

BOARD OF FINANCE  
TOWN OF SOUTHTON  
DECEMBER 12, 2018

The Board of Finance of the Town of Southington held a Meeting on Wednesday, December 12, 2018 at the Town Hall Council Chambers, 75 Main Street, Southington, CT. John Leary, 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.....	\$44,258
Approved this meeting.....	<u>914</u>
Total Appropriations.....	\$45,172

The following board members were present:

Joseph Labieniec, Edward Pocock, Jr., Tony Morrison & Susan Zoni

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

Absent: Kevin Beaudoin, Board Member

A quorum was determined.

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

**JOHN LEARY, Chair, presiding:**

III. Public Hearing Items

None.

IV. Old Business

1. Approval of Minutes of the November 28, 2018 meeting

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

Approval of 2019 Meeting Schedules

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

V. Assess current financial state of the town

1. Review revenues vs budget

The revenue shows us being \$905,000 over budget noted the Chair. Ms. Portelinha said we are in line as we just met two weeks ago and it hasn't really changed much from the last report. We're doing very well with the interest on investments. Rest of the fees are doing fairly well. No huge increases, but steady.

2. Review expenses vs budget

Ms. Portelinha noted in reviewing the expenditures, we have not been informed or we have no found any instances where there are issues currently.

Mr. Sciota noted for leaves we are finishing up Zone 1 a second time. The five-week program turned into six weeks because of the snow. That's running fairly well. We added a Saturday and a couple of extra contractors. And, a Friday transfer station day. If times allows and weather allows, we will do a little spot pick up. It could be over budget but I haven't gotten the definite numbers yet, added Mr. Sciota.

Ms. Portelinha noted in the future snow & ice might be an issue as well as accumulated payout for retirees.

\* (Mr. Pocock left the meeting room.)

3. Review Capital Projects in Budget (Quarterly)

Nothing to report this meeting.

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

A. Sewer Committee (Tony Morrison)

Mr. Sciota advised we have signed the contract with Carlin which was approved by the council and now needs to be approved by the state.

We're hoping they'll approve it sometime in January and then we'll start the process. There is work that can be done during the winter and we hope they can start in the wintertime.

\* (Mr. Pocock re-entered the meeting room.)

Mr. Morrison noted the meeting is tomorrow and he has nothing new to report.

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

Mrs. Zoni reported the trail to Lazy Lane is moving forward. There is no cost to the town currently. Summer Street at West Main Street is moving along. There will be new water mains going in in Plantsville prior to the reconstruction the state has authorized the plans for. There will be some down time in some of the streets on West Main and downtown Plantsville. They'll try to restrict it to one lane only at a time. The water department hopes to begin around April 1<sup>st</sup> to finish by July. There will be some interruption to the businesses while they cross sidewalks, et cetera. But they will let everybody know what they have to do. There really is no alternative. One of the pipes is from the 1800's. They have to be replaced. No alternative.

The only other thing that affected us financially is the medication drop box at the police station. There is a six-fold increase in usage of the drop box which is good and bad. It means people are properly disposing of their medications, however, someone had been putting up signage on the trail indicating it was there and therefore we were getting drops from out of towners. The public works committee decided not to take any action, but not allow the signs to be there on the trail to encourage just general dropping because people from out of town use it as well as Southington people. We'd keep our notifications within the community itself to use the drop boxes.

C. Open Space Committee (Ed Pocock)

Mr. Pocock reported at Crescent Lake a bridge was done by an Eagle Scout looking for his badge. The directional markers for the trails are going to be done by Girl Scouts who are going to paint the signs. A good thing. Under the supervision of David Lavallee.

Other than that, nothing that costs us any money.

Of course, the bonding for the referendum was approved. We're moving along.

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

Mr. Labieniec reported that in terms of the budget, October was essentially on budget. We're around \$700,000 under budget. That's good. Plenty of time to go.

There were two policies the committee worked on. One was on a self-insurance fund balance policy and a second was a refresh of the funding split and funding level. Those have been discussed at a number of meetings. The vote on those passed. Both were approved unanimously this week at Town Council.

