

BOARD OF FINANCE
TOWN OF SOUTHTON
NOVEMBER 8, 2017

The Board of Finance of the Town of Southington held a Regular Meeting on Wednesday, November 08, 2017 at the Town Hall Council Chambers, 75 Main Street, Southington, CT. Acting Clerk Garry Brumback, called the meeting to order at 7:00 o'clock, p.m.

Appropriations from Contingency Account:

Approved to date (Fire Overtime).....\$260,000
Approved this meeting.....0
Total Appropriations..... \$260,000

Appropriations with Revenue Offsets:

Approved to date.....\$ 283,658
Approved this meeting.....539
Total Appropriations.....\$ 284,197

The following board members were present:

John Leary, Joseph Labieniec, Edward Pocock, Jr., Kevin Beaudoin,
Tony Morrison & Susan Zoni

Staff: Garry Brumback, Town Manager
Mark J. Sciota, Deputy Town Manager/Town Attorney
Emilia Portelinha, Director of Finance

A quorum was determined.

GARRY BRUMBACK, Assuming the Chair:

ORGANIZATIONAL MEETING

A. Swearing in of the Board of Finance

Deputy Town Clerk Sandra Brunoli administered the oath to the Board of Finance members.

(Sworn, sworn)

B. Election of Chairperson

Mr. Pocock nominated John Leary for the Chairman of the Board of Finance. Mr. Morrison seconded. Motion passed unanimously on a voice vote.

JOHN LEARY, Chair, Presiding:

C. Election of Vice Chairperson

Mr. Pocock made a motion to elect Joseph Labieniec as Vice Chair of the Board of Finance. Mr. Morrison seconded.

Mr. Beaudoin commented that Joe and John have done a great job the past two years in those positions and I'm sure they'll do a great job in the next two years.

Motion passed unanimously on a voice vote.

D. Election of Secretary

Mr. Labieniec made a motion to elect Mr. Pocock as Secretary. Mr. Morrison seconded. Motion passed unanimously on a voice vote.

REGULAR MEETING

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

III. Public Hearing Items

None this evening.

IV. Old Business

1. Approval of Minutes of October 10, 2017 meeting

Mr. Pocock so moved the motion to approve the Minutes as presented. Mr. Beaudoin seconded. Motion passed on a majority voice vote with Mr. Morrison and Ms. Zoni abstaining.

V. Assess current financial state of the town

1. Review revenues vs budget

Ms. Portelinha reported a quick summary. We have prior years' taxes are about \$60,000 under budget. Interest on taxes \$45,000 under budget. Building permit & fees are \$75,000 over budget. Interest on investments are at \$120,000 over budget. Town Clerk fees are \$175,000

over budget. Our CIRMA equity is a little over \$70,000 which we didn't budget for and that's why it's there. The next three are items the state has indicated they will not be giving us.

- Elderly Circuit Breaker for \$360,000
- Distressed Municipalities Grant for \$48,000
- Renters Rebate of approximately \$140,000

Mr. Brumback noted these items will be discussed later in the agenda. These are going to be fairly significant impacts along with we still don't have an implementer bill. So, this is still subject to change. We'll get into it more in the strategy discussion.

Mr. Leary added it is \$550,000 we're short. And, this is something people were used to getting or somewhat dependent upon. We've got a gap between the people who need it or want it and the state that's refusing to pay it. We'll talk about that.

Mr. Leary added that puts us \$212,000 under budget. It flipped us. We're short on revenue by that amount because of this.

2. Review expenses vs budget

Ms. Portelinha said upon review at four months into this year, basically there were no issues other than what the Board is aware of with the fire overtime account that we'll be looking at next month.

Mr. Brumback stated the fire overtime account is very, very problematic. At current pace, they could consume far beyond our ability to absorb just with the contingency. I know you have been looking at it significantly, but it doesn't appear as though the management practices that were imposed under the old Chief are being continued. I can tell you from my perspective it is extremely disturbing.

Mr. Morrison noted it is \$960,000. How much beyond that do you think it is going to go? Mr. Brumback responded his best guess at the current pace is between \$300,000 and \$400,000. About fifty percent more than planned.

