

BOARD OF FINANCE
TOWN OF SOUTHLINGTON
March 30, 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 7:05 o'clock, p.m.

Appropriations from Contingency Account:

Approved to date	\$15,000
Approved this meeting.....	34,000
Total Appropriations.....	\$49,000

Appropriations with Revenue Offsets:

Approved to date	\$430,585
Approved this meeting.....	0
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.

JOHN LEARY, Chairman, presiding:

III. Public Hearing Items

None.

IV. Old Business

1. Approval of Minutes of the February 10, 2016 meeting

Mr. Pocock so moved the motion to approve. Mr. Labieniec seconded. Motion passed unanimously on a voice vote.

Adopt FY 2016-17 Board of Finance Proposed Budget

General Government

Mr. Labieniec made a motion to approve \$50,071,218. Mr. Moise seconded.

Mr. Moise noted this year we have had a very good budget from the town manager and the department heads which made our job a lot easier. By far this is one of the smoothest budget processes we have had. I appreciate that.

Mr. Brumback responded all appreciated the kind words.

Motion passed 6 to 0 on a roll call vote.

Board of Education

Mr. Labieniec made a motion to approve \$92,651,729. Mr. Moise seconded.

Mr. Beaudoin said coming in he was looking for an increase of approximately 3.4% because I felt this year we had a strong Grand List. Garry did a great job on the town budget. The mill increase is going to be less than 2 percent which is one of the lowest mill increases we've had in the last ten years. Next year there are some fixed costs on the government side for principle and interest which is going to make that budget a lot more difficult. I felt like this was the year to give them a little more.

However, our board works well together and it's a nonpartisan board and there is compromise and in my case I had to compromise down to get this to pass.

Mr. Moise echoed Kevin's comments. Looking at the things the board of education has to deal with, one of the driving forces for me was seeing the need for where we're at a little bit more was the energy situation because they're not sure what the savings is or the cost avoidance to the energy situation we're under.

I also look at wanting to maintain the buildings. I don't want to go back to the way it was and they fall apart. In this situation, this year, we're in good shape to do this much for the BOE. There's compromises and I think this is very fair for the BOE and for the town has a whole.

I do have a cautionary note and I've asked the Chair already if we could set up a meeting in October with the BOE prior to the budget

being set up. We don't know about the state next year. We don't have the numbers as far as assessments for new businesses and other businesses. I think if we could set that up that may help us in getting a better handle going into the budget season.

I think everybody worked well together here and this is one of the boards I like to be on because when it comes to the numbers, it's all about the money and not about the politics. I appreciate all of you guys working the last few weeks for a very good time.

The Chair intends to set up in October/November a joint workshop with the BOE to talk about where the state is and talk about guidance for the following year.

The Chair reviewed prior year's budget increases. This year it is going to up 3.33%. It tells you where we are and it's due to growth in the Grand List that we are able to be in the position to have such a healthy increase and support education. A good thing.

Motion passed 6 to 0 on a roll call vote.

Animal Control

Mr. Labieniec made a motion to approve \$227,522. Mr. Moise seconded. Motion passed 6 to 0 on a roll call vote.

Sewer Fund

Mr. Labieniec made a motion to approve \$5,462,800. Mr. Moise seconded.

Mr. Moise noted there are a lot of things in the fire for the sewer department and this will go a long way in helping us get there. I think this is a good start.

Motion passed 6 to 0 on a roll call vote.

The current year off of the 5-year Capital Improvement Plan, FY 2016-17 year

Mr. Labieniec made a motion to approve Year 1 of the 5-year Capital Improvement Plan as detailed in the budget at \$19,979,128. Mr. Moise seconded. Motion passed 6 to 0 on a roll call vote.

The Chair thanked everyone one who did work, put together books, cut funding, gave up programs they believed in for the sake of having a very reasonable increase.

The increase on the average home valued at \$200,000 should be a \$70 increase in tax. A home valued at \$300,000 should be a \$105 increase in tax. It's a 1.71% increase. A lot of this was doable because economic development was managed and bore fruit. We were able to use that to preserve a lot of programs in town. I look forward to

supporting in any way we can making things happen with economic development. We can either make things happen or let things happen. If we get in front of it, we can steer it a little bit and make things happen which is in the best interest of all of us. If we let things happen it may not be in the best interest of all of us.

Mr. Beaudoin pointed out the increase in the mil change is 1.71% resulting in .5 mil increase.

Mr. Labieniec also thanked everybody involved, the town manager, finance director and everybody on the government side and on the board of education side. I note a special thank you to Superintendent Conellan and also Sherri DiNello. They spent their time meeting with Kevin and I and it definitely helped drive our respective and collective conversations. The information asked for does make a difference in our deliberations and it is critical information to receive and bring back to our caucuses and make a good decision for the town.