We will have a meeting on Monday where we will look to set the first draft of the upcoming FY1920 budget.

Mr. Morrison asked about the contributions this year. Last year it was felt there were more contributions than necessary and money was taken out to other places. Are we okay that the contributions are exactly where they should be this year?

Mr. Sciota explained the town and the BOE put in their share in the budget. As of this moment, we'll be doing second payments. I this moment I have not heard of any shortfall we have to worry about.

Mr. Morrison wondered about not just a shortfall, but are we contributing too much? Mr. Sciota responded it is early for that. Explained how the HAS works. It will be looked at every month to see if any adjustments are required.

Mr. Labieniec clarified the policy includes a policy to maintain the fund, for drawdown of funds within a certain range, policy for replenishing if there is a shortfall and also mechanisms in there in terms of when we would review the policy and what kind of reporting and monitoring would be. Those components are in there. A very healthy discussion amongst the commission. We relied very heavily on our consultant who drafted it.

Last year we did not draw down, we just didn't contribute noted Mr. Sciota.

Mr. Morrison asked when the new policies would allow that as the case may be. Mr. Labieniec said the policy provides a mechanism for a drawdown in a targeted range and it spells out that it may be used for stabilization for future year's funding level, may be used to benefit the plan's sponsor and plan's participants including a number of mechanisms within the sub-bullet.

Discussion.

Mr. Morrison wondered if this year we would be tempted to find same money by going after various funds. One we did last year was the one we are discussing. Would we be in that position again? Just curious. Mr. Sciota responded it is too early to tell.

E. Committee of the Chairs (John Leary)

The Chair advised this committee meets and talks about things but we can't make any decisions. It's just informative where we inform each other in public of different goings on. Everybody is aware we're doing the workshops, looking at the budget, having a long-term broader look at it. I hope to go back to them and talk about more stuff we discuss later in our workshop. It's high level and there are Minutes. It's just for informing one another.

F. Property Tax Relief Committee (Tony Morrison & Susan Zoni)

Mr. Morrison noted the meeting was November 29<sup>th</sup>. It was fortuitous because the BOF met the day before and we talked about some things we'll talk about later on this evening. They asked us to present a sense of what the financial situation is. I did. I used the model and the stuff we talked about and explained the things we are thinking of.

The reaction of the folks was we already have \$850,000 in tax relief within twenty programs. And, we have a large number of sign ups. The thinking was this year would be somewhat a strange time to talk about bringing in any new programs. There is a chance for one which we don't sign up for and it's not reimbursable by the state. Even if it was, we know what happens to those programs. We'll have to fund this one of these days.

We are across elderly, disabled and veterans, we're already doing quite a lot and the feeling of the committee was what we would do as a first step and maybe the only step this year was to take what we're doing and make sure everybody in town who qualifies for these programs has signed up. Make an education packet and take it out to the community (Calendar House, Library, any social community areas, churches, et cetera) and have people come up with a day for information and people can sign up and talk about them. We've committed to doing these programs and let's be sure we have complete coverage for our town first.

At the next meeting we'll come up with a sense of how we do that and then a report will be given to the Council.

As soon as it was noted what went into our discussion a few weeks back, people understand it is a very tough time and if we do something here and then we have to take away over here. It's not a time when you are flush with money. That's what we decided to do.

At the next meeting, January 9<sup>th</sup>, we'll be putting that all together.

The Chair offered that if you want to push out a message, we could do it here during public communications so it can be video taped and people could either watch it on Channel 14 or stream it and it helps to push the message out. I'm fine if you want to make a presentation here. Helps the citizens.

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

A. Investment Committee (Kevin Beaudoin)

It seems we are \$330,000 ahead on interest and investments which is good given the rules on what we can invest in.

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

Mr. Pocock reported he went to a regular board meeting and the last one was about the budget. He was really impressed with the Chief. He's working very close with the Town Manager in looking to where he can change, structure things around differently and save overtime. The overtime has come down some. There are a lot of drivers to overtime (fires and accidents). He's working hard to get a reasonable budget together.

