

BOARD OF FINANCE
TOWN OF SOUTHLINGTON
MARCH 29, 2017

The Board of Finance of the Town of Southington held a Meeting on Wednesday, March 29, 2017 at the Town Hall Council Chambers, 75 Main Street, Southington, CT. John Leary, Chair, called the meeting to order at 7:00 pm.

Appropriations from Contingency Account:

Approved to date\$632,780
Approved this meeting.....0
Total Appropriations.....\$632,780

Appropriations with Revenue Offsets:

Approved to date\$1,224,297
Approved this meeting.....0
Total Appropriations.....\$1,224,297

The following board members were present:

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

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

A quorum was determined.

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

III. Public Hearing Items

To Increase the General Fund Contingency account from \$850,000 to \$6,000,000 in the Proposed Fiscal Year 2017-2018 Budget

Finance Director Emilia Portelinha explained the Town Manager's proposed budget included a contingency account of \$850,000 and if we wish to increase that line item above that, then we have a public hearing to do so. That would be true of any line item we wish to increase.

(Those speaking either for or against the public hearing item.)

None.

The Chair closed the public hearing item.

IV. Old Business

1. Approval of Minutes of February 8, 2017 meeting; and
2. Approval of Minutes of March 21, 2017 special meeting

Mr. Coleman made a motion to approve both sets of Minutes. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

ADOPT FY 2017-1018 Board of Finance Proposed Budget

Mr. Coleman made a motion to approve the General Government Budget of \$56,131,363. Mr. Pocock seconded.

Ms. Portelinha corrected the amount to \$56,130,363.

Mr. Coleman made a motion to amend the amount to \$56,130,363. Mr. Pocock seconded the amended motion.

Mr. Moise thanked the town manager and finance director for all of their hard work in providing the needed information. I've been on the board for eight years and this by far was one of the most difficult budgets because of the unknowns. And, because of the unknowns is what is driving this budget more than anything else about the contingency.

The contingency is there because we do not know what the state will do. Unfortunately, we're looking at anywhere from 4.5 to 7 million dollars' loss, at least, to Southington.

Town Aid Road grants and LOCIP at \$500,000 each. The hospital tax at \$500,000. That's \$1.5 million right out of the gate. Not to mention the pensions for the teachers and where that is going to go.

We will be somewhere in the middle, not as high as projected and it doesn't seem to have the votes to do some of the things. They are going to have to do something and it's going to hurt our town as much as any other town.

We have to err on the side of caution. To put nothing in there is not being responsible. We have a responsibility to this town to make sure that as we have other the years to move forward with our finances. This board has done a very good job holding the line over the years and to see this happen is disheartening.

The BOE came in with a decent budget. The town came in with a decent budget. All of the unknowns is what is hurting us more than anything else.

We had a very difficult task here and I just wanted to make sure that everybody knows it wasn't an easy task. We spent many, many hours over the last several months trying to figure out this budget.

There are things in here that people may not like but we want to move our town forward. We have capital items in there that no matter what happens, this town can afford to move forward and get things done regardless of what the state does. That is because of what the town council and the BOE has done over the last several years to make sure that things are done. We had \$22 million for the roads. People want to make sure their infrastructure is sound in this town. We have the sewer plant. Everything that needs to be done, this town does not say "no". We are grateful for that as we have to move along and go forward.

One other large item which could be controversial in this budget that the BOF has taken a look at and tried to figure it out and that would be the fire department overtime. We did not reduce the fire department overtime. We're moving some of the money into contingency so we as a BOF who have only control over money in this town and not policies of the departments.

When it comes to money and we see things are out of whack, we can meet with the commission and talk about this over the next year and figure out where the overtime is going and how it is being spent so we get a better handle on it. This may be a good thing for the town.

If, as they say, they need fire fighters, we're going to find out what they need and put this to bed by next year. That's the ultimate goal here to make sure this town is safe and make sure that we all are doing our due diligence for the Town of Southington and taxpayers.

Thank you.

Motion passed 6 to 0 on a roll call vote.

