

BOARD OF FINANCE
TOWN OF SOUTHLINGTON
MARCH 27, 2019

The Board of Finance of the Town of Southington held a Meeting on Wednesday, March 27, 2019 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.....	\$ 97,000
Approved this meeting.....	<u>50,000</u>
Total Appropriations.....	\$147,000

Appropriations with Revenue Offsets:

Approved to date.....	\$ 49,115
Approved this meeting.....	<u>275,265</u>
Total Appropriations.....	\$ 324,380

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

(* Arrived with meeting in progress where noted.)

III. Public Hearing Items

None.

IV. Old Business

1. Approval of Minutes of February 11, 2019 special meeting

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

ADOPT FY2019-202 Board of Finance Proposed Budget

(Passed)

New Business

V. Assess current financial state of the town

1. Review revenues vs budget

AND

2. Review expenses vs budget

Ms. Portelinha advised interest on investments is about half a million over budget. Town Clerk fees are \$160,000 and then we the CIRMA equity that we had gotten and not budgeted for for \$104,000.

As far as expenditures go, we are doing fairly well. The fire department has needed additional funds which they are transferring and you'll see that on the agenda tonight. I don't have any other items that are of any major concern.

Mr. Sciota added that is all good news. We're in late March and we don't see any issues currently with the budget.

3. Review Capital Projects in Budget (Quarterly)

The report will be next month.

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

- A. Sewer Committee (Tony Morrison)

Mr. Morrison on six items. The plant upgrade in town, the notice to proceed was given to Carlin Construction for February 11th with a completion date of July 30, 2021. Two percent completed as of the last meeting. There has been change requests already. The first was for a (inaudible) system and it removes phosphorous. It's increased by \$63,862. It has to do with the length of time to issue the contract, beyond September 30th and they were justified in asking for the price. It was approved by the sewer committee, which acts as the building committee for this project. The town officials and the consulting contractor was told it is in regards to the contract with Carlin.

Second was map fees, pcb. I don't want to go into the issue too much. It was \$33,500. It's something that was left out of the RFP, however, if we do it will save the town money downstream. Again, we approved it based on advice from town officials and our consultant.

The South End Pump Station, that will be finished by June 30, 2019. Completion was delayed by our vendor, a company called Kovacks. They had a delivery issue with the generator. Our contract calls for an overrun and it was several months overrun, but we are not going to go after damages and will only if they don't finish by June 30th. The damages will be whatever our consulting contractor, Tighe & Bond, bills us for any excess beyond June 30th.

The fuel cell is a great project. Unfortunately, the vendor has retreated from the power purchase agreements. They'll only lease it to us which makes no sense with the cost benefit analysis. So, we're looking at another vendor, Bloom Energy. They offer a very similar technology and we'll look at the price of power. If they come up with the technology we can use, we'll deploy them.

There was a leak in the concrete wall along the chambers at the clarifier plant. To seal it up, Tighe & Bond wants \$14,900. We approved it, obviously.

The Blatchley Pump Station is an interesting issue and I think the Town Manager may have something more than I do at this time.

Mr. Sciota said that is being worked on between the Chair of the Open Space Committee, my office, the Chair of the Sewer Committee and the Town Council.

We set up a committee to handle change requests less than \$20,000 on the plant. The overseer is the building committee. But we know we will have change requests and anything less than \$20,000 will be handled by a subcommittee consisting of Keith Hayden from Public Works, Dave Zoni, Chair of the Sewer Committee and me from the Board of Finance.

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

Mrs. Zoni reported she was unable to attend the last meeting. Mr. Pocock advised the next meeting is a week from tomorrow. We have nothing to report.

C. Open Space Committee (Ed Pocock)

Mr. Pocock had nothing to report. There is a meeting tomorrow.
(* Mr. Leary entered the meeting.)

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

Mr. Labieniec reported for eight months into the fiscal year, \$460,000 under budget and approximately just under \$300,000 over budget from the prior fiscal year. Overall, we describe that as being in good shape.

