

May 9, 2018

BOARD OF FINANCE
TOWN OF SOUTHLINGTON
MAY 9, 2018

The Board of Finance of the Town of Southington held a Special Meeting on Wednesday, May 9, 2018 at the Town Hall Council Chambers, 75 Main Street, Southington, CT. Vice Chair, Joseph Labieniec, Acting Chair, called the meeting to order at 7:00 o'clock, p.m.

Appropriations from Contingency Account:

Approved to date (General Contingency).....	\$ 448,931
Approved to date (Fire Overtime).....	499,950
Approved to date (\$3m Contingency).....	1,700,000

Approved this meeting (General Contingency).....	0
Approved this meeting (Fire Overtime).....	0
Approved this meeting (\$3 M Contingency).....	450,000
Total Appropriations.....	<u>\$3,098,881</u>

Appropriations with Revenue Offsets:

Approved to date.....	\$3,193,994
Approved this meeting.....	<u>0</u>
Total Appropriations.....	\$3,193,994

The following board members were present:

Edward Pocock, Jr., Kevin Beaudoin, Tony Morrison & Susan Zoni

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

Absent: John Leary, Chair

A quorum was determined.

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

III. Conduct Administrative Business

The Acting Chair called on the Chairman of the Town Council, Chris Palmieri to address the Board.

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Chris Palmieri addressed the Board of Finance. First of all, I'd like to thank the entire board for your partnership throughout the budget process. And, I'm talking about as we prepare to adopt the budget at the Council level for the 2018-19 year but also the work that you've done for this current fiscal year. It's been a challenge for all of our boards. I think it was as successful as it was because of the collaborations and partnerships that we've had. There has been a lot of communication through Committee of the Chairs which I know then circulates back to you. So, I want to thank you first and foremost for all of you work leading up to the budget that's going to be before us on Monday.

Most importantly, I also want to thank you for setting this Special Meeting today. I had requested this meeting because I felt it was very important to have some sense of closure for the 2017-18 budget before the Council is asked on Monday to vote for the 2018-19 budget.

As such, after the action tonight, the Agenda isn't published yet, but I will be working with the Manager and actually change some of the order of events at the Council level so we can actually approve your action tonight to have some sense of closure before we are asked to look at the 2018-19 budget.

So, I just wanted to talk to you specifically and give you a little more background that I had spoken to at the Committee of the Chairs meeting as none of you were there. Chairman Leary was with us via telephone.

Specifically, related to appropriation Items 2 and 3. I know the Town Manager is going to request Item 1 which is a \$213,640 from the Town Manager's operational budget and he can speak a little bit more to that.

The items I want to speak to specifically and explain a little bit of background is Item #2, the \$187,000. From the beginning of the whole state mitigation process, we had offered to the Board of Education and I say we, myself, the Town Manager, Chairman Leary, had said we would take a look at whatever funds we did not need from the 15% of the \$3 million you had the foresight to delineate last fiscal year. Whatever money we did not need for additional state cuts, we were willing to offer assistance to the Board of Education.

So, at this point in the fiscal year, we realized that we did receive additional cuts specific to roads, the TAR Program. Item 3 on your Agenda, the \$263,000 is basically the amount that we know the state cut us from TAR. So, we wanted to use that money from the 15% of the \$3 million contingency and the town portion to designate that for roads.

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We also were looking to take the \$207,300 which is the savings on the town portion of the self-insurance money and also appropriate that towards roads. Aside from the money being cut at the state level for roads, we also changed the paving process that we're going to be doing and it is a little bit more costly than the previous process. So, we think that money will go a long way towards getting some more roads paved than we otherwise may have been able to do.

So, with that, the 15%, which was \$450,000 for us, we had \$187,000 remaining in that account and at the Committee of the Chairs meeting, we discussed the possibility of presenting it to you this evening for allocating that towards the Board of Education.

As we know, they had a shortfall of, at the time, \$261,510. That money will go a long way towards narrowing the gap.

With that money appropriated with your approval tonight and then with the Council's approval on Monday, that would leave a gap for the Board of Education of \$74,510 still remaining.

Through talks through the Superintendent and the BOE as well as Sherri DiNello, who was in attendance, they are working towards narrowing that gap.

At least this will give closure to the Town's portion of any assistance we can offer. Because at this point, we've now given back everything we could possibly give back. As you know, through your action you already 85% of the \$3 million contingency. The Town kept 15%. Also, you requested they come up with 75% of the expenses needed. So there have been certainly many steps to work together in a partnership and this will be the final piece.

