

October 10, 2018

BOARD OF FINANCE  
TOWN OF SOUTHLINGTON  
OCTOBER 10, 2018

The Board of Finance of the Town of Southington held a Meeting on Wednesday, October 18, 2018 at the Town Hall Council Chambers, 75 Main Street, Southington, CT. Joseph Labieniec, Acting Chair, called the meeting to order at 7:00 o'clock, p.m.

Appropriations from Contingency Account:

Approved to date.....	\$	0
Approved this meeting.....		<u>0</u>
Total Appropriations.....	\$	0

Appropriations with Revenue Offsets:

Approved to date.....	\$	3,008
Approved this meeting.....		<u>500</u>
Total Appropriations.....	\$	3,508

The following board members were present:

Joseph Labieniec, 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. Public Hearing Items

(1) ORDINANCE APPROPRIATING \$2,200,000 FOR COSTS RELATED TO THE DESIGN AND CONSTRUCTION OF A BACK UP WELL (WELL #2A; AND AUTHORIZING THE ISSUANCE OF \$2,200,000 BONDS, NOTE AND TEMPORARY NOTES TO FINANCE SAID APPROPRIATION.

(2) ORDINANCE APPROPRIATING \$4,200,000 FOR COSTS RELATED TO THE DESIGN AND CONSTRUCTION OF A NEW MILL STREET WATER STORAGE TANK AND

October 10, 2018

COMMUNICATION FOR TOWER PROJECT; AND AUTHORIZING THE ISSUEANCE OF \$4,200,000 BONDS, NOTES AND TEMPORARY NOTES TO FINANCE SAID APPROPRIATION.

Mr. Sciota introduced the two items. This is an ordinance which is backed by the Town of Southington but is not paid for by the taxpayers of the town. It is paid for by the rate payers who are on public water. We are required to go through the process by law and this is not a taxpayers' in general burden. It is a burden of the water users.

Bill Cassarella presented along with Scott Early, accountant.

The money for Well #2 is going to be used for building a new well. The old well was built in 1954 so it's 65 years old and its usefulness is gone right now. We are still using it but our consumption and flow is down sizably.

We are doing this all over again. October 15<sup>th</sup>, 2013 it was put out. We went through DPH and DEEP and it took us five years to get this rolling.

The other project is for the construction of a new concrete storage tank and demolition of the two steel tanks and a communication tower.

The back up well is going to be located, by regulation we have to be within 200 feet of the previous well. The thing that held it up most was because it was close to the highway, Route 322. You can't have any kind of oil or anything within the 200 feet. It was the first time they allowed it to be less than 200 feet - but it is close. They finally approved it.

The bonds are paid by the ratepayers who pay for the water.

Thank you.

(Anyone wishing to speak)

None.

Acting Chair Labieniec closed the public hearing at this time.

#### IV. Old Business

1. Approval of Minutes of September 19, 2018 special meeting

October 10, 2018

Mr. Pocock made a motion to approve the Minutes. Mr. Morrison seconded. Motion passed unanimously on a voice vote.

#### New Business

V. Assess current financial state of the town

1. Review revenues vs budget
2. Review expenses vs budget

Ms. Portelinha advised we are three months into the year. Our prior year's taxes are \$40,000 above budget. Interest on taxes is \$35,000 above budget currently. Interest on investments are \$190,000 above budget. Town Clerk fees are about \$40,000 over budget. We have the CIRMA equity we had not anticipated for almost \$104,000. For a total of \$409,000.

Discussion of the services that CIRMA offers that the town takes advantage of. Mr. Sciota advised today was the Risk Committee meeting with CIRM and Department Heads. We go over all the past losses.

At every meeting we talk about the periodicals they put out and they actually come on site and do training sessions. We just talked about them coming very soon on the slip & fall issues.

Mr. Morrison the amount over in investment interest. Mr. Sciota explained we sold notes in the late winter/early spring. Of the notes we've only used a small portion on the WPC project which has approved and we approved the contractor for that. The notes are still sitting there earning interest.

Discussion.

Ms. Portelinha reported to-date on expenses, she is not aware of any expenditures that will be going over budget.