Mr. Coleman made a motion to approve \$87,309,939 for the Board of Education Operating Budget for the FY 2017-18. Mr. Pocock seconded.

Mr. Beaudoin commented that he felt the cut was a little steeper than he would've liked it. The equates to an increase of about \$1.9 million and the BOE has total salary increase of existing personnel of \$2.4 million which is contractual and has to be paid regardless.

Our board worked hard and went back and forth with a lot of compromising. We do work well as a board as a team. I had to compromise to bring it down and people compromised on both sides. I felt it was shy of what I would've liked to have given them.

Mr. Moise stated as he looked around the state at other towns, zero percent increase here and zero percent increase there. It's like how can they possibly do that? I have no idea. They're going to force layoffs and other situations to happen and hurt their town at the end of the day.

This board looks at not just today and tomorrow but next year and the year after and five years out. It plans accordingly. We move along at a pace so we can grow over the next several years.

I think this will enhance that going forward, as well. Again, with the unknowns from the state, this year is questionable. Next year I don't think it will be so questionable. We have to keep that in mind and look to the future as much as we do for today and tomorrow. We have to be careful of next year and the year after.

Overall, I think that Kevin is right. Everybody has to compromise and we want to make sure when we stand together this own knows what we stand for which is making sure we do move forward and education and town share in the positives and some of the negatives.

Thank you.

The Chair advised we remain a very healthy town inside of a very troubled state. A healthy Southington in a boat that is a bad boat, is a problem. We have the highest Rainy Day Fund or Reserve Fund that we've had yet we remain in a troubled state.

We can't lose sight of that. The state problems will come to roost here. It may not be what the Governor's budget is currently, but the problems of the state will come to roost here. There is nothing we can do to prevent it.

However, we can plan properly. We could make sure we are prioritizing on what's important. Every one of us here had a mantra of Do No Harm.

You have to take cuts but it is no intent to harm our community and make sure that we are still taking care of public safety, taking good care of education, paying all loans for educational buildings, educational programing and all the things that are important to people we are trying to do our best to preserve.

But the problems at the state, if they are not resolved by some

Reductions in cost at the state level or some changes, those problems will come to roost here. And, we are seeing it in a first way this year, but we would expect that to continue for a couple of years as things are gently pushed down.

CCM, our municipality lobbying group and support group has a saying that cuts at the state level just translate into increases at the local level. We are seeing the effects of that. Keep that in mind.

Mr. Labieniec added the impact of what we're doing here with money built into the town side and the BOE side for self-insurance, that will be money that is not needed and can be reduced. That impact is a reduction from the request to the town of about \$220,000 and a reduction from the request of the BOE of \$550,000. Those are the two actual net reductions.

The Chair advised if these motions go through, we will do a presentation and sort it all out and explain it.

Motion passed 6 to 0 on a roll call vote.

Mr. Coleman made a motion to approve the Animal Control Budget for \$242,872 for FY 2017-18. Mr. Pocock seconded.

Motion passed 6 to 0 on a roll call vote.

Mr. Coleman made a motion to approve the Sewer Fund Budget for \$5,502,000 for the FY 2017-18. Mr. Pocock seconded.

Motion passed 6 to 0 on a roll call vote.

As to the Five-Year Capital Improvement Plan Project list, Mr. Coleman made a motion to approve the 2017-18 Five Year Capital Improvement Plan Project List and proceed with the recommended funding strategies outlined in year one for \$8,784,463. Mr. Pocock seconded.

Motion passed 6 to 0 on a roll call vote.

The Chair stated he felt the numbers put together were reasonable, certainly bipartisan, not ideal in every sense but a consensus number.

The Vice Chair will now give us a presentation so we can understand what we started with, what changed at the state level, where we ended up and what it means.

(Video Presentation)

Please refer to the video presentation on line or the slides which are attached hereto the Minutes.

Growth in the Grand List yielded us \$1.3 million which is additional revenue to help us.

A 2.82 tax increase was discussed.

It should be noted that the appraised value is not the assessed value. The assessed value is 70% of the appraised value.
Explanation.