The contingency includes: The \$3 million that we set aside and the other one is \$850,000 for regular. And, then the \$500,000 set aside for the fire. They've used \$260,000 so there is \$240,000 left. This was designed to get them through December. They're about three plus pay periods ahead of pace with less than half the year gone.

Mr. Morrison said it is not just a financial issue but it is a safety issue, as well, if everybody is working overtime all the time. Mr. Brumback responded it can be. He also thought it was an employment and a deployment of resources issue. We deploy way too much stuff to insignificant events. When we deploy one station, they automatically backfill it with overtime that you may not need if there

isn't a call at the time. The over work part of it is an issue but it could be managed substantially better than it has been.

Discussion.

Mr. Pocock said a main thing we have to work on is dispatch. It's way out of hand. Over deployment, way over deployment. Certain issues should be handled by the PD and others by the FD. That's not being done and it has to be addressed.

Discussion.

Mr. Beaudoin offered the Fire Commission should be stepping up and managing this better. Mr. Brumback said the Fire Commission has a role that he didn't think was being played as strongly as it may and he didn't think their dispatch protocols are such that they're being efficient in their employment of their resources. Those two things should be worked on.

Discussion.

Mr. Leary said it is not for us to set who does what, but it certainly for us to make sure it is the most efficient it can be. That's on us and we've some work to do in looking into this and addressing it.

Mr. Morrison commented that the fire chief is interim so we can't expect him to make too many management changes. Mr. Brumback said that was a correct statement but he also thought that in this regard the commission itself would be a lot more engaged.

Mr. Brumback wanted everyone to keep in mind the contingency heretofore has been primarily used on snow removal. So, if we consume it with fire overtime, we'll have to find snow removal excesses.

3. Review Capital Projects in Budget (Quarterly)

This is done quarterly.

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

A. Sewer Committee

The meeting was cancelled. Mr. Leary questioned the odor issue that happened mid to late October. Were we aware of it? Was it something unusual? Was it normal?

Mr. Brumback advised we are in the process of implementing odor control strategy and have used several strategies, some more effective than others. We have taken samples identify appropriate concentrations. But, we also have had some weather events in the form

of inversion. Explained there is nothing we can do in that event. Our tanks are uncovered and they're in close proximity to a wastewater treatment plant.

Renovation will cover all but one of the tanks. We are addressing it. Pete Stallings and his team deploy the on-call person every time we get a complaint to assess the situation. More often than not, it is gone before we get there.

B. Public Works Committee

Mr. Pocock reported the bulky waste station will be open on Fridays from 12:00 pm to 4:00 pm. Bulky waste is going to every other Saturday now but on the off Saturday it will be open for brush and leaves, only from 8:00 am to 3:00 pm. That is until December 9th, 2017.

Leaf pickup has started in Zone 1 on the 6th of November. They did do spot pickups to make sure the equipment was ready to go into full action.

West Center Street Bridge, the target to date for finishing is around the first of December, give or take, depending on weather.

Clark Street, we had a request for a sidewalk and it was one for and ten against. The Town Engineer is handling that with a letter back to the residents involved.

The highway garage has all town vehicles fueling at the garage. That's working fairly well. For the new tank, the bids will go out this month per the Town Engineer. They'll remove in the fall and start in the spring with the remainder.

C. Calendar House Building Committee

Mr. Sciota reported this is something Southington will be very, very proud of. We are tied to the weather. We are working on the inside. FF& E is almost all in the process of being ordered. Technology has been approved. If any of you wish to have a tour, let me know. Mr. Verderame and his groups over there really like the look of it. It was asked of us to build something good for the next thirty years and we're very proud to say it will be at least that.

It is still going to be the primary shelter. Our secondary will be JFK and JAD middle schools. All have generator capacity.

D. Open Space Committee

Mr. Pocock said there was a meeting with no action taken.

E. Self-Insurance Committee

Mr. Labieniec said budgetwise we are in good shape. September came in on budget for the year. We did take a vote to change the funding split with the BOE and the Town by half a point in favor of the Town based on a number of factors the committee looked at. It was a unanimous vote.