(Whereupon a five minute recessed was called. The meeting was recessed at 7:20 o'clock, p.m.)

(Whereupon, the meeting was resumed at 7:25 o'clock, p.m.)

JOHN LEARY, CHAIR, resuming the Chair.

V. Assess current financial state of the town

1. Discuss Auditor selection for the fiscal year ending June 30, 2016

After discussion amongst the finance director, town manager and the board of finance members it was decided to take staff recommendation and Mr. Moise made a motion to appoint Blum Shapiro as the firm performing the audit for the 2016 fiscal year. Mr. Beaudoin seconded. Motion passed unanimously on a voice vote.

The rate is \$55,900 with Vanessa Rossito as the auditor noted the Chair for the year ending June 30th, 2016.

2. Review revenues vs budget

Ms. Portelinha noted that March figures are not complete, yet. Thru the end of February, prior year's taxes are \$40,000 under budget. The building permit fees are about \$100,000 under budget. As a preview for March, we are actually at \$108,000 to date for the March revenues as we got a couple of large revenues in so that'll reduce the deficit to about \$60,000. Details will be given next month.

Interest on investments are \$160,000 above budget. Town Clerk fees are about \$40,000 above budget. You've seen before the CIRMA equity for \$39,000, BRRFOC/TROC rebate.

The education cost sharing is \$190,000. And, those were the reductions that the state had implemented in the previous state cuts.

The VO-AG tuitions are currently \$65,000 above budget. We are anticipating another \$159,000 coming in. We're looking to harvest the \$65,000 plus and an additional \$85,000 for the farm heritage program.

After comments about state cuts, Mr. Brumback stated that is going to push us into bonding or delaying a quarter of a million dollar's worth of capital improvements that we normally would've used harvested funds for. That's the final impact. We will be able to absorb it within our operating budget which is a credit to the department heads and the people here because investments and other things are going well. There is a penalty associated with taking that cut.

The Chair noted the benefits of having the subcommittees. We did note that now we are seeing financial benefits and I hope that continues.

3. Review expenses vs budget

Mr. Brumback advised two things: snow and ice, overtime. While we had a few storms, they were extremely long in duration from the prep to the conclusion. And, then central dispatch to account for a vacancy and long term illness. Some requested in central dispatch.

Ms. Portelinha did point out we are getting to the time of the year where we begin to transfer from one department to the other. April, May and June.

4. Review Capital Projects in Budget (Quarterly)

Passed.

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

A. Sewer Committee (Mr. Moise)

Mr. Moise noted the next meeting is April 13th. Mr. Brumback reported at the March meeting, the big thing was we've taken the general permit for SRS to the town council and that's going to be an increase of revenue of about \$100,000 a year. We've made good

progress on the sludge thickening project. That is working better than expected. We are wrapping up the Queen Street Pump Station and we're actually to the point where we got sign off on the 30 percent facilities upgrade plan which is going to give us the number that we'll bring back to this board and the council to set the stage for the referendum in the fall.

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

Mr. Pocock reported the bridge on Old Mountain Road is being worked on and it's also going to have to be repaved. We'll have until the asphalt plants open. Same thing with West Queen. They finished the project and they need to restrip that and repave it. Chip seal was approved by the town council and will go forward when weather permits. Bulky waste, you need your new orange sticker for April 1st. Catch basin cleaning is going to start in a short time.

Mr. Brumback advised that thanks to the support of the Town Clerk's Office, we are going to have a clerk at bulky waste for the first week to try to catch folks. You've been able to get stickers for three months. You can get them on line now. If you don't have one now, you will have to come in because there is not enough time.

C. Calendar House Building Committee (Town Manager)

Mr. Brumback stated the architect and the construction manager has been selected. We are already in the process of meeting with stakeholders. We're moving.

D. Open Space Committee (Mr. Pocock)

Mr. Pocock advised that the Johnson property on East Street has been purchased for open space. We have a meeting coming up and we have other parcels we're looking at.

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

Mr. Labieniec reported on the results as of February. Essentially an on budget month. For the year we are trending very favorably, \$1.2 million under budget or about 8% under budget. Compared to the prior year, we are about 2.3% over prior and we had budgeted 14.3%. Really trending very well compared to prior. We had budgeted about \$3.1 million over prior for this year and we're only over by about \$350,000. We still have four months to go. We're in a good position.

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

Mr. Coleman said reports are on a quarterly basis. The quarter ends tomorrow and we'll report at the next meeting.