Mr. Labieniec further pointed out the impact to the town is an additional 1.5% and the impact to the BOE is an additional just over 2%. The impact to the taxpayer is nearly 3%. Rolling all of this in with the uncertainty we had this year and the money we are not going to realize, we are still nearing an impact to the taxpayer of nearly 3% even at budget increased that went up 1.5% and 2.0%. It helps illustrate the struggle we had this year and how we came to the decision that we did.

Mr. Pocock also stated the board worked real hard on this and we appreciated the work that everybody did. It wasn't easy.

Special thanks to staff, the BOE and Superintendent, Emilia, Sherri and Mr. Brumback for their work to bring us to this point and all the teams. Trust has been developed with the department heads in that we try to do what is right and it is not a use or lose it philosophy.

Mr. Moise thanked Mr. Labieniec for this excellent presentation.

(Whereupon, the meeting recessed at 7:35 o'clock, p.m.)

(Whereupon, the meeting was resumed at 7:38 o'clock, p.m.)

JOHN LEARY, Chairman, presiding:

V. Assess current financial state of the town

1. Review revenues vs budget

Ms. Portelinha reported this is thru the end of February. Our prior years' taxes are currently \$100,000 above budget. Interest on taxes is \$100,000 above budget. We had a tax sale last night. We

made about \$800,000 in back taxes from the announcement of the tax sale and the time the tax sale occurred. Interest on investments is \$100,000 above budgets. The MRSA sales tax sharing is \$100,000 above budget. Our Town Clerk fees are \$180,000 above budget. That is because February 1st we had the Flanders West Complex on Darling Street sold for \$19.4 million and we received \$97,000 in conveyance tax. CIRM equity interest of \$17,400. We're down \$150,000 net on the ECS and we're still not expecting LOCIP this year. For a net of \$264,000 at this point.

2. Review expenses vs budget

Expenses are tracking very well. We will be sitting down with all the department heads starting next month to discuss their budget and where they might have some extra money so we can harvest for other projects we included in our plan. If they need funds in certain accounts, they'll also share that with us.

3. Review Capital Projects in Budget (Quarterly)

Report next month.

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

A. Sewer Committee (John Moise)

Mr. Brumback reported the only thing of financial concern is that based on concerns for the neighborhood, we are trying to accelerate and we're working with the state to accelerate the odor control process associated with the upgrade and rehabilitation of the wastewater treatment plant. If we are successful, that'll be included in the bond issue we're talking about in the fall.

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

Mr. Pocock noted the snow storm where we approved the extra money for the salt. They did a good job cleaning up in most area. Pretty good system going.

The project at the highway garage is coming along very nicely. Most of the offices are open and they're working on the breakroom, decent bathrooms, et cetera. Everyone is invited to come down and see it. This is a marked improvement in the conditions for those men and women.

The bulky waste schedule is posted on the internet. You need the updated stickers as of April 1st. The Town Clerk has graciously agreed to come down the first two weekends in April and issue on-site for

those people who didn't get their sticker. You can get renewals on line, in the town clerk's office which is open 8:30 to 4:30 Monday, Tuesday, Wednesday and Friday. And, 8:30 to 7:00 on Thursday.

After the first two weekends, we will be turning people away who don't have their sticker.

This is cost control for our residents. The initiation of stickers has reduced the cost of the transfer station operation by half.

With people who use it frequently, and it is suspected they may be running a business, we identify those people and send them warning letters as that is an inappropriate use of the facility.

They're working on bridges in town and we'll have more updates on that.

C. Calendar House Building Committee (Garry Brumback)

Mr. Brumback reported Town Council just approved the first packet of approximately 20 bids. We have a couple of bids remaining. I am happy to report we are on time and within budget.

D. Open Space Committee (Ed Pocock)

We had a meeting but nothing to report.

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

Mr. Labieniec noted we are in good shape. There was an adjustment made to the recommended budget. It was a \$300,000 adjustment and that'll be our final adjustment for the year, I think.

