

BOARD OF FINANCE  
TOWN OF SOUTHLINGTON  
FEBRUARY 15, 2018

The Board of Finance of the Town of Southington held a Special Meeting on Thursday, February 15, 2018 at the Town Hall Council Chambers, 75 Main Street, Southington, CT. Chair John Leary, called the meeting to order at 7:35 o'clock, p.m.

Appropriations from Contingency Account:

Approved to date (General Contingency) .....	\$ 123,615
Approved to date (Fire Overtime).....	374,950
Approved to date (\$3m Contingency)	
Approved this meeting (General Contingency) .....	196,116
Approved this meeting (Fire Overtime).....	125,000
Approved this meeting (\$3 M Contingency).....	<u>850,000</u>
Total Appropriations.....	\$1,669,681

Appropriations with Revenue Offsets:

Approved to date .....	\$2,918,338
Approved this meeting.....	<u>275,656</u>
Total Appropriations.....	\$3,193,994

The following board members were present:

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

Staff: Mark Sciota, Town Manager  
Emilia Portelinha, Director of Finance

**CHAIR JOHN LEARY, Presiding:**

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

**EXECUTIVE SESSION - Personnel/Contractual**

The Chair asked for a motion to move into executive session including the Board of Finance members, the Board of Education members, the finance director for the town and the business manager

for the board of education, the superintendent of schools and the town manager to discuss contractual matters and personnel matters.

Mr. Beaudoin so moved the motion and Mr. Pocock seconded. Motion passed unanimously on a voice vote.

(Whereupon, the executive session members moved to the finance department's conference room at 7:38 o'clock, p.m.)

#### EXECUTIVE SESSION

The Board of Finance of the Town of Southington entered into executive session on Thursday, February 15, 2018 in the Finance Department's Conference Room at the Southington Town Hall, 75 Main Street, Southington, CT to discuss Personnel and Contractual Matters.

The following Board members were present:

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

Also Present: Mark Sciota, Town Manager  
Emilia Portelinha, Director of Finance  
Timothy Connellan, Superintendent of Schools  
Sherri DiNello, Business Manager for the BOE  
Board of Education Members

No motions or votes were taken.

Ms. Zoni made a motion to adjourn executive session which Mr. Beaudoin seconded. Motion passed unanimously on a voice vote.

(Whereupon, executive session was adjourned at 8:22 o'clock, p.m.)

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Mark J. Sciota  
Acting Secretary

## REGULAR MEETING

(The Regular Meeting was resumed at 8:24 o'clock, pm)

**JOHN LEARY, resuming the Chair:**

The Chair asked for unanimous consent to bring the Board of Education discussion of the State's Reductions and their impact on Southington up to the top of the order so we can continue the public portion of our discussion.

Mr. Pocock so moved that motion which Mr. Morrison seconded. Motion passed unanimously on a voice vote.

### **VII. Review Long Range Plan and Priorities**

#### **2. Strategy Discussion- 2017-2018 State Grant Reductions and their impact on Southington**

The Chair recapped that last month a motion was made at our BOF meeting. The state cut us \$5 million. We raised taxes in the current fiscal year already done for \$3 million. We're \$2 million short and how're we going to get to the end of the year with a \$2 million deficit. What is our mitigation plan and how do we get there?

In executive session we discussed contractual and personnel matters and now we're in public session to take that up matter now and continue the public aspect of the conversation and then we'll move on with the rest of the agenda.

Town Manager, Mark Sciota, summarized to date. At your last meeting you asked the Superintendent and I to meet with two things in mind. One is the \$3 million and how it gets divided and then start discussing the \$2.2 million or \$2.1 million and figuring two prong (1) what we would need to eliminate from the budgets to get to the \$2.1 million.

Our recommendation to you and eventually to the Council, assuming you agree, is that the \$3 million gets divided on an 85/15. The reason for that is the original \$5.1 million that was cut by the state was based upon ECS and then other municipal grants. That ratio was 85/15. The Superintendent and I both agree and we jointly ask you that when you do make your milepost appropriations of \$1 million that \$850,000 be appropriated to the BOE and the other \$150,000 stay in the contingency line.

