

BOARD OF FINANCE
TOWN OF SOUTHTON
JANUARY 9, 2019

The Board of Finance of the Town of Southington held a Meeting on Wednesday, January 9, 2019 at the Town Hall Council Chambers, 75 Main Street, Southington, CT. Joseph Labieniec, Vice-Chair, called the meeting to order at 7:05 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.....	\$45,172
Approved this meeting.....	<u>0</u>
Total Appropriations.....	\$45,172

The following board members were present:

Joseph Labieniec, Edward Pocock, Jr., Kevin Beaudoin & Tony Morrison

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

Absent: John Leary, Chairman
Susan Zoni, Board member

A quorum was determined.

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

III. Public Hearing Items

None.

IV. Old Business

1. Approval of Minutes of December 12, 2018 meeting

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

New Business

V. Assess current financial state of the town

1. Presentation of Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2018 by Leslie Zoll, Partner for Blum Shapiro & Company P.C.

Ms. Zoll reviewed a presentation which she had submitted which goes over our responsibilities for the audit, some of the financial statement highlights and to brief you on the financial statements. (Hard copy on file in the Finance Office.)

She further reviewed the CAFR, reviewed the state single audit, the federal single audit and the management letter. (On file in the Finance Office.)

(Please refer to the video recording on line to hear the full 15-minute presentation or the bound copy in the finance department to review the details.)

2. Review revenues vs budget

Ms. Portelinha stated she had provided a quick summary. Interest on taxes is about \$10,000 above budget. Interest on investments is about \$300,000 above budget. Town Clerk fees are \$145,000 above budget. We did get \$195,000 in revenue this past month and \$90,000 of it was Yarde Metals conveyance tax. We have CIRMA equity we received of \$103,000 for a total of changes thus far of about \$559,000.

3. Review expenses vs budget

Ms. Portelinha advised in reviewing the accounts, the departments are looking at them very closely, and we haven't encountered any issues that might require a large appropriation. A few transfers here and there to make things tie out. But other than that, we are not aware of anything.

4. Review Capital Projects in Budget (Quarterly)

Ms. Portelinha noted the report she provided. This is the Capital Projects Fund Summary through the end of December. She also handed this out to department heads and asked them to look at the projects to see which ones are in completion and that we might be able to close out. They're currently working on that. We'll do that in conjunction with the budget.

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

A. Sewer Committee (Tony Morrison)

Mr. Morrison reported on three issues. The first is the Chair asked about how we in the town calculated the sewer department bills. He asked if it had changed from the way it was which was estimating based on usage. It did change back in July, 2014. Whatever your water meter says is what the bill is made from. They transfer the file from the water department and our bills are printed out.

The second thing is I just wanted to mention the South End Pump station is close to completion. As of last month, Kovacs, the construction company was given a contract of \$500,000 and the project is on time and it will come in under that amount. I'll follow up at the meeting tomorrow because I am interested in these projects. These guys seem to have a track record of not just things well, but coming in on time and under budget, which is always good. The project was originally \$900,000 a year ago. Mr. Sciota explained the can was in good shape, the housing where it is, and didn't have to be replaced. It was less than expected.

Lastly, the odor from the sewer plant was back for a couple of days. It was caused by the sludge essentially staying in for about three days instead of two which it is over the weekend. Complaints were made. It will be at least another year before this problem is solved. The actual major components of solving the issue only happen 365 days after the award is given. That's the schedule. Explained.

Everything from odor control will be complete within 155 days. The main major problem will be 365 days.

The Notice of Award, DEEP issued it to Carlin and it will be signed in the next couple of weeks.

Mr. Sciota said there will be at least one more winter cycle with the project. The state requires we have everything up and running by June, 2021.

Late news, very good late news. As you recall, we applied for a fuel cell at the WPC facility. It came through and the state granted the permission to move forward with the fuel cell. There is a company the council will look at on Monday and approve but the company comes in and puts in a fuel cell which is the size of a tractor trailer and it is designed to produce all the electricity necessary for the plant after construction. The savings will be large, a minimum of 1.5 cents

per kilowatt. That'll be discussed by Mr. Hayden to his committee tomorrow. It will be on the council's agenda on Monday.

We have been trying to do more green technology, and this is right there. We don't use fuel cells very often is because you need a huge generator of power and this plant and the high school are the only two areas you could use a fuel cell. We'll see how it works out here before we talk about putting it anywhere near the high school.

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

Mr. Pocock said the leaves were the biggest thing. I am happy to report we saved \$17,000 (+/-) on over 5,000 tons of leaves that were picked up.

C. Open Space Committee (Ed Pocock)

Meeting was cancelled.

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

Mr. Labieniec reported we had a good December. Now, six months into the year we are \$300,000 under budget and about the same over prior.

E. Committee of the Chairs (John Leary)

Mr. Sciota reported the Chair briefly explained the process you are going through, the expectations and policies, for the Superintendent and I in the coming days, weeks and years.

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

The next meeting is the first week in February noted Mr. Morrison.

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

A. Investment Committee (Kevin Beaudoin)

Mr. Beaudoin reiterated interest in investments is \$300,000 over what we expected it would be. Overall, we have approximately \$85 million in cash and investments and of that total \$15 million is invested in securities which is mainly one to five-year CDs which represents about 18 percent of our total cash in investments. That's a good balance to be invested. Of that \$15 million, 64 CDs earning approximately 2.2% which is in line with the US Treasury for a two-year duration. That means those 64 securities mature in the next two years which is a good thing because as they mature and interest rates rise, we'll be able to reinvest and earn higher interest which will give us more interest on investments going forward. All good for the town.