F. Investment Committee (Jim Coleman & Kevin Beaudoin)

Nothing to report until next month which is end of the quarter.

G. Parks board Liaison Report (Kevin Beaudoin)

Mr. Beaudoin had nothing to report. Mr. Brumback added the parks board is going to initiate in the coming year a requirement for all the leagues who receive subsidies to have a reconciliation of the books to ensure that the funds are being used property and that they are necessary. That'll be led by their Chairman, Mr. Fasulo.

H. Economic Development Strike Committee (Jim Coleman)

No meeting was held.

I. Other Committees

Nothing to report.

5. Board Communications

Mr. Moise wanted to make sure that after the budget is set with the council that we set up a meeting or they can come to our finance meeting in June and we can discuss what we're looking for exactly. Mr. Brumback advised they will be invited to the June meeting.

Mr. Pocock added he firmly agreed with that. Back three years, along with the help of this board which has been very cooperative, we were getting engines and everything. One should be coming where we paid for half of it. It's not like this board hasn't been cooperative with them.

We lost something in the battle here. I want to make it very clear to anybody who is out there, we do not complain about the service they do when they anywhere. I want that very clear.

There was a cut to the budget of \$40,000 in regular wages, but no cuts to the overtime. It went into the contingency.

This board saw things have gone on here and we've had several discussions on it and they've been fruitful with us. So, having a meeting set up, we'll move this in the right direction down the road.

The Chair clarified the \$40,000 cut to regular wages. Mr. Moise explained there is a difference between an Acting Chief who was a Battalion Chief before. There's a different in pay. We took that out of the fire fighter's line because we are technically down a person. The Chief retired and a person moved into the Acting Chief slot leaving a Battalion Chief position.

Discussion.

Mr. Moise added there has never been a question on the service for the fire fighters, volunteer and paid. It is a financial situation and we looked at as we did with the police department and other departments. We feel with the possible new fire chief coming in, we'll have a better understand as a board to make sure the overtime is what it should be and no just tossed out here and there. There is also going to be overtime on police and fire because of illness and vacation. The big thing we have to get our hands around is how they handle the call backs and what is the protocol for that. With those discussions with the fire department we'll get a better handle on that.

We want to make sure they're working together as a fire department, both sides. If they are, we can figure out real fast what we need to have for manpower shored up. We've asked for this before and didn't get it. We're just forcing the issue now.

VI. Public Communications (Excluding Public Hearing Items)

Mike Riccio, 124 Andrews Street. From the Town Council. I haven't been at your meeting in a long time. About a month ago I was fortunate to give the State of the Town Address with the Chamber of Commerce.

I want to back up what the Chairman said tonight. The Town of Southington is in incredible shape. I found it even more as I put that whole presentation together.

It is absolutely amazing all of the things that we have going on.

I want to thank you for your role in that as a board. But also thank Garry, Mark's office and Lou Perillo. We have an incredible economic development movement going on here in town which has allowed you to be able to continue going forward with the finances without really hitting the taxpayers.

It is not easy. A lot of stuff goes on behind the scenes to make the economic development in this town work.

You fund it. And, as recently as two or three years ago, we started really putting money into that and it is paying off by leaps and bounds. We'll continue to do that.

It does not go without recognition to you for all you do to make that happen. Thank you for that.

Garry and I meet weekly. Lou's involved all the time. The Council is always backing economic development. We'll continue to do that and move everything forward.

Thank you very much and look forward to moving this budget along.

Paul Champagne, 90 Apple Gate. I want to thank you for your work on this. At the town council meeting we review budgets, but I understand it is very tough to sit and do budgets.

Mr. Moise, I want to thank you for bringing up this year is a tough year and next year will be worse. The deficit is bigger for the state and they're going to be looking every which way. Things they're putting in place are not going to bring fruit to the vine by next year. They're longer range. (Tolls, gambling)

Next year we'll have to be that much tougher and tighten our belts. We can look at hiring freezes, contract renegotiations. It's nitty-gritty.

We are in good shape because of this board. I applaud for putting the overtime in contingency until you understand it. It's a high number and we have to understand it.