The second part was how we handle the structural cuts. At this point in executive session, I don't want to get too much into what I'd be cutting because I don't think that's fair at this point, but what I'd be cutting was approximately \$375,000 of nonrecurring programs and procedures from the government side. That's where we currently are.

The Chair made the following definitions clear:

- Nonrecurring item: It would be an item that we'd take out - a program, a service, a cost and remove it from the town and in the foreseeable future we do not expect that cost to come back. It's a reduction or elimination of an expense.

- Deferment: We go without something and it pops back up in a subsequent year. It's temporary in nature. One time, one fiscal year. (Kicking the can down the road.)

The Chair continued we have to continue our discussion because we have to get to a point where we have clarity around what the \$2 million cut to the current year, the plan. How we are going to get to a plan that gets us \$2 million worth of savings in order to release the \$3 million in accordance with the motion.

Mr. Morrison stated the town side has come up with more than their fair share. The BOE is struggling with their way of doing it. It's difficult to advance and talk about giving out contingency until we have an overall plan which is for the entire town. We are still essentially in wait mode for that. I'd ask that we get that done as soon as possible. I know it's difficult but absent of having that plan, we are stuck where we are. We have a contingency we'd like to hand out but we can't.

The Chair queried is there anything anybody needs from the BOF in order to move forward in coming up with a step plan of what actions do we take to reduce the \$2 million. Is there a hurdle in the way? A roadblock? Something this board could help with?

Ms. DiNello stated with regard to the BOE's operating budget, we had imposed a freeze early on in the school year and by holding back those supplies, as explained, in order to keep some curriculum going there are going to be some additional supply purchases between now and the end of the year, but we are anticipating at least having about \$490,000 in supply funds that would not be spent. This is something that isn't being deferred. Next year's budget has supply money in it. So, if this \$490,000 isn't spent, it is not something deferred to the next fiscal year. It's not a cut that isn't going to be reoccurring but we are not going to defer like a project.

Discussion.

Ms. DiNello continued that we are able to tell you tonight that through the work of the freeze and looking at all of our accounts year to date, we are anticipating ending somewhere with a \$600,000 balance at this point in time which \$490,000 would be for supplies, specifically. Some of the other items we are not doing in regards to equipment, major projects, special projects, those are items that are going to be requested again at some point in time and you may see down the road. Not next year, but at some point, in time.

You are looking for structural changes and I just wanted to share that \$490,000 is not something that you are going to see added back in somewhere else.

Discussion.

Mr. Morrison asked if there were a time we could have a combined plan to address the \$2.1 million? Maybe a special meeting?

Mr. Labieniec felt that we need to provide direction. If the direction is for the \$2.1 million to be completely structural, zero percent structural or to be something in-between. Everyone is in agreement we need a plan on how to get to the \$2.1 million. We need that plan ASAP. We need to communicate as a board what the expectation is. We are open to something that closes the gap this year so we're not in the red at the end of the year and we address structural in the 18-19 budget but we need something at our next meeting or a special meeting. What specific direction are we giving as a board?

Superintendent Tim Connellan said the BOE is heavily personnel laden. Structural for us means personnel. The personnel deliver the services to students. From January 10<sup>th</sup>, when you indicated we should come up with a plan to mitigate the \$2 million, we've looked at it on our side and if we had to go with "structural" changes, we would be talking about personnel changes mid-year which I don't think would be of benefit to the community and it certainly wouldn't be a benefit to the children on the other end of those changes. That's what we have for structural changes. What we are offering at this point is things we are not able to spend money on. The other thing we have and this is a deferment, we have two capital projects that are between \$240,000 and \$250,000. Both need to be done at some point in time but they were currently allocated for this year. That's really what we have at this point in time.

Discussion.

The Chair asked if this board has an appetite for the Superintendent and the Town Manager to come back with a plan, albeit not completely structural outlining how we're going to get to fiscal year end and very clearly outlining one-time savings from year over year deferments from structural (reduction of government).

