

Town of Southington
Board of Finance
Wednesday, December 14, 2016

STENOGRAPHER'S NOTE: The Minutes are now being prepared in summary style. Please refer to the audio or videotape for more details.

Approved to date	\$ 20,000
Approved this meeting.....	<u>0</u>
Total Appropriations.....	\$ 20,000

Appropriations with Revenue Offsets:

Approved to date	\$1,207,094
Approved this meeting.....	<u>17,103</u>
Total Appropriations.....	\$1,224,197

Chairman John Leary called the Regular Meeting of the Town of Southington Board of Finance to order at 7:00 p.m. in the Council Chambers of the Town Hall with the following members in attendance:

Joseph Labieniec, Edward Pocock, Jr., Kevin Beaudoin & John Moise

Also in attendance: Emilia Portelinha, Finance Director
Garry Brumback, Town Manager

Absent: James Coleman, Sr.

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

JOHN LEARY, CHAIR, Presiding:

III. Public Hearing Items

None

IV. Old Business

1. Approval of Minutes from the meeting of November 9, 2016.

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

V. Assess current financial state of the town

1. Review revenue vs budget

Ms. Portelinha reported through November, prior year taxes are \$170,000 above budget. Interest on taxes are \$65,000 above budget. Our interest on investments is \$65,000 above budget. We have the sales tax sharing of \$100,000. Town Clerk fees are currently \$105,000 above budget. And, we have the CIRMA equity for a total of \$522,000 currently.

Mr. Brumback explained Brian Lastra, the Assessor/Tax Collector is very aggressively going after some of the back taxes. We've sent 40 properties to the Marshal. That is why we are getting a lot of support on the prior year's stuff.

Discussion of the CIRMA equity payment.

2. Review expenses vs budget

Ms. Portelinha explained in reviewing the expenses to date, thru November, we're doing very well. We have a couple of departments that might need some transfers for monies, such as the library with their building maintenance. And, then we have the salary increases that are on your agenda. There is transfer money. So there really isn't any major expenditure that's looming that we are not prepared for at this point.

Mr. Brumback further commented the goal is not to have anything significant that we can't resolve ourselves in the last quarter when we can move stuff around.

Ms. Portelinha reminded the board we still have the full \$850,000 in contingency.

Discussion and explanation of line item: Town Owned Property located on Page 9 of the report.

3. Review Capital Projects in Budget (Quarterly)

This is reviewed quarterly.

4. Sub Committee Reports (Emphasis on financial aspects)

A. Sewer Committee (Mr. Moise)

Mr. Moise reported on the sewer committee meeting which was held earlier today. Basically, the main thing we had was the start up of the project that was passed in referendum in November. And, everything is going according to plan. Hopefully, by spring of 2018,

we have the bids in January and we can get started on the construction. We have until 2022 but we're hoping it will be 2020. We do have to deal with CT DEEP that has a three-month review, approximately, which could turn into a longer time period. We should be in good shape there.

As to methanol, the numbers are still good. We bid on it every month. It is \$1 even. We still have to buy this with the new plant. We have more bidders on this which is helping the cost stay down.

We had an item we referred to the town council: sewer line on Cellella Drive off of Berlin. That should have no cost to the town.

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

Mr. Pocock had no report as there was no meeting this month.

C. Calendar House Building Committee (Town Manager)

Mr. Brumback stated they're going full board on design. The building committee is hoping to get bids on the street so construction can begin starting in the spring.

He reminded the board we got a \$5 million grant from the state.

D. Open Space Committee (Mr. Pocock)

Mr. Pocock reported there is nothing new on open space.

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

Mr. Labieniec said the budget was determined for the upcoming fiscal year which is flat at 23.2 million. Experience through November has been good. We're \$785,000 on the claims and fees under budget and I think close to \$1.5 million under prior. We would caveat with saying it is five months in and insurance is unpredictable. It is a good position to be in. I think it was a unanimous vote tonight. That was the number that our consultant led us to. We have the ability to revisit it at subsequent months. That was decided upon today.

We have money in reserve. The good thing is the entire committee was there and everybody is in agreement.

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

We heard this report last time. A quarterly report.

G. Parks Board Liaison Report (Mr. Beaudoin)

Mr. Beaudoin had nothing to report. Mr. Brumback stated we are removing on to the next field to the lights. Before we move to West, we've got to wait and see what is going to come with this Title IX thing before we go to West.