G. Parks Board Liaison Report (Mr. Beaudoin)

No report.

H. Economic Development Strike Committee (Mr. Coleman)

Mr. Coleman said the meeting was postponed.

I. Other Committees

None.

6. Board Communications

Mr. Moise reiterated the cuts to the state. We have to be pay attention to what they're doing so we have time to absorb it. I've asked the town assessor to get projections of any companies coming off the tax abatement to get a feel on how we're looking for next year. Some indication if we'll be holding our own next year.

Mr. Brumback also pointed out we are very conservative with our estimates with what the Governor will put in the budget. We are not counting on everything that he put in his budget for this coming year. Emilia has done a great job of analyzing the trends in the past, so we're comfortable that we've got decent numbers in our estimated revenue.

Mr. Labieniec asked the board be sent a ten-year history on the Grand List as to its grown in the past ten years. Mr. Coleman asked for an average and not just a year by year. And, note the revalues.

Mr. Labieniec brought up the capital improvement plan which was passed for the one year. We know what that means down the road to our debt limit. We still need to address the topic of our fiscal policy. I would suggest a workshop, sooner rather than later, for this board. The Chair concurred and said he would set one up. He asked the town manager and finance director to insure that no referendum questions be posed or anything that is going to bring us out of alignment with our own fiscal policy. If that's going to happen, don't bring something to referendum, that if passed, is going to throw us out of compliance

with our own policy. We have to halt there and reassess our policy or not bring something to referendum.

Mr. Brumback said the question is coming and we know for a fact we're going to bust the 8% with the sewer.

The Chair said if it goes to referendum, everyone thinks it is compliant with our policies and approved by our boards or it wouldn't be there and their decision is only to say whether it is appropriate or not. It has to be the other way around. First be compliant with our policies, approved by our board and then brought to them for their decision. We need to have that conversation.

Discussion.

Ms. Portelinha said we are going to need to address the policies prior to the facilities management question. It will be over the debt limit percentage if it passes in November.

Mr. Moise said the sewer is one thing. But the board of ed is looking at schools to upgrade and they budgeted for a study for enrollment. I think they need to pause on that because I don't think in the next couple of years based on our conversation now, I think they should come and talk to us before they go forward with spending that money or go down that road until they have to. Enrollment changes year to year. That would leave some money in their budget and put us in a better situation.

Discussion.

Mr. Coleman said as the Grand List grows, it would be natural for the state to pull back knowing that the Grand List growth will cover that shortage. The Grand List right now helps to offset the education cost. Looking at what happens if some of those grants or funding is pulled back and you interject some capital projects, if you don't get a certain level of Grand List growth you're looking a doubling or even a tripling of that mill rate. I think that John's right in cautioning that we need to make sure we are really comfortable with what we're doing. Both the town council and the board of education needs to understand that.

Mr. Brumback reiterated these are the kind of conversations we need to have at every meeting to make sure we don't get beyond where our capabilities are.

Sewer and library are big projects coming up. Other things are fairly routine.

VI. Public Commissions (Excluding Public Hearing Items)

Arthur Cyr, 103 Berlin Avenue. He noted he felt this board of depressed, distressed and disheartened because of possible board of education cuts. They asked for \$3,234,000 and change and you cut them

a whopping \$250,000. As a taxpayer cutting their budget by that amount is pocket change. I remind you that even when you cut them, they find the money and they do what they want.

Discussion.

He spoke about their harvesting of money which the board of finance never sees. No taxpayer is going to see a penny of it.

You called it a compromise. I don't see where only cutting them \$250,000 is a compromise. I'm totally blown away.

Discussion.

They've added teachers and programs.

Discussion.

Compared our board of education to the board of education in Hartford. Layoffs.

Spoke of state deficit.

If we keep giving 3.3% increases to the board of education, that's intolerable. I'm dismayed you compromised by only cutting them \$250,000. When the state cuts another half million on the town, it drops on the town manager to figure out where to cut, it is not going to be cut from the BOE. They'll harvest money and go on.

Spoke about rehiring Blum Shapiro as our auditors. I am thrilled to say we probably have the best fiscal financial controls in the State of Connecticut. We don't have the problems other towns have. I'd like to thank the finance director, the town manager and this board.

Mr. Moise said he found it disingenuous to compare Southington to Hartford. We keep our fiscal house in order. We plan and look ahead. We'll meet with the BOE in October and have a better idea of how to asses next year.

Discussion.

Mr. Moise made a motion to move the following Manager's Memo item up in the agenda. Mr. Labieniec seconded. Motion passed unanimously on a voice vote.