Mr. Leary asked if he could provide any information on the efficacy of the high deductible health plan on the overall costs? Mr. Brumback said we are seeing a positive impact. Mr. Sciota also reported at their meeting today, our insurance rep gave us very good praise mainly based upon the contracts we have with the collective bargaining units and I believe he said in the past two years he sees a nice drop overall. HAS's are doing what they promised to do.

F. Investment Committee

A report was given at the last meeting. It is a quarterly report.

The Chair asked Mr. Beaudoin to take the lead on this committee. The Chair added this is something Mr. Beaudoin started a long time ago when he was looking at what we do with our idle cash --- a big credit to him initially in a prior term for suggesting we do something. Emilia's team has taken action with Mr. Coleman and it did well.

Interest investments was reported as \$120,000 over budget. That is because we are investing the idle cash. And, managing our cash flows in a different manner. That's a big positive for us.

G. Parks board Liaison Report

Nothing to report.

H. Economic Development Strike Committee

Meeting was cancelled.

I. Other Committees

Nothing reported.

5. Board Communications

Mr. Pocock started off by saying he was going to miss Garry. He worked with this board very well and he did a fine job of steering us in the right direction.

Also, Mr. Coleman chose because of issues that he has to attend to, we've lost him and he has been very fine in helping us out on investments working with Emilia and the Town Manager. Kudos to what Jim has done for us.

Mr. Moise is not back with us and he worked very diligently with this board. I wanted to compliment him.

The Chair welcomed the new members: Susan Zoni and Tony Morrison. They'll get acclimated and be find contributors to the board as their predecessors were. I hope they find this board a very respectful board, worthwhile and valuable board. And, a board that really looks out for the finances while the town council looks at other things. As a team we work well.

Mr. Labieniec congratulated and welcomed Ms. Zoni and Mr. Morrison to the board and to say good bye the Garry. It has been a pleasure. We'll miss you and thanks for everything.

We are very excited to start working with Mark and I think both Mark and Garry would say Emilia does all the work, anyway. She's not leaving so we're good there which is great.

And, then just to piggy back on Mr. Pocock's comments. It's exciting to get new members. Congratulations to Tony and Susan. That means other people have to leave. I think Jim Coleman and John Moise are losses for this board. Jim did get to say his good bye last time which was great. He brought a lot to this board in terms of his knowledge and experience and he'll be missed.

John, unfortunately, did not get to say good bye. He was very informed and cared deeply about the town and I know we can all say he was willing to work in a nonpartisan manner. He will be missed as well and it is a shame he didn't get to say good bye.

It should be noted he and Jim will be missed greatly.

Mr. Beaudoin commented Jim and John did a great job. The fire issues was like John's pet thing. He had a wealth of knowledge on that topic. He'll be missed.

I looked forward to working with Sue and Tony.

Garry, you are going to be greatly missed!

We look forward to working with Mark.

The Chair stated one of his pet peeves is always the election. You have to get through that process which is at times difficult. There are good things about it, meeting the people, doing the door to door and sharing ideas. And, the bad things, the way in which campaigns are run and the negativity that slips in. Nobody like it but people say it works.

From a factual perspective, there were a lot of signs that say 31%. I took exception to it right away. I want to clear it up as it is still going on on social media.

Well, the 31% was the change in the mill rate from 2009 to 2018. It in no way reflects a 31% increase in tax. The inference was dead wrong on how it works while the math was accurate. The mill rate is applied to the Grand List. Properties come on and off the Grand List and get revalued up or down on the Grand List. So, the mill rate will adjust with revaluation. Taxes did not go up 31% from 2008 until this recent 2017-18 budget.

Mr. Morrison thanked Garry for his contribution to the town. He asked the following question: Is there any way you can, before you leave, communicate any suggestions or thoughts you have on how we can improve finances? It's best to have someone who is leaving look back and say there are some things we should be doing differently in hindsight. Mr. Brumback asked him to come by his office and chat.

Mr. Brumback did say without hesitation, the tenor of this board and the way in which the town handles its finances have come a long way. The first thing that we managed to establish from the administration's standpoint to the elected officials' standpoint is a foundation of trust. The methodology used over the last seven years has allowed us to request the resources we feel are necessary to operate to the standards and levels expected with the commitment we will manage them through the year and return what we don't need.

Traditionally, we return between \$500,000 and \$1,000,000 a year that is put toward capital use.