3. Review Capital Projects in Budget (Quarterly)

Ms. Portelinha asked for this item to go over the next month to give her time for completion of the report.

October 10, 2018

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

A. Sewer Committee (Tony Morrison)

Mr. Morrison advised the committee will meet tomorrow. Nothing to report.

B. Public Works Committee (Ed Pocock & Susan Zoni)

Mrs. Zoni advised repairs were done on a truck by the town rather than sending it out and it saved the town \$18,000. The leaf schedule pickups are posted on line. The flagpole at Zingarella's, the electric work is being done and the electrician will share the cost with the town to save the town money on electrical work. Pavers, Section I, II and III are completed, under budget.

The town received \$314,000 from DOT for connectivity for rails to trails. Mr. Sciota explained the town did the work, first and we applied for the grant retroactively. Although, it is very rare, the state has granted us the money retroactively. It's on the agenda tonight for action.

C. Calendar House Building Committee (Mark Sciota)

Mr. Sciota reported this will be the last report. If you haven't taken a tour, please do so. We are very proud of the building and so should you be. We have some punch list items and of course the landscaping. Anything that doesn't take, we'll be doing under the warrantee period.

We now have beautiful ID's. If you are 55 and above and you wish to join it is the ID system which saves a lot of check in time. Just slide your card.

D. Open Space Committee (Ed Pocock)

Mr. Pocock said there are discussions in executive session. The highway and parks departments have been doing a lot to help us on our open space land.

I want to mention there is a tour this Saturday which is already sold out. I'm sure down the road there will be more. Historic, where some of the open space is.

October 10, 2018

E. Self Insurance Committee (Joe Labieniec & Kevin Beaudoin)

Acting Chair Labieniec reported the meeting was postponed to the 23<sup>rd</sup> of October.

F. Committee of the Chairs (John Leary)

Chairman Leary will report at the next meeting.

G. Property Tax Relieve Committee (Tony Morrison & Susan Zoni)

Nothing to report yet. Mr. Sciota's office contacted future Chairman Bowes of that committee and asked him to set up some times for us. When we get those, we'll send them to the committee and hopefully get a joint date for meeting.

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

A. Investment Committee (Kevin Beaudoin)

Mr. Beaudoin noted this is a quarterly update. The town currently approximately \$100 million between cash and investments. Of that approximately \$15 million is invested in 64 CDs with a maturity average of 2.12 percent. As those CDs start to mature, of the 64, 21 are maturing by the middle of 2019. As they're reinvested, the interest rates have increased. Our investments will start to go in at close to 3% and that range. For the CDs we have as of 2018, I think we have like 15 CDs which range from like 2.5 to 3.9 interest rate which is pretty good.

In the Rainy-Day Fund, we have \$18+ million. At what point do we start to look to invest a little more with the securities. We average about \$14 million. And, there is \$100 million altogether.

Ms. Portelinha stated the issue is the cash flows. And right now, we have a little bit of cash because of a project we had anticipated would be taking off a little sooner than it actually is. Generally speaking, we don't like to invest all of it.

Is it too much to have close to our Rainy-Day Fund invested in securities or is that much, asked Mr. Beaudoin. Ms. Portelinha said that is a little close with the plant we're going to be working on

October 10, 2018

with a large dollar amount we will request reimbursement from the state after we pay up front.

Right now, we are selling notes because it is more cost effective to fund the upfront costs. Now that the notes are getting higher, it is beneficial to take the temporary financing from the state which we're waiting for the final paperwork on. That means that we pay and they reimburse. We have to watch that, as well.

Mr. Beaudoin offered that in a year from now if the interest rates are in the 3's, maybe we could reinvest.

Discussion.

Ms. Portelinha noted that we don't generally sit with \$100 million but the expenses haven't come in so the money could go out.

The pooled cash system was explained by Ms. Portelinha.

B. Liaisons to Board of Fire Commissioners (Ed Pocock & Kevin Beaudoin)

The Acting Chair called on Fire Commissioner John Moise. Mr. Moise explained he is here to introduce Chief Butler. He is from Annapolis, Maryland. He reviewed his professional background.