Manager's Memos:

**2. Heritage Farm Fund Transfer Out and Appropriation \$65,000 *
Heritage Farm Fund - Program Supplies & Services**

Councilman Edward Pocock, III, presented. This has been an initiative as we're starting to notice with our open space, a complaint we've all heard is there are maintenance issues. That conversation evolved into our farming spaces. Hay baling, Pleasant View Stables, Belleview Farm.

This is a farming problem that we have to address. There was a move to save a barn on Pleasant Street and a move for a LEAF Program. We found all these things had synergy and if we put them all together the Farm Heritage Committee is what came together. We thought we'd put it all under one roof and try to manage it.

The next problem is we have 501-C-3's that want to manage the Belleview Farm. We have to have a contract with those folks to bring this educational program to town. What happens is we'll be receiving revenues in and revenues are going out. We need seed money to start the LEAF Program up and running.

We need an enterprise fund and we want to treat this like the Apple Harvest Festival fund so we can track the money. The request tonight that I have is to insure that we have that mechanism but we're also asking that the fund is layered so we can compartmentalize the individual projects. Grant monies will come in specific to a program. I don't want all the money blended in.

The goal of the committee is we want this to be self-sufficient. They'll have to look for grants and find a way to make this happen.

Most are familiar with LEAF. And, we are organizing this now and doing it the proper way. We can't do it without the financial component.

A question and answer discussion between the board of finance members and Mr. Pocock followed. (Refer to meeting video for actual discussion.)

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

Discussion of putting a board of finance member on the Farm Heritage Fund Committee.

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 tonight.

VIII. Conduct Administrative Business

1. Consent Agenda

A. Appropriation \$3,369 * Police Dept - Bulletproof Vest Program Supplies (Spec Rev)

B. Appropriation \$455 * Youth Svcs - Outside Program Services (Spec Rev)

Appropriation \$500 * Youth Svcs - STEPS - Program Services (Spec Rev)

Appropriation \$2,810 * Youth Svcs - YS Bureau Enhancement Grant (Spec Rev)

C. Appropriation \$1,129 * Youth Svcs - Kristin's Kloset (Spec Rev)

Appropriation \$570 * Youth Svcs - Outside Program Services (Spec Rev)

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

2. Mangers Memos

1. Transfer \$10,300 Library - Temp/Seasonal Wages

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

Credit to Sue Smayda for the detailed letter.

2. Transfer Out & Appropriation \$65,000 * Heritage Farm Fund - Program Supplies & Services

See item previously discussed in the Agenda.

3. Appropriation \$28,000 Snow & Ice - Overtime

Appropriation \$40,000 Snow & Ice - Program Supplies

Appropriation \$6,000 Highway - Building Maintenance

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

Mr. Labieniec asked about the \$40,000 for the supplies, \$35,000 was the minimum amount, but had that not been budgeted for? Would that not have been in there, already? I would assume we didn't use everything. This is because we are being required to buy this. Mr. Brumback said that we were being required to buy this. Mr. Labieniec asked why this is needed? Mr. Brumback said he would get the answer as he didn't know it off the top of his head.

The minimum is the minimum noted Mr. Brumback. We should budget for that every year. This shouldn't be a surprise unless she has moved monies somewhere else. I need to know that answer and I will get that back to you.

Mr. Moise amended his motion to approve the \$28,000 and the \$6,000 for \$34,000. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

4. Appropriation \$550,000 * Capital fund - Energy Conservation Project

Mr. Brumback explained under normal circumstances this would've been on the Consent Agenda but it is large enough so that we wanted to highlight this is a check we received from Eversource expressly to offset the cost of the energy efficiency work that was done at town facilities and the schools. There is another check of similar value will be brought forward, as well.

This one we are recommending you put into the capital fund to offset the cost of the loan we took out. Ms. Portelinha said we have a contract with NORESCO for \$13,169,656. At the time we put this contract in place we were aware we would be getting a rebate from Eversource so rather than doing a lease purchase for the full \$13.1 million, the town did a lease purchase for \$12.6 million in anticipation of appropriating the rebate back to pay the balance of the contract. The funds have come in and we need to appropriate the Eversource money in order to pay the balance of the contract for NORESCO.

Motion passed unanimously on a voice vote.

Mr. Moise made a motion to add Item 5 to the Agenda. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

5. Board of Police Commissioners is requesting a transfer of funds to cover the central dispatch overtime. It is from temporary seasonal \$13,000, from equipment maintenance, \$10,000 for a total of \$23,000 putting it into overtime pay.

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

IX. Meeting Adjournment

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

(Whereupon, the meeting was adjourned at 8:16 o'clock, p.m.)