There was a decision made by the committee to adjust the recommendation for the fiscal year from \$24.9 million to \$24.0 million. Reduction of \$900,000. That was contemplated at last night's BOF workshop into the recommendations. It was \$684,000 for the BOE and \$216,000 for the Town.

JOHN LEARY, Chair, assuming the Chair:

E. Committee of the Chairs (John Leary)

Mr. Leary said there was nothing to report except he meetings are happening and they are productive. It's a chance just to hear what is going on. They put out their own Minutes. Nothing huge of a financial nature other than budget. Nothing financial.

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

Mrs. Zoni reported it is in the hands of the Council at this point. The committee is not meeting any longer. The Council has to take action.

The Chair clarified the last action was to communicate the programs that exist. Mrs. Zoni said that is at the behest of the Council if they are going to.

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

A. Investment Committee (Kevin Beaudoin)

The report will be given next meeting as it is done quarterly.

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

Mr. Beaudoin reported he went to the meeting and the majority of the discussion had to do with the transfers that are on the Manager's Memo relating to overtime. A lot of discussion at the fire meeting.

C. Other Committees

Nothing to report.

6. Board Communications

Nothing this evening.

ADOPT FY2019-202 Board of Finance Proposed Budget

The Chair called for a ten-minute recess.

(Whereupon, the meeting was recessed at 7:12 o'clock, p.m.)

(Whereupon, the meeting was resumed at 7:30 o'clock, p.m.)

The Chair noted the proposal is made here and then to the Town Council who will then pick up the process, have their own public hearing and questions and sort it and then they'll decide on the budget. Then the budget will come back here where we will look at the mill rate. We, and only the BOF, vote the mill rate.

The Chair asked for a motion on the **General Government Budget**.

Mr. Beaudoin made a motion to approve \$54,849,104 for the General Government budget for FY2019-2020.

Mrs. Zoni seconded.

Mr. Labieniec thanked the Town Manager and Finance Director for the budget and the entire process. Thank you very much.

The Chair added and to everybody who did whatever they did, put all the work into it. I'm sure there was sacrifice along the way on certain things that certain departments would've wanted to have.

Motion passed 6 to 0 on a roll call vote.

The Chair asked for a motion on the **Animal Control Fund Budget**.

Mr. Pocock made a motion to approve \$250,400 for the Animal Fund budget for FY2019-2020.

Mr. Morrison seconded.

Motion passed 6 to 0 on a roll call vote.

The Chair asked for a motion on the **Sewer Fund Budget**.

Mr. Morrison made a motion to approve \$5,549,600 for the Sewer Fund Budget for the FY2019-2020.

Mr. Labieniec seconded.

Motion passed 6 to 0 on a roll call vote.

The Chair asked for a motion on the **Five-Year Capital Improvement Plan**.

Mrs. Zoni made a motion to approve the FY2019-2020 Five Year Capital Improvement Plan and to proceed with the recommended funding strategies outlined in year 1 for \$34,538,654.

Mr. Pocock seconded.

Motion passed 6 to 0 on a roll call vote.

The Chair asked for a motion on the **Board of Education Operating Budget**.

Mr. Morrison made a motion to approve \$98,697,770 for the Board of Education Operating Budget.

Mrs. Zoni seconded the motion.

Roll call vote:	Mrs. Zoni:	Yes
	Mr. Morrison:	Yes
	Mr. Beaudoin:	No
	Mr. Pocock:	No
	Mr. Labieniec:	No
	Mr. Leary:	No

Motion fails 2 - 4.

Mr. Labieniec made a motion to approve \$98,975,770.

Mr. Beaudoin seconded.

Mr. Morrison said over the last ten years, and the reason I'll vote against it is because I do think it is too high at this point. It's too high for a couple of reasons.

First, the situation at the state. We have to husband all of our resources as much as we possibly can over the next couple of years until the state sorts itself out. It'll be longer than that, probably. We've done that with the Town and I think we should do it with all services across the board.