Commission on DisAbilities

Mr. Pocock went to their recent meeting. A lot of their's is dealing with transportation of people that need it. They're going to the meetings to try and work something out. A lot of this is handled already by the town but they're pushing along with that. I don't want to crisscross with the town council, but they re working well together on that.

C. Other Committees

Nothing this evening.

6. Board Communications

The Chair raised an item relating to the sewer fees. He noted the methodology used is based upon the annual water consumption. A lot of consumption of water in the warmer months, a lot does not go down the sewer and I've always felt that the methodology of using the winter water bill annualized --- it represents most likely the water that goes down the sewer and summer water bills could be washing the car, filling the pool, watering the lawn. I know we have provisions about separate metering and different provisions for people who do a lot lawn watering and pool filling which is install a second meter.

I'm wondering now this program has been in place for a while, are we getting complaints, should we go back and take another look at using an annualized winter water bill as the basis? I want to put that out there.

Mr. Sciota said when the program started, we received a lot of complaints but I have not personally received a complaint on the billing issue --- it's got to be ten months.

We added a fixed fee first which everybody pays as it is for the infrastructure costs. On top of that the fee is based on the usage.

If you wish, Mr. Morrison can get a report for us and if you wish, Keith Hayden can come to a meeting and give a presentation.

Further discussion on the benefits of a winter water annualized bill. The Chair noted that is probably the best estimation of water that makes its way down the sewer. If the program we have in place seems to be working with no complaints, that's wonderful.

The amount in the sewer reserve fund was discussed.

Mr. Sciota brought up the copy of a letter he sent to the department heads, his annual letter. It's just so you know my thoughts. I expect most of the budgets to be given to me by January 4<sup>th</sup>. A couple of departments answer to boards, so the boards have to vote on those and we should get them all by mid-January.

I do my initial pass between as soon as I get them and the end of the month of January.

Then Theresa will give me the Grand List.

On the 6<sup>th</sup> of February, the Governor will give his budget address. And, then CCM will advise what we should expect from a revenue standpoint from the state.

Then I take my second pass at the departments' budget.

Same process as last year.  
Discussion.

The Chair discussed the going away from the use it or lose it approach and the benefits of that. He explained it works.

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 - Letter to be discussed in workshop.

The Chair brought up the fact if we have to decide anything it has to be in public session. Is there any part of our work in the workshops that we want to bring forward and act on as a body either to communicate our plan outside of this group to Town Council, to adopt pieces of it or to discuss it in public? We would have to do that under the Budget Expectations or we go to workshop and act on it at our next formal meeting because we can't vote in the workshop.

Mrs. Zoni brought up the fact she was asked why this kind of concept was not enacted previously. The only answer I had was is that we weren't in the fiscal position from the state in previous years. I said that I believed this is a sound policy. I believe it is smart and intelligent to make a plan and do our best to be reasonable on all sides of the plan while being willing to adjust as needed as we move along in the budget process. The plan is not set in stone.

That's what I have said but she would like to have an answer publicly as to why this kind of processing and planning was not ever put into place before.



The Chair addressed this matter as he has been a BOF member for nine years. He explained the previous process. The BOF would go into workshops and go line by line and deciding as a group what we'll cut on the general government budget and the capital budget. We had to hunt in there for new initiatives. They weren't revealed on the surface.

On the BOE we looked at it in detail, but approved it in total.

Our process evolved and we went to asking for new initiatives to have the return on investment sheet with them. Every new initiation will have a sheet saying what it costs and what it saves.

We did a long-range capital plan so we could see the capital expenditures over the forward years, the next three being the most important and the other seven being just there for us to keep an eye on in the future.

The one thing we did not do --- and that's what we're doing here in the workshop, is to look at the mill rate and say what increase is reasonable. What trajectory of growth and spending is reasonable given the factors (how is the state doing)? This was brought on because we really got shocked and bounced by the state.

Discussion.

We needed to do something to be self-sufficient but also know where we are going. A zero-tax increase as we had in the past was discussed. When we are facing large deficits at the state that could potentially lead to cuts, we go forward with a zero increase only next year to come forward with a far above average tax increase doesn't make sense and that's what started it.