Mr. Beaudoin wondered whether they could be forced to do structural changes at the BOE. It would be layoffs. At the end of the day we give them a budget and they have the ability to allocate it as they wish. We have to do a good job coming up with a fair budget and they allocate. To say that they can't allocate what we said, that makes no sense to me.

Mr. Sciota stated there is no allocation. There's \$3 million to be distributed at some percentage. There is still going to be \$2.1 million that is not going to be either in my budget for the BOE's

budget. There is no allocation on the table with the BOF and the Council. If it is not cut, then it has got to be appropriated from somewhere. If it is to be cut, the question is, if it is going to be nonrecurring or deferment or a combination of that. But it still has to equal \$2.1 million. If nobody does anything and no appropriation is made and no cuts are made, there is still going to be \$ 2.1 million less than is necessary to operate the government and BOE side.

Mr. Morrison suggested, okay, we'll have an overall plan codify that way John said, it would be structural changes as much as possible if because of where we are right now it was hard to do that or bad for the operation of the town, at least say, okay, we'll defer some expense or something along those lines, but come July, we are going to make those cuts period. We will commit to make those cuts. Is that a better way of looking at this instead of saying upfront we expect structural cuts now?

Mr. Connellan responded: Not exactly. The \$600,000 we're saving by not expending or purchasing supplies, that savings might come from someplace else in the 18-19 budget and not necessarily from the supply line. The cut might have to come from someplace else.

Mr. Labieniec said personally he has an appetite for using both structural and nonstructural in order to get there and there is discussion of alternative ways or methods to look at this. I would ask by the next meeting there is a plan put in place for the \$2.1 million between the town and the BOE to show how it's going to get there, to show what is structural versus nonstructural, and I would also want a delineation between what is completely within the control of the Town Manager and the Superintendent and BOE and what may be a suggestion that is not completely within their control and if there is something in the latter category, what is the alternative that would be completely within their control between structural and nonstructural. We need that plan in place.

Looking forward to 18-19, I think it'll be this board's responsibility to work pretty deeply with both sides to talk about the shape and size of government moving forward.

Mr. Sciota advised this opens up deferrals. What kind of percentages are you looking for as to the \$2.1 million? What are the parameters? Opening it up to deferrals, that makes the universe bigger. We need feedback on what you are looking for from a percentage aspect on the \$2.1 million.

Mr. Goralski opined he was not sure percentages was the way to handle the problem. What we have right now is a revenue matter. I like the idea of structural change to address the future. They are less complex for us in the summer. Structural changes for a school system that operates on serving children from September to June re complicated. I see this issue as a revenue problem and the solution you are looking for is a blend of a budgeting problem and a revenue

problem. We need \$2.1 million right now and I would prefer we didn't have percentages and we work with a true team philosophy of finding \$2.1 million in the budget and we work together in the process of forming a new budget to make the structural changes that allow us to move forward.

If we don't do as we say and act as one town and one checkbook we're drawing lines and I never want this community to draw lines. I want us to work together in a true teamwork way. We ask that of our staff and I assure you we'll be asking that again in very specific terms when we meet again. We'll look for our organization to work as a team but I think the town needs to work as a team now to address the current revenue matter before us. Structural changes should come in in next year's budget. That's my input representing the BOE.

Mr. Sciota said he and Tim work as a great team. I think the 85/15 distribution for the \$3 million is a very fair compromise. The \$3 million is also revenue. We need guidance.

Mr. Labieniec made the following motion:

On or before March 13<sup>th</sup> there is a plan brought to the Board of Finance to mitigate or to close the gap on the \$2.1 million with the suggested split between the Board of Ed and the Town of 85/15 and it is clear what is structural versus not structural and it is also clear what is completely within the control of the town and the board of ed and superintendent and what is dependent on other factors. For the things that are dependent on other factors, we need a back up plan that is completely within the control of either side.

Mr. Pocock seconded.

Mr. Pocock said it must be made very clear that structural changes to the BOE is mainly personnel. Maintenance is involved, but most is personnel.

Mr. Sciota again reiterated where the 85/15 split came from.