We're sensitive to overtaxing and we're sensitive to getting greedy. At the end of the day it has been a very worthwhile relationship.

The Chair thanked Garry for those comments and working to turn things in a new direction. We look forward to working with Mark now. Again, Emilia, you get all the work. Mr. Brumback added she deserves a heck of a lot more credit than she gets.

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/Reprioritization

2. Strategy Discussion - Transition

Discussion focused on the state cutting back on:

- Elderly Circuit Breaker for \$360,000
- Distressed Municipalities Grant for \$48,000
- Renters Rebate of approximately \$140,000

Mr. Brumback advised since we last met, the state did pass a budget and that took us from the Executive Order which were draconian cuts that amounted to approximately \$20,000,000 over the second two thirds of the year to now something which is more manageable in the \$1,500,000 cut range.

However, some things yet to be completely flushed out how are to handle special ed. We set aside \$8.3 million in revenue to the BOE that was intended to handle a lot of their special ed needs. That was eliminated and it reverted back to the excess costs. That did go up from \$1.4 million to about \$2.1 million. We don't know what the net of that will be.

We budgeted approximately \$15 million for ECS and we are getting almost \$20 million. That doesn't all necessarily offset the shortage in special ed funds.

Discussion.

We had no idea this was coming until we read the language and it was buried in the language as shifting from the state to the municipalities. We have also been told there is \$13 million in the state funding they don't have authorization to disburse at this point. That may be ameliorated to some degree.

Right now, all indications are we can go through the rest of the year with the contingency you created at \$3 million and we can absorb most of the cuts that are contemplated at this point.

Implementers can be tricky things and things get in and taken out which we don't know about until they happen.

The Town and the BOE can continue to manage through the end of the year. It may be wise to wait until January which will give us ample time to see what the state does and to digest what the state does.

The issue with the three programs cut are those are all state programs that have been funded by the state. They are designed to help those in the community that are most vulnerable. The idea of doing away with them, regardless of where the funding comes from, would be extremely difficult and very painful. We'll work with you on the town side to figure out whatever comes so we don't end up pulling the rug out from under those folks.

They're state programs that the town administers but they are funded with state revenue. The state funding is cut and it is still a program we administer concluded Mr. Morrison.

Discussion.

The Chair asked for the whole board to get some information around these programs such as how many people get it, the average amount, what are the criteria to receive it. That'll help us with our decisions.

After board discussion, it was decided to put off the BOE budget discussion until the January meeting in the hopes that all the pieces would settle down and we can look at the whole issue.

VIII. Conduct Administrative Business

1. Consent Agenda

- A. Appropriation \$5,686 * Police Dept - Vehicle Maint Loss/Damage (Spec Rev)
- B. Appropriation \$1,018 * Youth Svcs - Juvenile Review Board Grant (Spec Rev)
- C. Appropriation \$ 340 * Youth Svcs - Outside Programs (Spec Rev)
- Appropriation \$ 20 * Youth Svcs - STEPS (Spec Rev)
- D. Appropriation \$ 539 * Parks Overtime
- E. Appropriation \$3,571 * Drug Task Force - DHMAS Grant (Spec Rev)
- F. Appropriation \$1,925 * Highway - Property Main Loss/Damage (Spec Rev)

Mr. Beaudoin made a motion to approve the Consent Agenda in its entirety. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

2. Manager's memos

None this evening.

Mr. Brumback expressed his gratitude to this Board. This Board has consistently been a non partision board and always operating in the best interest of the town. We have jointly transitioned the way this community does budgeting and the implementation of those budgets. I am sorry not to be able to work longer with Susan and Tony, but the four of you that I have worked with for years, I am eternally grateful for all you have taught me and for the trust and confidence you have had in myself and my team.

I can give you unequivocally my work that you've actually traded up with my successor. I think you all will have a great relationship going forward.

I am thankful for serving with you all.

The Chair thanked Mr. Brumback. It is a high functioning town and a good board to serve on. Thank you and good luck to you in your future endeavors.

X. Meeting Adjournment

Mr. Beaudoin made a motion to adjourn which was seconded by Mr. Morrison. Motion passed unanimously on a voice vote.

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