The last ten years we've funded education well. If you look at our debt service, 51% of that is education. It's what we've spent on education infrastructure over the last few years. We've done an excellent job there and the citizens have always supported it.

Explained.

Secondly, ten years ago our operating budget was \$79.4 million. The motion I propose would be \$98.7 million. That's a 24% increase which would be two to three percent increases every year which averages out to 2.7% increase a year. That's what my motion had tonight.

The rest of our Town has also had similar increases if you average it out of roughly 2.7% as well. But that includes debt service. The debt service we carry for education.

The budget for this year, education was given a 3.22% at a time when we were hit seriously by the state. We gave 3.22% increase. While the rest of the Town we gave a 0.39% increase. My motion tonight would see us with a 2.71% increase for education. We've already passed a 1.6% increase for the Town.

The affects on the mill rate has two things. This year, education, was a plus 0.5 mill rate points. The rest of the Town, we had a minus. It netted out at zero.

The motion I proposed would see us having an effect on the mill rate of education, 0.4. The rest of the Town it's minus.

We've protected education as much as we can. I think we have to balance that with what we're faced with at the state level.

The motion I proposed deliberately keeps our contracts and gives us the money to fund that. And, our teachers in this Town are well paid. Connecticut pays its teachers the fourth highest in the nation. And, Southington is slightly above average which isn't bad.

I think we need as a Board of Finance to balance where we are with the state. We know it's going to get bad and it'll get worse in the next couple of years. Let's husband our resources and let's not propose something in the 3%.

I would be okay with a lower number but I am not okay with 3%.

The Chair recapped. The motion is to approve \$98,975,700 which is 3% increase. The budget increase is \$2,878,000 from where it is now.

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

Motion passes 4 to 2.

Board Comments on the Budget:

Mr. Labieniec mentioned that the impact of all five motions is an increase of .39 mills or 1.3%.

The Chair said to get there, we used approximately \$2 million of excess fund balance and to get \$1.8 million of new tax revenue on property that didn't exist before. We had Grand List growth. Those two factors together kept the mill rate increase at 1.3%.

(Minutes are prepared summary style and you may refer to the video on line to hear the full presentation.)

VI. Public Communications (Excluding Public Hearing Items)

(1) Brian Goralski, 80 Buckland Street, Plantsville, CT. Also, Chairman of the Southington Board of Education.

He thanked the members that the budget brought forward and saw some future for the schools in the vote taken tonight. He respected those who had a difference of opinion.

He talked about incremental change being an important part of education for students in Southington. Part of that is improvements to our buildings and grounds. The BOE's responsibility is to maintain the buildings and continue to bring the needs forward to this community. I've never seen a referendum to improve our schools not pass.

Discussion.

Investments in education. He stated it is a fact it improves the community's well being and fiscal stability. We invest in education which is bringing businesses to our town, new residents to town and tax dollars to our town. It's keeping our youth in the town to be the future leaders of the community.

He said no mill rate last year was a great blessing to this community --- all residents.

This year, after deliberations, I thought we were going to try to go back towards that inflation number. I trust your numbers. He spoke about budgets growing with inflation. What drives us is need.

When you reduce a budget its because you think some of the things contained are not in the best interest or attainable by the community.

I ask you to consider --- when I present to the Council, I am going to share why our needs are still legitimate and the number we asked for was good.

I accept the reduction of \$921,000 from our request because you thought it was best. I believe what we requested was best. If we had funded in full, we would have been just above inflation. After a year where we had zero, I think that would have been reasonable.

I ask you to not let your board and my board swing a pendulum back to the past where we pick numbers out of the sky. Please continue to build on trust and need and conversation. Not numbers.

The BOE is not a number. It's students: 6,000 students and their families that come here as the future workforce of this town and the future leaders of this town. Education is not a number. It's a reality. Continue to let the budget process be driven by what we know is best, not what the state forces us to do.

Thank you for your vote this evening. Let's continue to build on our relationship to focus on need, not number.