Discussion and clarification on the motion by the BOE Business Manager, Ms. DiNello. She understood the 85/15 split, but when we look at the overall budget between the BOE and the Town that is 65/35 split. I'm struggling with the BOE having to come up with 85% of the \$2.1 million. I want to be fair. I want clarification.

Discussion on the split.

Mr. Morrison was okay with the motion with the 85/15 because that is the cut from the state.

Mr. Beaudoin did the math and discussed the figures with Ms. DiNello.

Mr. Labieniec clarified the comment from the BOE representative. On the \$3 million that would stay 85/15 but the other \$2.1 million that would be split more along the 65/35.

Discussion.

Mr. Labieniec rescinded his motion and Mr. Pocock rescinded his second.

**Mr. Labieniec made the following motion:**

On or before March 13<sup>th</sup> there is a plan for \$2.1 million. It is identified in that plan what is structural versus not structural and it is further delineated what is within the control of the superintendent and the town manager and anything outside of their control there is a backup dollar amount and backup plan for and the guidance on the \$2.1 million is a 75/25 split between the BOE and the Town.

Mr. Pocock seconded.

Motion passed 6 to 0 on a roll call vote.

### III. Public Hearing Items

None this evening.

### IV. Old Business

#### 1. Approval of Minutes of the January 10<sup>th</sup>, 2018 meeting

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

#### 2. Approval of FY 2019 Budget Meetings & Workshops

After discussion, Mr. Pocock made a motion to approve the schedule. Mr. Morrison seconded. Motion passed unanimously on a voice vote.

#### 3. Appropriation of \$650,000 to the BOE Operations - Withdrawn (Item 6 tabled from Board of Finance 1/10/2018 Meeting)

### V. Assess current financial state of the town

The Chair advised with unanimous consent, I'd like to skip the status.

#### 1. Review revenues vs budget



2. Review expenses vs budget
3. Review Capital Projects in Budget (Quarterly)

The Chair asked if there was anything going on in the subcommittee section financially related that needs to be brought up at this time.

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

- A. Sewer Committee (Tony Morrison)
- B. Public Works Committee (Ed Pocock & Susan Zoni)
- C. Calendar House Building Committee (Mark Sciota)
- D. Open Space Committee (Ed Pocock)
- E. Self-Insurance Committee (Joe Labieniec & Kevin Beaudoin)

Mr. Labieniec advised there was a discussion made on the 2018-19 budget to reduce the budget from 24.2 down to 23.8. That's \$400,000 total. It's a 76/24 split. It is important to note this was unanimously voted upon and it was debated at length.

- F. Committee of the Chairs (Chairman Leary)

**5. Board of Finance Sub Committees and Liaison Reports (Emphasis on financial aspects)**

The Chair asked if everyone agrees to go with an abbreviated Section V on the Agenda. Unanimous consent given

- A. Investment Committee (Kevin Beaudoin)
- B. Liaisons to Board of Fire Commissioners (Mr. Pocock & Mr. Beaudoin)
- C. Other Committees

**6. Board Communications**

Mr. Morrison brought up the 85/15 split discussion on January 10<sup>th</sup>. At the town council meeting it was mentioned as if the 85/15 had already happened. And, it was in one of the local papers today, as well, that the split was already decided. It should be decided by the BOF and decided here. People shouldn't be talking about it ahead of time because it is within the integrity and role of our board.

The Chair advised he was contacted by planning & zoning asking for a representative to go on the next wave of the POCD for the town. Interesting opportunity. Mr. Morrison volunteered. Is there anyone interested in sitting on this? Clarification: Historic Subcommittee.

The Chair appointed Mr. Morrison to the committee and asked him to contact Jennifer Clock of the PZC.

## **VI. Public Communications (Excluding Public Hearing Items)**

(Minutes are prepared summary style. Please refer to the video on line for the full presentation of the speaker.)

1. Dan Hart, 256 Pacer Lane, Plantsville. I come as a teacher representing the Southington Education Association.

He spoke about the budget impacts. He suggested maybe a supplemental tax bill. Maybe using the town's self-insurance fund surplus balance. How about reducing the payment by the BOE to the self-insurance fund? How about using the Rainy-Day Fund?

