it comes under legal fees and that's where I was questioning this. Mr. Brumback said you are probably right that down the road there'll be an adjustment required to cover that but this is not that.

Mr. Pocock said it's nice to hear the Pondview situation has been settled, number two. Number two, we hired an outside attorney for this and it was dismissed. Is that what this is all about? Mr. Brumback said he was correct.

Motion passed 6 to 0 on a roll call vote.

2. Transfer                    \$4,000                    Police Dept - Program Services

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

3. Transfer \$200,000 Capital Fund - Highway Garage  
Renovations

(Handled earlier in the Agenda.)

IX. Meeting Adjournment

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

(Whereupon, the meeting was adjourned at 8:55 o'clock, p.m.)