Mr. Morrison asked: Do you know what the amount of pupils we will have in the school system will be in next October.

Mr. Goralski said he would get the correct number.

Mr. Morrison wanted to clarify that because it is his understanding that the number of pupils was dropping. Explained.

(Pause)

Mr. Goralski said he didn't want to give false information as we pride ourselves on being honest, so he will get that number to him.

(2) Tim Connellan, 79 Churchill Street, Superintendent of Schools.

Some conversation I heard this evening creates an artificial barrier in town and how we think of the dollars in town between the Town side and BOE side. It is completely an artificial barrier which is not appropriate.

From a statutory point of view the school district is the Town. That's the state definition. The responsibility for education does not lie on the BOE. Responsibility to provide a public education per the Constitution of the State of Connecticut is delegated to each town and community. The Town, in general, all of us. As a community we agreed to renovate the schools and do the repair necessary to protect the investment that belongs to the people of this community. That's the smart thing to do. Protect your investment. It has nothing to do with the operating budget. That's a point of clarification.

Our community values education. We haven't been valuing it enough. We need to continue to invest in education, otherwise our educational system is going to be irreparably damaged.

Discussion.

The things cut by the \$900,000 (+/-) reduction were all things that were necessary to support education and move forward in an incremental fashion.

We have numbers from Milone & MacBroom and we've provided those. Our elementary enrollment is still continuing to increase over the next 7 or 8 years by approximately 200 students. That's a moderate projection. Right we're above the number projected for this year at the elementary level which was supposed to be our lowest year.

That 2017 report is still on the BOE website. You can refer to it for clarification.

Bottom line is what we've asked for is supporting public education. Education is expensive. If you think education is expensive, try ignorance. Ignorance is far more expensive in the long run.

Thank you.

The Chair advised the BOE will follow up on any questions we have as we move forward.

VII. Review Long Range Plan and Priorities

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

A. Status / Reprioritizations

Nothing this evening.

2. Strategy Discussion

Nothing this evening.

VIII. Conduct Administrative Business

1. Consent Agenda

A. Appropriation \$350 * Youth Services - Kristen's Kloset (Spec Rev)

Appropriation \$470 * Youth Services - Outside Programs (Spec Rev)

B. Appropriation \$3,000 * Walkley Fountain Project - Program Services (Spec Rev)

C. Appropriation \$750 * Youth Services - Communities Talk Grant (Spec Rev)

Appropriation \$120 * Youth Services - Outside Programs (Spec Rev)

D. Appropriation \$2010 * Highway/Parks - Vehicle Maint - Loss/Damage (Spec Rev)

Appropriation \$4870 * Highway/Parks _ property Maint - Loss Damage (Spec Rev)

E. Appropriation \$270,715 * Education- Operations

F. Appropriation \$1000 * Fire Dept - Community Grant Program Supplies (Spec Rev)

Board of Finance – March 27, 2019

G. Appropriation \$1360 * Recreation - Recreational Improvements (Spec Rev)

H. Appropriation \$3850 * Police Dept - School & Education

Mr. Pocock made a motion to accept the Consent Agenda, Items A thru H as presented. Mr. Labieniec seconded.

Motion passed unanimously on a voice vote.

2. Manager's memos

1. Transfer 36,072 Snow & Ice - Overtime

Appropriation 50,000 * Snow & Ice - Overtime

Mr. Pocock made a motion to approve the \$36,072 and the \$50,000 to snow & ice overtime. Mr. Morrison seconded.

Mr. Sciota noted that part of the budget you just approved to the Council includes an increase of \$100,000 for snow & ice. Two years ago, we talked about that. Once again, we are going to fall into that average of \$800,000. That's why you are seeing another appropriation.

My hope in the future is --- it will never be perfect, but we are now going to be, if the Council approves the budget, at \$800,000 which has been our average over the last five years.

Motion passed unanimously on a voice vote.

2. Appropriation 700 * Calendar House - Overtime

Mrs. Zoni moved to appropriate \$700 for Calendar House overtime. Mr. Labieniec seconded.