And, again, I would ask that you consider that tonight so that the Council can take action on that and that will be done prior to us taking action on the 2018-19 budget.

So, in closing, I just want to thank you again. I appreciate it. I felt it was important to have some sense of closure so we can share that publicly before final action on next year's budget.

Thank you.

Mr. Morrison asked why is there the gap all of a sudden. Does it have to do with the teacher furlough day? Because when we had the deficit mitigation plan forwarded to us, it always had a teacher furlough day of \$300,000.

Chairman Palmieri explained the Superintendent informed us of two things: The union specifically decided they were not going to take a furlough day. And, the other request from the BOE was that the employees would give back their portion of the self-insurance savings and that was denied, as well. So, with that, that left the gap

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before us. So, we are trying to narrow that gap. It is a gap for the BOE, but there is nothing more on the town side to give.

Mr. Morrison asked why the teachers turned this down. It was in the mitigation plan from the time the BOE gave it to us and that's been over two months and now it is gone, vanished? Chairman Palmieri said that would be more of a question for the Superintendent. It is a collective bargaining unit and the Superintendent had requested it but it is not something I could speak to.

Mr. Morrison continued, understood. It is just that if there had been an issue with this, it's something that should've been communicated to use earlier, I think, and we would have maybe done something else. But to spring it on us now, I have a real problem with. I really do.

Chairman Palmieri responded the Superintendent as well as the Chairman of the BOE certainly communicated to us as soon as he knew. We've been asking for that communication much earlier. As soon as he found out, he did share that with the town staff.

Mr. Morrison asked Chair Palmieri if he still stood behind the Rainy-Day Fund, that we cannot use that for operational expenses? Chairman Palmieri responded: I do.

Thank you.

Town Manager Sciota explained this is not going to be a surprise to anybody. As part of the deficit mitigation plan, the Town of Southington government side said we would be responsible for 25% as opposed to the 15% that we used to divide the \$3 million. With that in mind, my share was \$525,000. Obviously, to make that work, we need to shift part of that \$525,000 to the BOE for my share of the deficit mitigation. That's the first one.

The Chairman explained Items 2, 3 & 4.

The only thing left is the last piece of the puzzle which is the last \$850,000 which won't come your way until June. At your June meeting, that's when the BOE would request, through my office, the last of the \$3 million which is milepost three, which would be the \$850,000. That's the last piece of the puzzle. That would be the end of the mitigation plan.

The Chairman summed it up best when he talked about the fact that what was remaining we felt that that was something that was manageable by the BOE and the Town has completed all of its support at this point.

They would have to be taken in order.

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Manager's Memos:

1. Appropriation \$213,640 * Board of Education
Operations

Mr. Beaudoin made a motion to approve the amount of \$213,640.
Mr. Pocock seconded.

Motion passed 5 to 0 on a roll call vote.

Mr. Beaudoin thanked the Town Manager for doing what he can to
help out the BOE. Mr. Sciota responded it is a team effort.

2. Appropriation \$187,000 ^ Board of Education
Operations

Vice Chair Labieniec reminded everyone these were funds set aside
in the contingency due to the State uncertainty.

Mrs. Zoni made a motion to appropriate \$187,000 from the town's
contingencies to the BOE. Mr. Beaudoin seconded.

Mr. Morrison asked what would happen to this money if we didn't
transfer it over to the BOE? Mr. Sciota said it would either stay in
contingency and roll into the undesignated fund balance or I would
come to you with a plan to spend the money on something else.

Mr. Morrison said it would end up in the Rainy-Day Fund and it is
taxpayers' money. And, all of us, the BOE, the BOF, Town Council, the
Chair of each all said they wouldn't take Rainy Day Fund money for
operational expenses. It strikes me that this is what we are doing
now.

In seven weeks, that would be rolled over. It just strikes me
that we are doing that.

Mr. Sciota respectfully disagreed in the fact that this is part
of the \$3 million which this board, the Council and myself and my
predecessor put for unexpected state issues. I would respectfully
disagree that this is not something that we did not anticipate using
one way or the other.

In this particular case, I take the position that, and I've said
it numerous times, if there are monies that were not cut on the
government side that don't equal \$450,000, I felt it incumbent upon my

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office to recommend to you that that money be used to assist the BOE, if possible.

Mr. Morrison said he understood that.