Chief Butler has been a very good listener. And, things are starting to move along as we said they would. He works nonstop.

He wants to set the table to move forward as a fire department in the right direction.

He started on July 32st. He has a very good grasp and knowledge of the combination fire department which is desperately needed in Southington.

It is my honor to introduce Chief Butler and the Assistant Chief, James Paul who was recently promoted from battalion chief. They make a very good team.

(Applause, applause)

Fire Chief Butler stated that at some point in time you will have questions for me. Everywhere I go, I hear the same story: overtime, overtime, overtime.

Hopefully, we are going to get the overtime under control. I've been on the job 11 weeks. Seems like just yesterday that I began.

October 10, 2018

I'm looking forward to the opportunity to make my mark on the organization. It's been extremely pleasurable up to this point.

(Chuckles)

We'll see how each day goes. I know there are concerns. I heard them all from the time I came for the assessment all of the way through starting on the job. I know the concerns for the town fathers and I'm looking for ways to meet those concerns.

I'm very lucky we got to promote Chief Paul just last week. I think with him in place it's going to lighten my load a little bit. I've taken one day off since I've been here and it is starting to catch up. It really is. The days are long for me, 10 to 12-hour days are the norm.

When Chief Paul accepted the position, he was advised the hours are as required. He stepped in.

We have an outstanding organization here in the town and the fire department itself. I recognize there are issues and my goal is to try to address the issues the best we can and work within the budget we are provided with. I know that's kind of an issue. I know the overtime. I am formulating a plan to reduce that and we'll make some minor changes that should have some big impacts on our overtime going forward.

I'm always available if you have questions. Always feel free to ask. That's the kind of Fire Chief I want to be.

The longer the issue sits out there, the more difficult it becomes to deal with and I believe in dealing with the issues right up front and get a result one way or another.

Glad to be here and look forward to maybe the next meeting.

Thank you all very much and I look forward to the future here.

Acting Chair Labieniec also thanked Fire Commissioner Moise for all his hard work in the past year. It made a difference.

Mr. Beaudoin congratulated Jim Paul who he met many years ago when he used to coach softball. He was dedicated then and I know his very dedicated and thorough at the fire department. I hear a lot of good things and am sure he'll do great.

Congratulations!

October 10, 2018

C. Other Committees

Nothing to report.

6. Board Communications

Mrs. Zoni had been asked to serve as part of the AHF Finance Committee to serve as the Cochair and she denied as it was too much. But she did volunteer and help Councilman Tom Lombardi with that.

I wanted to see it was run, the numbers were maintained and how the cash money at the AHF was handled in the booths where the town gets cash back.

I found Mr. Lombardi had done an excellent job organizing a very small, dedicated committee. Very cautious. It is important for this board to know that every bit of the cash is watched carefully. It was double counted in booths and again when it got to the town hall. Two of us walked every deposit to the bank so there was no chance for misappropriation or put in the wrong place.

Mrs. Zoni continued that in the future, it would be good if someone else from the committee, as well, would volunteer to help with this so you can see what goes on and also to offer just additional help and oversight to the group as they handle cash that affects the town.

Councilman Lombardi has done a wonderful job with it and he deserves accolades for that.

The Acting Chair asked for a reminder on what is the process with working with our insurance agent. When does that cycle for our insurances for the town? Mr. Sciota said the insurance starts July 1<sup>st</sup> to June 30<sup>th</sup>. Fiscal year.

Mr. Labieniec spoke about cyber liability and privacy. There are always emergent trends such as social engineering, wire transfer claims. We are a year away from the meeting when you look at the claims. As we look at emergent trends in insurance, I just wanted to make sure that we're working with our agent and at the very least they are bringing all of those. Mr. Sciota said a week ago CIRMA came and met with me, Ms. Portelinha and also Mrs. DiNello to go over our current policies, suggested trends, et cetera.

Ms. Portelinha stated that with cybersecurity they offer an insurance in kind of an aggregate to all the municipalities. We have chosen to maintain our own policy with respect to that. I can't remember off the top of my head the limits, but I can provide you with



October 10, 2018

the information that we have. CIRMA felt the number was sufficient for us.