Process improvements are evolutionary over time. In the past, Mr. Labieniec pushed hard for a multiyear look at the budget. It didn't get enough support across the board.

Discussion.

Now our new BOF is taking a fresh look. We don't take the use it or lose it approach. We're trying to do better work with the end in mind.

Discussion.

Mrs. Zoni posed another question: Is this all really within the purview of this committee under the Charter. As I read the Charter, it is. I'd like your thoughts.

The Chair explained the BOF sets the mill rate and the Council cannot change that. We recommend the budget to the Town Council. They go through their process, having a public hearing and discussion, and

they can also take action and they come forth with a final spending budget. Then it comes back to us to set the mill rate per Charter. Explained the math used.

Discussion.

Mrs. Zoni had one last comment. This is a personal concern of mine. Anything we put out on this as a Board, we have to be sure that we clarify when we are using our pronouns, our we's and our our's and if we are referring to, we as the town or the BOF. The documentation we've discussed in our workshops, that is not always clear. We need to be sure that is very clear.

The Chair said until we take a vote, we speak as individuals. When a vote is taken, even if it is not unanimous and only a majority vote, then we speak as a board. Yes, we do have to do that. So far everything we've had has just been a discussion of the members with no vote taken.

Mr. Morrison suggested not having the workshop and just discuss the draft here, make changes as appropriate and vote on how, when and where it should be sent out. If we go into workshop, we're not going to do that.

Discussion.

The Chair asked if the end would be to take what we decide here, write it up a certain way, let the members review it again and then let other boards know what we're thinking. This document doesn't conclude in this is the mill rate we should have or these are the revenues we should expect. It talks a lot about framework but would we move forward with if we were to forego our workshop and have a discussion here? What type of thing would we move forward with?

Mr. Morrison said from his point of view, the ultimate thing was a set of expectations to be sent to everybody preparing a budget and to be communicated to other officials in town and to say this is how we are approaching things this year. This is how we will be looking at all budgets given to us. Which is essentially the last section of the draft letter.

Mrs. Zoni did not feel this particular document is in a position to be sent out at this point. Mr. Morrison agreed because it has not been reviewed and discussed. This is just a first draft.

Discussion.

The Chair asked if there were a motion on the floor to cancel the workshop and take the matter up here.

No motion was forthcoming.

Mr. Morrison suggested having a workshop wherein we could decide in the workshop we're close to what we want to do and we can convene a special meeting then and there and vote on it.

Discussion.

(Pause, pause)

The Chair asked again if there were a motion to take the matter up here and if there's not, we'll take it up in the workshop immediately following this meeting.

(No response)

Mrs. Zoni commented that taking it up in the workshop is a smarter place to do it. Mr. Morrison was fine with that.

#### VIII. Conduct Administrative Business

##### 1. Consent Agenda

A.	Appropriation Request Grant (Spec Rev)	\$5,000 *	Youth Services - State Targeted
B.	Appropriation Loss / Damage (Spec Rev)	\$1,643 *	Police Dept - Vehicle Maint -
C.	Appropriation Loss / Damage (Spec Rev)	\$1,865 *	Highway/Parks - Property Main -
	Appropriation Loss / Damage (Spec Rev)	\$1,313 *	Highway/Parks - Vehicle Maint -
	Appropriation	\$ 614 *	Bulky Waste - Refuse / Recycling
D.	Appropriation Donation (Spec Rev)	\$1,098 *	Town Council - White Christmas

A motion to accept the Consent Agenda as proposed was made by Mrs. Zoni. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

##### 2. Manager's memos

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1. Appropriation \$ 300 \* Calendar House - Overtime

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

2. Transfer \$1,100 \* Police Dept - Tuition Reimbursement

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

3. Transfer \$1,500 \* Dept of Assessment- Overtime

Mr. Pocock made a motion to approve the \$1,500 for the Department of Assessments overtime. Mr. Morrison seconded. Motion passed unanimously on a voice vote.

4. Transfer \$2,000 Elections - Program Supplies

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

5. Transfer \$8,000 Fire Dept - Equipment and Furniture

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

IX. Meeting Adjournment

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

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