

**Town of Southington  
Board of Finance  
Thursday, June 8, 2017**

**Special Meeting Minutes**

Chairman John Leary called the special meeting of the Town of Southington Board of Finance to order at 7:02 p.m. in the Council Chambers of Town Hall, 75 Main Street, Southington, CT.

The following board members were present:

John Leary, Chair; Joseph Labieniec, Vice Chair; James Coleman, Sr., John Moise and Edward Pocock, Jr. A quorum was determined.

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

JOHN LEARY, CHAIR, Presiding:

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

**Old Business:**

Chairman would like to discuss Item 2 on the Agenda first. This item was tabled at the 5/10/17 meeting. Mr. Coleman made a motion to discuss Item 2 regarding the appropriation of \$450,000 to the Board of Education Operations first. Seconded by Mr. Moise and carried.

**2. Appropriation: \$450,000 to BOE-Operations (tabled at the 5/10/2017 Board of Finance meeting):**

Mr. Goralski, BOE Chair, was in attendance and was asked for clarification as to what the appropriation was for. It is primarily related to special education. He explained how the students are planned for during the budget process. However, during the year students are enrolled beyond the number budgeted. The budget number was in the 40s but by the end of the fiscal year it is up to 60. They may move into town during the summer. Other smaller drivers are electricity costs and other minor factors. There is a 25% hold back which has enabled the BOE to cover these changes in past years. However, this year the excess exceeded \$650,000 which the hold back did not cover. Mr. Goralski stated that anything not needed would absolutely come back to the town.

Mr. Moise said that at the last meeting Mr. Goralski said per statute the board members are responsible for the deficit. He could not find the wording anywhere and asked for clarification. Mr. Goralski replied that after speaking with the Town Attorney, he learned that per Charter, the board members are indemnified when acting in good faith in our community. The Connecticut State Statutes referred to are CGS 7-349 and CGS 10-235. Mr. Goralski said he would forward the information to this board and his colleagues.

Chairman Leary said we are trying to figure out what the state is doing. We are seeing some significant challenges. There are gaps between income and revenue. Over \$15 million comes to the town in state education grants. If the state were to cut even 10%, is the board prepared to handle that? Mr. Goralski responded that the board and administration have been working on that and all their meetings are public. They are considering how to address the \$585,000 cut in the BOF budget recommendation. School population is a subject that comes up all the time. The BOE has hired a company to review and make recommendations. Results are expected in the fall which should help guide the board in the next budget cycle.

Chair commented on the BOE budget book. It is very detailed and nicely done. He wondered if there could be additional information about costs of specific programs. Are they related to mandates or something that Southington just wants to do? Response was that one guide is what we report to the State of Connecticut. For instance, for Special Ed we know how much per pupil. Ms. DiNello said that there is more information in the minutes of the last meeting. The main focus of the increase is the increase in students. She then explained the timing of reports. The first report is in December so mid-year students are not included. By the time complete student numbers are available, the budget has already been submitted to the town.

Some discussion followed regarding alternative options. The town harvests funds as it can from department budgets to pay for capital expenses that otherwise would not be covered. For the education budget, Ms. DiNello explained how their encumbrances are done and the Finance Committee of the board takes action to spend on some items that cannot be paid in the next budget.

Chairman spoke with the Town Attorney and read a statement for a suggested two-part motion.

**Mr. Coleman made a motion to recommend to the Town Council that the Board of Education be deferred from making up to \$450,000 of its self insurance payment for Fiscal Year 2017. The Board of Education may use either FY 2017 or FY 2018 funds to pay the deferred amount on or before September 1, 2017. Motion seconded by Mr. Moise.**  
Discussion followed.

Mr. Labieniec asked what was the significance of the September 1 date. Mr. Brumback said we close the books in July and this gives them another month to make payment. Mr. Moise said we have at this point \$3 million in the reserve fund going into next year's budget. Going on top of that is difficult. This may be the best plan. Mr. Coleman said one of the things that came out was really to point out that we are in turbulent times. The study is using past information. Starting in October, the State is going through hard times. We are going to see more dysfunction and uncertainty. This board represents every citizen. We want to use the most prudent plan to right-size the reality we face.

To clarify, the motion is two-fold: (1) deny the appropriation request which was tabled; (2) recommend to the Town Council that the BOE defer their making up to \$450,000 of its self-insurance payment for FY 2017, and the BOE may use either FY 2017 or FY 2018 funds to pay the deferred amount on or before September 1, 2017.

We have a dual responsibility to be proactive and reactive. Mr. Labieniec said he wants to make it clear tonight there are things that are reactive. He appreciates all the information provided. We must posture ourselves for the future.

**Motion carried 5-0 on a roll call vote.**

**1. Recommend FY 2017-2018 Board of Finance Proposed Budget to Town Council (originally recommended at the 3/29/2017 Board of Finance special meeting)**

Chairman said at the time the board recommended the budget, there was so much uncertainty at the state level. The Town Council decided to let some time pass and the state settle a bit more and revisit the budget.

Mr. Brumback said he had an opportunity to speak with Speaker Aresimowicz a week ago. He told him what we have done. We are still fairly conservative. Mr. Aresimowicz felt comfortable telling him that with the actions we take and the bumpers we put in, he felt reasonably certain that it puts us in a fairly solid position. He would not reduce the contingency. We should be reasonably sure to be able to absorb the deficit. This is year one of a two-year budget. He and Mr. Connellan will need to consider how to fix next year. He recommends that we put the March budget forward.

Mr. Moise said a lot of things change in the state. A bill passed the House but not the Senate where the town could reduce the mill rate. He doesn't know how it would be done. Mr. Brumback said a better bill would be to base the first bill on the previous year's mill rate. If you fall short or go over you can adjust the next year's bill. Mr. Coleman commented that historically the state is very poor at forecasting. Chair believed that we need to have a plan a year out. Trying to adjust in January would be difficult.

**Mr. Pocock made a motion that we recommend to the Town Council after assessing all of the information available to us from the town and state that we leave the recommendation intact as originally recommended on 3/29/17. Motion carried 5-0 on a roll call vote.**

Chairman said there are some people in attendance who perhaps planned on speaking tonight but since this is a special meeting the agenda is fixed as written. The Board of Finance has a meeting on June 14<sup>th</sup> with a public comment section.

**Meeting Adjournment**

Mr. Moise made a motion to adjourn, seconded by Mr. Pocock and carried unanimously. Meeting adjourned at 7:50 p.m.