Discussion.

Mr. Labieniec said he would speak with the Chair about this, but it may make sense for us to have another presentation at some point in time. When we look at the limits we carry and some of the potential emerging exposures that are out there, it's something that could have a material impact on the town from a financial standpoint. I think from the BOF's perspective, it may not be a bad idea again to have a presentation where we look at the limits. Are there other coverages being offered to us or limits being offered to us and it may be the right move. I think it's worth another conversation. He'll follow up with the Chair.

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 / Reprioritizations
2. Strategy Discussion

Special workshop coming up on this, date to be determined.

VIII. Conduct Administrative Business

1. Consent Agenda

A. Appropriation \$4,120 \* Town Clerk - Nominee Fee Program Svcs (Spec Rev)

B. Appropriation \$ 824 \* Highway/Parks - Property Maint - Loss/Damage (Spec Rev)

C. Appropriation \$1,195 \* Animal Control Donations Program Svcs (Spec Rev)

October 10, 2018

D. Appropriation \$ 500 \* Town Council - Walkley Fountain Program Supp (Spec Rev)

E. Appropriation \$ 1,495 \* Youth Svcs - STEPS GALA (Spec Rev)

Appropriation \$ 220 \* Outside Programs (Spec Rev)

F. Appropriation \$ 903 \* Youth Svcs - JRB Enhancement Grant (Spec Rev)

G. Appropriation \$ 1,500 \* Town Council - Open Space Pollinator Grant (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

1. Bond Ordinance \$2,200,000 See Public Hearing Item #1

Mr. Morrison made a motion to approve which Mr. Beaudoin seconded. Motion passed 5-0 on a roll call vote.

2. Bond Ordinance \$4,200,000 See Public Hearing Item #2

Mr. Beaudoin made a motion to approve. Mr. Pocock seconded. Motion passed 5 to 0 on a roll call vote.

3. Appropriation \$353,706 Sewer Fund - Plant - Jet Vac Truck

Mr. Sciota explained this is a truck that currently is it's on last legs. It needs to be replaced. By doing that, and I want to thank the sewer committee for this, they are going to allow public works to take the truck and fix so we can use it as one of our Vac-All trucks. If water pollution control ever needs it, we can get it to them. On behalf of the town council and the sewer committee we ask you to move forward with.

October 10, 2018

Mr. Beaudoin made a motion to approve the appropriation of \$353,706. Mr. Morrison seconded. Motion passed 5 to 0 on a roll call vote.

4. Appropriation \$500 \* Calendar House - Overtime

Mrs. Zoni made a motion to appropriate \$500 to Calendar House overtime. Mr. Beaudoin seconded. Motion passed on a majority voice vote with Mr. Pocock abstaining.

5. Appropriation \$314,340 \* Capital Fund - Curtiss/Hart Connectivity

Mr. Sciota noted this is the item that Mrs. Zoni discussed earlier in her report. Ms. Portelinha said this creates an account to put the funds in.

Mr. Beaudoin made a motion to approve. Mr. Pocock seconded. Motion passed 5 to 0 on a roll call vote.

6. Transfer \$34,500 Capital Fund - Town Hall Improvements

Mr. Sciota briefly explained we are having a very difficult time with our lower handicapped door. It keeps flooding. This is a municipal building and we want to be sure our handicapped door works. Nobody's fault. It is a drain that is very shallow and the area floods out every time we get a little bit of rain. I have to make sure that stays open. We'll be improving that.

And, also as you noticed coming in through the side door, the railing is also shot coming down Academy on that slope. We'll be repairing both of those items.

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

Mrs. Zoni commented, personally as one who uses that kind of thing, thank you.

Motion passed unanimously on a voice vote.

October 10, 2018

7. Transfer                      \$3,800                      Sewer Fund - Plant -  
Training Services

Ms. Portelinha said basically they require the training for DEEP purposes for DEEP grants. They're requesting a transfer within their own budget in order to accommodate that.

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

IX. Meeting Adjournment

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

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