We may have to do some work at the high school. It is not a recreation issue, it is a school facility issue.

H. Economic Development Strike Committee (Mr. Coleman)

Mr. Brumback noted there hasn't been a meeting since last time.

I. Other Committees

Nothing to report.

4. Board Communications

Mr. Moise asked about the feds increasing the rate. Is there going to be any effect on the bonding? Mr. Brumback said it would probably go up. We're in good shape as the interest rate is still low. It will start to creep up. We are going to be bonding right after the first of the year. Mr. Beaudoin said that is still good because it was mentioned today the feds are going to increase the interest rate three times next year. If we get to bonding before those three times occur, we can lock in a better rate than we could later in the year. That's a plus.

Ms. Portelinha added it has to be timed so that we are bonding the money we're going to use rather than bonding way ahead.

Discussion.

Mr. Moise thanked staff for getting the Town Hall signs in the parking lot. They look nice.

Mr. Moise brought up a third item. As to the leaf program, when they had to go and redo an area (around the Kelley School district), was there additional cost to the town? Mr. Brumback said it was minimal. We were planning on working them the whole week, anyway. We were a little bit ahead of schedule so we did it within the fifth week so there was no additional cost which is really what we were trying to avoid.

He further explained it is \$80,000/week, approximately to do the leaves. The other big fear is snow. If we get snow, it's done.

Discussion.

Mr. Moise said regrading Zones 1 & 2, maybe if Zone 1 goes back a second time and Zone 4 is last --- if they moved the others. Discussion of leaves falling. It's a fine line.

Mr. Brumback said to try to mitigate some of the negative impact, we've pushed it back an additional week as a group.

Discussion.

Mr. Brumback pointed out that the same vehicles we use to pick up leaves, we use to plow. We have to convert them and we need time. We came in actually a little bit under budget.

Mr. Moise felt the board needed to discuss this next item. I understand it is the BOE, however, when I start receiving calls from the public about money missing and I'm on the board of finance and then I say, well, it doesn't have anything to do with the taxpayers, if I had the budget book I'd throw it on the table and say, yah, it does. All employees are paid by the taxpayers of this town. If something happens we should know about it and we should make sure that the checks and balances that are in place, across the board, be it the BOE or the Town, in place with a new administration or what have you.

I know the checks and balances were in place when we went through this a few years ago. I was very surprised this even happened. I asked for this report because there is important information. When you read it, you'll see. This started a while ago and grew and grew.

It is a shame it happened at all, but we have to push the checks and balances. When it comes to money, our town is very good about this and I'm not being critical of the town as we have done our job and we have the checks and balances and you've done your job to make sure this happens so it is not a critique on that at all. But I want to make sure when we have new administrators in our town and new employees in departments with cash flow, it is imperative that the policy is in place.

Discussion.

How do we avoid these things? We have a good record. I don't want to see anything like this happen. The best way is to be proactive and make sure our policies are up to date and looked at and the managers of the departments understand this is how it is. There should be two people in charge. In this report, there are a lot of very disheartening things.

Mr. Beaudoin explained how important oversight is and management review even with the best controls in the world. I'm sure the BOE is reviewing what is going on.

Mr. Pocock fielded many calls on this. The problem I have is the public believes that this BOF is responsible for that situation. At length, I try to explain that is a BOE thing. It's not fair to our board which works very and the people on our side work very hard to keep checks and balances. For us to have to field the questions they

think we should correct, I want them to know they have to go to the BOE.

Mr. Moise had one last thing. State Representative Betty Boukus passed away on December 2nd. She might as well as have been a representative from this town. She was the co-chair of the subcommittee for the bonding. The money she was able to generate for this town (Calendar House, \$5 million, Bread for Life, Schools and on and on) her footprint is all over this town.

She was a great lady. It was a sad day when she passed away. She'll be missed and this town is going to miss a good friend when it comes to bonding. She cared. I think she cared more about that Calendar House, because it happened. She pushed and pushed and pushed. She made sure the \$5 million was there.

I want to publicly say to her family, thank you for giving her to us. A great, great lady.