Again, thank you and we appreciate the work you do for us.

VII. Review Long Range Plan and Priorities

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

Next meeting.

VII. Conduct Administrative Business

1. Consent Agenda

A.	Appropriation	\$30,000*	Planning & Zoning - Historical Resources Grant (Spec Rev)
B.	Appropriation	\$ 545*	Youth Services - STEPS (Spec Rev)
C.	Appropriation	\$ 450*	Youth Services - Outside Programs (Spec Rev)
D.	Appropriation	\$ 7,129*	Drug Task Force - DMAS Grant Prog Services (Spec Rev)
E.	Appropriation	\$ 4,135*	Youth Services (Enhancement Grant Prog Services (Spec Rev)
F.	Appropriation	\$ 9,849*	Police Dept. - Vehicle Main - Loss/Damage (Spec Rev)
G.	Appropriation	\$ 375*	Police Dept. - Vehicle Main - Loss/Damage (Spec Rev)
H.	Appropriation	\$ 940*	Fire Dept. - CRR Program Supplies (Spec Rev)
I.	Appropriation	\$ 812*	Animal Control - K-9 Program Supplies (Spec Rev)

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

2. Manager's memos

1. Transfer \$7,000 Tax Dept. - Collection Services

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

2. Transfer \$1,347 Town Manager - Regular Wages

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

3. Transfer \$400 Youth Services - Overtime

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

4. Transfer \$3,500 Animal Control - Overtime

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

5. Transfer \$19,484 Police Dept - Overtime

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

6. Transfer \$16,548 Central Dispatch - Overtime

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

IX. Meeting Adjournment

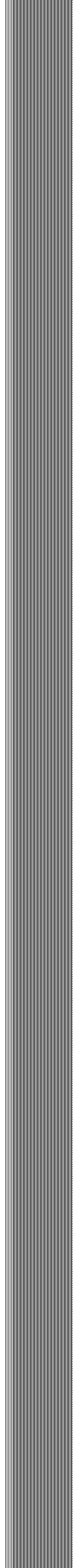
Mr. Moise made a motion to adjourn. Mr. Coleman seconded. Motion passed unanimously on a voice vote.

(Whereupon, the meeting was adjourned at 7:59 o'clock, p.m.)

Board of Finance

Proposed Budget Analysis

FISCAL YEAR JULY 1, 2017 TO JUNE 30, 2018



16/17 Approved vs. 17/18 Proposed

TOWN GOVERNMENT

16/17 Approved: \$49,635,654
Grant Funds 16/17: 579,663
One-time Capital: 2,188,546
Add'l Contingency: 3,000,000
Increase: 726,500

17/18 Proposed: \$56,130,363

BOARD OF EDUCATION

16/17 Approved: \$91,782,992
Grant Funds 16/17: 525,917
SE Exc. Cost Grant: 1,461,796
SE Grant: (8,360,766)
Increase: 1,900,000

17/18 Proposed: \$87,309,939

Excluding State Proposals & Use of Fund Balance

TOWN GOVERNMENT

17/18 Proposed: \$56,130,363
 One-time Capital: (2,188,546)
 Add'l Contingency: (3,000,000)

Net Proposed: \$50,941,817
 16/17 Final: \$50,215,317
 % Increase: 1.46%

BOARD OF EDUCATION

17/18 Proposed: \$87,309,939
 SE Exc. Cost Grant: (1,461,796)
 SE Grant: 8,360,766

Net Proposed: \$94,208,909
 16/17 Final: \$92,308,909
 % Increase: 2.07%

BOF Proposed 17/18 Budget Impact

MILL RATE IMPACT

17/18 Proposed: \$143,440,302

Mills Needed: 30.48

Current Mill Rate: 29.64

Mill Increase: 0.84
2.82%

TAXPAYER IMPACT

Appraised Value Add'l Annual Tax

\$100,000	\$ 59
\$150,000	\$ 88
\$200,000	\$ 118
\$250,000	\$ 147
\$300,000	\$ 176