The speaker felt and explained why this is a onetime fiscal emergency.

The speaker discussed the fiscal cliff.

The speaker discussed Southington's low ranking in the state on expenditures for pupil.

What about adequately funding our school system? It is about time. Help the children of this community progress with their skills and receive the educational services they need. We can do better. There'd be no fiscal cliff if the school system was funded properly.

Help us to be proud of our school system and help us live up to this town's motto: City of Progress.

(2) Phil Pomposi, 133 Brookwood Drive. Teacher. He spoke about the budget impacts.

He spoke about the teachers' having to contribute more to their state pension fund.

He spoke about the unfairness of teacher furlough days to save funds. It asks the teachers to cover the shortfall for the entire town.

He suggested a supplemental tax bill.

He suggested a general fund balance deduction.

Either would be a small price to pay to maintain the level of services that the residents have come to expect from the educational system and the town government. If the town leaders cannot beyond this final hurdle to balance the budget, I urge the town boards to do the right thing and if necessary, make a choice between less than ideal choices, but nonetheless certainly appropriate ones.

## VII. Review Long Range Plan and Priorities

### 1. Review status of LRP items in current fiscal year budget

### 2. Strategy Discussion- 2017-2018 State Grant Reductions and their impact on Southington

See earlier in the Agenda.

## VIII. Conduct Administrative Business

### 1. Consent Agenda

A.	Appropriation	\$ 140 *	Youth Svcs - STEPS (Spec Rev)
	Appropriation	\$ 310 *	Youth Svcs - Outside Programs (Spec Rev)
B.	Appropriation	\$2,279 *	Streetlights - Equipment Maint Loss/Damage (Spec Rev)
C.	Appropriation	\$15,000 *	Engineering - Bright Idea Program Svcs (Spec Rev)
D.	Appropriation	\$ 1,842 *	Police Dept - Overtime
E.	Appropriation	\$273,506 *	BOE - Operations
F.	Appropriation	\$ 1,019*	Youth Svcs - Juvenile Review Board Grant (Spec Svcs)

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

1. Transfer \$10,000 Calendar House - Utilities

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

2. Appropriation \$308 \* Calendar House - Overtime

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

3. Appropriation \$125,000 # Fire Dept - Overtime

John Moise, fire commissioner, explained they originally requested \$60,000 to get through March. Realizing your meeting dates have changed to the end of the month, March 27<sup>th</sup>, we wanted to make sure we stayed in the black and not go in the red on the overtime account with the contingency. That's why we are requesting \$125,000 of the contingency. The last four pay periods have stabilized on overtime so we're down to \$26,000 on average. We're moving in the right direction.

Right now, in overtime we are battling the illnesses. We're maintaining a good level of where we want to go for the rest of the year. We're in pretty good shape at this point.

Mr. Morrison noted it is still \$800,000 for the year but obviously less than it would've been otherwise. Much appreciated.

Are there things we can do to cut that even further. You did hire a firefighter that has already gone through training and that's great. That's what we like to see. Mr. Moise added there is one firefighter in the academy that is going to incur some overtime, however, looking at the other categories in overtime, they're being less. The Acting Chief going back to Battalion Chief pretty much is a wash in what that would cost. We look at that. The Battalion Chiefs are looking at the calls and the callbacks.

The callbacks still average about 2.5 to 2.75 personnel per call and it's down from like seven in October and August. There are things going down in that respect.

The vacation is more of a hard number the personnel have. Right now, we're at 72% of overtime expended which is going to help us towards the end of the year to bring that number down. We have a lot of people who have or are retiring that were getting four weeks' vacation and the new people get one week. There's a savings there, too.

Mrs. Zoni so moved the motion to approve. Mr. Pocock seconded.

Mr. Pocock added he and Mr. Beaudoin are liaisons to this board and have attended a lot of meetings and there's been a lot of changes in the operations. It's all going better.

Motion passed unanimously on a voice vote.