Motion passed on a majority voice vote with Mr. Pocock abstaining.

3. Transfer 2,472 Police Dept - Special Response Team Equipment

Mr. Labieniec so moved the motion for approval. Mr. Pocock seconded.

Motion passed unanimously on a voice vote.

4.	Transfer	10,156	Police Dept - Vehicle
Maintenance			

Mr. Pocock so moved the motion. Mr. Beaudoin seconded.

Motion passed unanimously on a voice vote.

5.	Transfer	75,000	Fire Dept - Overtime Pay
----	----------	--------	--------------------------

Mr. Labieniec so moved the motion. Mr. Pocock seconded.

Mr. Sciota commented he sat down the Chief and we discussed the original budget was \$650,000. In this case, the Chief feels very good about the fact he can make it to the end of the fiscal year for, in this case \$725,000. So, I believe they done monumental work. They are asking for a transfer here and this is not an additional appropriation like we had last year.

In my budget you approved tonight, that overtime number goes down. The reason why is hopefully we'll add to new firemen.

In this case, I support the additional \$75,000 to take us to the end of the fiscal year. The Chief and his staff as well as the Fire Commission have done yeomen's work and I commend that whole division for, in my opinion, doing a great job with overtime and staying within the buffer zone of what I gave them and what they're asking for.

We had one huge fire and a couple of others that did actually bump up some numbers that were unexpected.

Also, it will be the vacation season coming up which also bumps up the overtime.

I am very supportive of this and once again, I thank the Chief for working very closely with me and I thank his board for working closely with me, also.

Mr. Pocock added he and Kevin sit on that board on a regular basis. He agreed with the Town Manager. It has come a long way. It's been all entitlement to the Chief and the Commissioners up there.

Mr. Beaudoin agreed. We sit there and we hear the Chief and the Ass't Chief and their goals and what they've accomplished and to me it seems by far they've done a better job this past year than we've seen in the past. I give a lot of credit to them and the Commissioners, as well, with their proactive on this whole overtime and the need for two firefighters. They've done an outstanding job.

The Chair noted Mr. Moise is there, who sat on this board for many, many years, I think that really solidified a connection between what was going on and how it is perceived at the level of governance of the finances. It made a big difference.

Mr. Sciota further stated the Chief and his management staff began in August. There was at least four plus pay periods within this cycle and those pay period were more than my "budgeted amount" for each one. So, they did have to play catch up during the last two cycles, also.

Mr. Morrison asked about the budgeted amount this year and if it is appropriate.

Remember, we just approved a contract with the raise going back to July 1st. I have a line item in my budge and we may have to appropriate some money, but the Chief is going to work very closely with the Finance Director to see if that could still be within his budget. I may have to appropriate some money from that line item to offset the salary raise increase. That's all I foresee.

Motion passed unanimously on a voice vote.

6.	Transfer	5,000	Fire Dept - Building
	Maintenance		

Mrs. Zoni so moved the motion.

7.	Transfer	12,600	Fire Dept - Vehicle
	Maintenance		

Mr. Pocock so moved the motion. Mr. Beaudoin seconded.

Motion passed unanimously on a voice vote.

8. Transfer 5,000 Fire Dept - Uniforms

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

Motion passed unanimously on a voice vote.

9. Transfer 4,000 Fire Dept - Equipment &
Furniture

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

Mr. Morrison asked, why are we transferring out of the volunteer firefighters' line.

Mr. Moise responded that question was asked at the Fire Commissioners meeting, as well. And, the answer was that that there is plethora of accounts inside of the volunteer fire funds so they look at what is not needed to be expended the rest of the year to make sure they still have everything that they need. We are not taking anything away from any safety issues.

The issue of getting new volunteers was briefly discussed.

Motion passed unanimously on a voice vote.

IX. Meeting Adjournment

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

(Whereupon, the meeting was adjourned at 8:06 o'clock, p.m.)