Mr. Pocock said a lot of people didn't know Betty's background and what she did for not only our town, but towns surrounding her's, also. One great lady. I can't say enough about her. Really, really missed. Just a great person to be around.

She never wanted to take credit for anything.

A force of nature, a powerful, powerful person.

(Moment of Silence)

(Moment of Silence)

Mr. Labieniec brought up the schedules. Discussion followed on dates for workshops, et cetera.

Mr. Labieniec make a motion to approve the 2017 Meeting Schedule as it appears. Mr. Moise seconded. Motion passed unanimously on a voice vote.

Mr. Pocock brought up the department budgets. He referred to the article in the Waterbury Republican Paper and a lot of things going on at the state that make him nervous that the state may not pay the 56.5% they've given for schools. Mr. Brumback said the town will do the best it can. We don't necessarily budget all of what they say they'll give us. That has been something you have supported.

Discussion.

From what I've been told, we should have a Governor's budget.

VI. Public Communications (Excluding Public Hearing Items)

None this evening.

VII. Review Long Range Plan and Priorities

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

VIII. Conduct Administrative Business

1. Consent Agenda

A. Appropriation Program services (Spec Rev)	\$410*	Historical Buildings -
B. Appropriation (Spec Rev)	\$2,000*	Youth Services - STEPS
C. Appropriation - Loss/Damage (Spec Rev)	\$2,746*	Police Dept - Vehicle Maint
Appropriation - Loss/Damage (Spec Rev)	\$4,149*	Police Dept - Vehicle Maint
D. Appropriation	\$312,000*	Capital Budget - Open Space
E. Appropriation	\$15,852*	Fire Dept - Fire Extra Duty

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

2. Manager's Memos

1. Appropriation \$20,000 Unemployment Compensation

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

Ms. Portelinha explained we generally budget \$15,000 for unemployment each year which is sufficient. Last few years we've had high claims. We're self-insured for unemployment compensation so the individual goes to the state, they give them the funds and then they bill the town. We don't pay in as we go, we pay once individuals are collecting. If we fall into the look back period, they allocate a portion of it to us. We've had a couple of people who left.

Motion passed unanimously on a voice vote.

2. Transfers \$22,528 Capital Fund- Vehicle
Replacement

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

Mr. Brumback explained this is the allocation, some of which is coming from surplus in the other vehicle purchases and in fire equipment we came in under budget and the Old Mountain Road Culvert, as well. This is to purchase an additional bus for the Calendar House. The ridership has gone through the roof. The vehicle is approximately \$58,000.

This contemplates no state funding. This should be done for the senior citizen residents added Mr. Moise.

Motion passed on a majority voice vote with Mr. Pocock abstaining.

3. Appropriation \$350* Calendar House - Overtime

Mr. Moise made a motion to approve. Mr. Labieniec seconded.
Motion passed on a majority voice vote with Mr. Pocock abstaining.

4. Transfers \$481,033 General Fund - Various
Departments - Regular Wages

 Appropriation \$901* Youth Services - Drug Free Grant
- Regular Wages

 Transfers \$22,506 Sewer Fund - Office and Sewer
Regular Wages

Ms. Portelinha during the budget process we had unions that the contracts hadn't been settled so we had set funds aside in the contingency salary increase account both in the general fund and sewer fund for the raises. Now we're allocating back to the regular wage accounts as the contract are now settled.

Youth Services has a grant that pays a portion of employees' salaries. That is going to be an appropriation with revenue to match.

One correction, the sewer fund is \$22,506.

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

Meeting Adjournment - Mr. Brumback advised there is an executive session with no action outside of that executive session.

Mr. Moise made a motion to adjourn to executive session including the town manager and the board of finance member. Mr. Beaudoin seconded. Motion passed unanimously.

(Whereupon, the meeting was adjourned to executive session at 7:34 o'clock, p.m.)

EXECUTIVE SESSION

The Board of Finance of the Town of Southington entered into executive session on Wednesday, December 14, 2016 at the Southington Town Hall, 75 Main Street, Southington, CT in order to discuss pertinent matters.

Present were:

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

Also Present:

Garry Brumback, Town Manager

No motions or votes were taken.

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

(Whereupon, executive session was adjourned at 7:55 o'clock, p.m.)

(Whereupon, the meeting was adjourned at 7:56 o'clock, p.m.)

Acting Secretary