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

Mr. Pocock reported since the new Chief has come onboard, he has reduced some of the overtime almost by 49%. We have to always take into consideration that's a moving target. We've been fortunate regarding some types of emergencies.

He has done a lot with the call backs.

Company #5 is now manned by full time firefighters and that's important for the safety on that end of town.

Mr. Pocock commended the Town Manager and the Superintendent of Schools and their maintenance department because Company #5 was a big savings because of their cooperation and putting a lot of work into that. Working together.

Mr. Sciota added the credit goes to Pete Romano's people and Annette's people. Mr. Pocock agreed but noted somebody has to organize it. Pete Romano's crew did a fantastic job up there and it saved the town a lot of money. It's nice to see them working together.

Mr. Beaudoin complimented the Chief for doing a good job on overtime. That's a very difficult task and an issue we've had for a number of years. It seems like he has a good handle on it. Mr. Pocock agreed with that statement.

C. Other Committees

Nothing reported.

7. Board Communications

Noting reported.

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 - Budget Expectations - Discussion and Approval

Vice Chair Labieniec advised with Chairman Leary and Mrs. Zoni not being here, we will skip this agenda item.

Mr. Morrison said if this is skipped, last time at the workshop we said we'd send something out from this meeting and if we don't do it, we would send something out in February and the budgets are all done.

Vice Chair Labieniec said the timing is bad with having only four members present and the Chairman and Ms. Zoni are not here. We will miss it. You are correct.

Mr. Morrison commented we cannot be proactive and get something out in front of people because when the February meeting comes along, the budgets are being prepared. And, everybody has got to be involved.

VIII. Conduct Administrative Business

1. Consent Agenda

A. Appropriation - \$7,985 * Highway/Parks - Property Maint - Loss/Damage (Spec Rev)

B. Appropriation - \$4,326 * Highway/Parks - Property Maint - Loss/Damage (Spec Rev)

C. Appropriation - \$2,165 * Highway/Parks - Property Maint - Loss/Damage (Spec Rev)

D. Appropriation \$2,345 * Youth Services - STEPS (Spec Rev)

Appropriation \$ 665 * Youth Services _ Outside
Programs (Spec Rev)

Appropriation \$3,474 * Youth Services - Enhancement
Grant (Spec Rev)

Mr. Beaudoin made a motion to accept the Consent Agenda as is.
Mr. Pocock seconded. Motion passed unanimously on a voice vote.

2. Manager's memos

1. Appropriation \$2,497,200 * Capital Fund - Plantsville
Center Safety & Streetscape Improvements

Mr. Sciota advised the Town received a grant from the State for \$2.5 million for safety improvements. That has been looked at by the public works committee. They had several public information sessions with the stakeholders. We're at the point now where we are in the next level of design. It was presented to the public works committee at their meeting last week and they're still moving on with the design part of it.

The reason why it is in front of you is because obviously it is a grant and we need to establish a line for it and appropriate the money when necessary.

Ms. Portelinha said we are basically setting up an appropriation of \$2,497,000 to the expense account with a revenue offset for the same dollar amount.

Mr. Morrison said this is for the streetscape improvements, but you did mention the traffic, as well. Mr. Sciota clarified the how projects includes --- it is not a streetscape but is put in for a safety program. The roads themselves, plus all the safety aspects. There are streetscape aspects of it but that's not the primary thing.

There is going to be traffic control, crosswalks of a certain make, wider sidewalks. Although the road is not going to be narrower, it is going to look like that so it will slow the traffic down. That is a traffic control aspect of it.

It is designed for safety and we will have visual improvements including benches, poles, et cetera.

It starts at Dunkin Donuts where the park is, heading in a westerly direction passed Hideaway Café. Then north towards Buckland Street. Picture the "T" in your head.

Mr. Pocock noted it will also be an improvement for Summer Street as that is a real bad sight line by the Hideaway Café.

The area discussed quite often at the meetings was the intersection where the Rails to Trails is because of the cars coming through. There are a lot of enhancements going in that area.

Next spring our project will begin.

Mr. Pocock made a motion to approve and Mr. Beaudoin seconded. Motion passed 4 to 0 on a roll call vote.

2.	Transfer	\$635	Dept of Assessment - Overtime
	Transfer	\$200	Dept of Assessment - Longevity

Mr. Pocock made a motion to approve the \$635 transfer to the overtime account and \$200 in the longevity account in the Department of Assessment. Mr. Beaudoin seconded.

Motion passed unanimously on a voice vote.

Mr. Sciota added he wanted to thank both the tax and assessment departments. They worked very hard this month and at the same time they have a very curious town manager asking how the Grand List is coming along. In this case, I'd like to thank that department for working very, very hard. This is a difficult month for them and they're really putting it together. I've been told I will have the Grand List by the 31st of January.

3.	Transfer	\$1,400	Library - Shelving
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Mr. Beaudoin 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. Mr. Morrison seconded. Motion passed unanimously on a voice vote.

(Whereupon, the meeting was adjourned at 7:39 o'clock, p.m.)