4. Transfer \$4,000 Highway Signs

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

Appropriation \$150,000 Snow & Ice - Overtime

Mr. Sciota explained we are having a lot of pesky storms which call for staff to go out and do the treatment and they're pesky. Even though you don't see a lot of snow on the ground, we've been having pesky storms.

Mr. Beaudoin made a motion to approve. Mrs. Zoni seconded.

Mr. Pocock noted the fine job the crews have been doing. They seem to be hitting on weekends.

Motion passed unanimously on a voice vote.

5. Transfer \$10,000 Police Dept - School & Education

Mr. Pocock so moved the motion for approval. Mr. Morrison seconded. Motion passed unanimously on a voice vote.

6. Appropriation \$46,116 Misc - Accumulated Payout

Mr. Pocock so moved the motion for approval. Mrs. Zoni seconded. Motion passed unanimously on a voice vote.

7. Appropriation \$850,000^ Board of Education Operations

This appropriation comes from the \$3 million contingency observed the Chair. Mr. Sciota said this is the \$3 million the superintendent and he are recommending as to the mileposts. The Chair wondered if it were necessary as the motion at the last meeting hasn't been fulfilled. Our motion in January said once a plan comes back and is approved, at that point, we'll release the \$3 million.

Discussion.

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

Mr. Morrison asked if it was needed. He would have a problem with allocating money when the action motion said it would be predicated upon doing a specific thing which hasn't been done. The only reason for approval is if the BOE needs it desperately for their operations right now.

The Chair said right now it is in violation or goes counter to the motion which was made at the January meeting.

Motion was to present a plan for the \$2 million prior to the release of the \$3 million recalled the Chair. And, to propose a percentage plan and a release strategy for the \$3 million. We have the release strategy on the \$3 million but we don't have the plan on the \$2 million. Do we want to release \$850,000? The concern is it is urgent we do it now or can it wait a month. The danger is we don't want to harm operations.

Ms. DiNello advised the bills can be paid through March without the \$850,000 but we'd sleep better knowing we're making the milepost.

Mrs. Zoni asked if it was a payment in good faith and they'll come back with that plan.

Mr. Beaudoin was comfortable with that. They didn't come up with the full amount of savings but they did have a plan. I'm comfortable they'll coming up with a plan so I am willing to approve.

Mrs. Zoni was comfortable with a good faith plan.

Mr. Morrison argued against it. What's the point of making motions without teeth? There's no point. Good faith is fine. But we didn't make the motion based on good faith, we made it on the actual deliverable. I would suggest or hope we'd leave it to the next BOF meeting. By then everything will be cool.

Mr. Connellan said the \$3 million was put in place to distribute it because we knew we were going to get some type of cut but we didn't know when or how much it was. We're struggling. We struggled with meeting the criteria of coming up things that were structural in nature. I was very upfront with that. This almost feels like we received the reduction from the state and had no control over it and now we're being punished because we're also having difficulty reducing expenditures that we didn't anticipate. I don't think that makes sense. The \$3 million is there for a specific reason and that was to buttress against those reductions which did in fact occur. Whether you release the \$850 or not, we still have to pay our bills. We're still struggling with reducing expenditures. That's not going to change.

Discussion.

The Chair said to take an affirmative action on this appropriation would be contrary to a motion made last meeting. We can do that but we have to be aware of it when and if we do that.

It's not a punishment or penalty. It's to be consistent with what we said. We had hoped to have the \$2 million plan which was more difficult than originally anticipated.

Roll Call Vote:            Mrs. Zoni:            Yes  
                              Mr. Morrison:        No  
                              Mr. Beaudoin:       Yes  
                              Mr. Pocock:          Yes  
                              Mr. Labieniec:       Yes  
                              Chairman Leary:      Yes

Motion passes 5 to 1.

#### **IX. Meeting Adjournment**

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

(Whereupon, the meeting was adjourned at 9:35 o'clock, p.m.)

\* Represents fund received or to be received that were not budgeted, therefore no effect on Contingency

# Represents funds set aside in Contingency for Fire Department Overtime

^ Represents funds set aside in Contingency due to State uncertainty