The second thing is, I am still grappling with why the teachers didn't have a furlough day. It's not much to ask people. We all tried to help out as much as possible. It seems like the teachers didn't in this case even though we had a commitment they would. To me, that's not behavior I would like to encourage. The next two years will be bad. The Board of Finance, every step of the way with the BOE, we've done our best to help them out. It seems every step of the way it's never enough. They're always asking for money from some other pot. I think that's unhealthy. Departments eventually have to manage what they've got from the state and from us. To think managing that is always coming with your hand out for somebody to solve your problems for you is not healthy.

I would argue we disapprove this motion.

Discussion on the furlough days noting it was a union matter and out of the Superintendent's control. Also, the furlough day was in the mitigation plan under the category that says: BOE No Control.

Mr. Morrison stated we've worked really, really well with the BOE and I don't see any way they are stepping up to manage their own destiny. That's a problem. None of the deficit mitigation plan was cuts. There is \$1.5 million we've done nothing with and that's something they'll have to do something with next year. No one said to them: Can you please manage the revenues that you have to run the school system. I don't agree with going any further with this to encourage that behavior especially going into next year.

Motion passed 4 to 1 with Mr. Morrison opposed.

3. Appropriation	\$263,000	^ Capital Budget - Road
Restoration/Repavement		
Transfer	\$207,300	Capital Budget - Road
Restoration/Repavement		

Mr. Sciota explained this allows me the ability to make up the difference and add a little bit more for the road projects. It's probably the best money spent on the government side to make sure we stay current with our roads.

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Mr. Beaudoin made a motion to approve the road restoration and repavement for \$263,000 and for \$207,300. Mr. Pocock seconded.

The Pavement Management System is being overseen by the Director of Public Works and the Public Works Committee. They put a list together and assuming this goes forward tonight and with the Town Council, we will be adding roads to that list.

Discussion of grading of the roads.

Motion passed 5 to 0 on a roll call vote.

4. Transfers \$110,400 Capital Fund - Tank
Replacement & Removal

Mr. Sciota advised we are in the process of replacing or gasoline and diesel tanks down at the public works facility. We no longer have gas and diesel at the fire department. Those tanks were taken out as they were very old.

One of the tanks at the public works is very old and can no longer be certified insured. I have to get these things done.

We did have money prepared for this. We had several bidders and they did not come within the estimates. So, we're asking for monies from the Capital Fund for projects that have been completed under budget and one project we looked closely at is a paving project for one of the fire stations that we feel we can do for substantially less than the \$120,000 and that is why we are asking for money there.

I can't stress enough that I need to get started on this so that I do not have a problem in September with the tanks. These are our only tanks for the town fleets including fire and police.

Mr. Pocock made a motion to transfer \$110,400 for tank removal and replacement at the town facility on Mulberry Street, the highway department. Mrs. Zoni seconded.

Mrs. Zoni informed the Board she was at the public works committee when this was discussed in great detail. This is an absolute necessity that we do this. I hope we are unanimous on this vote.

Motion passed 5 to 0 on a roll call vote.

Vice Chair Labieniec stated there is a lot we need to figure out here and many more discussions to have. But just to reiterate what Mr. Beaudoin said, thank you to the Town Manager, Finance Director for

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the spirit of collaboration here. And, getting us here to finish line. We say it all the time, but it is true, we are ultimately all one team. Many hard discussions are to come in the future.

We thank everybody on the town side who put in a lot of work.

Mrs. Zoni thanked the two visitors from the high school for being here. I hope that you take a true interest in government because it is the life blood of our country, life blood of your future and your children's future. Thank you for being here.

Mr. Beaudoin thanked Joe Aerosimowicz, the Speaker at the Capitol, who has been working hard to restore funding to Southington for he 2018-19 budget because we had some major cuts from the prior year. As we speak they're working on the budget right now and the current budget for approval has a proposal to restore funding to municipalities. We were cut a few million dollars so I want to thank him for all the hard work.

Mr. Sciota continued we have a very good team up in Hartford. The numbers should come out tomorrow morning with CCM if it is voted on tonight. As soon as I get them, as always, I'll get them out to you to see what modifications are for revenue increases.

Mr. Pocock seconded what has been said regarding our Representative, Joe Aerosimowicz. He represents my district so I have a little more interest in the game. They've been working hard.

But, I go back to the team: Finance and Mr. Sciota, who I've worked with for a long time. Town Council and the others and this Board, also. It is one of the worst years I can remember since I've been on this Board.

Mr. Sciota said this is the first time in all his years we've been discussing the current budget finalization in May of the fiscal year we're closing out. Let's hope we never have to sit through this again.

VI. Meeting Adjournment

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

(Whereupon, the meeting was adjourned at 7:26 o'clock, p.m.)

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

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^ Represents funds set aside in Contingency due to State
Uncertainty