

BOARD OF FINANCE
TOWN OF SOUTHTON
SEPTEMBER 11, 2019

The Board of Finance of the Town of Southington held a Meeting on Wednesday, September 11, 2019 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.....	\$	0
Approved this meeting.....	\$	<u>0</u>
Total Appropriations.....	\$	0

The following board members were present:

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

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

Absent: Joseph Labieniec, Board member

A quorum was determined.

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

The Chair called for a moment of silence for 9-11 and those were affected in there and a mindfulness of the way the country pulled together after that.

(Pause, Pause, Pause)

II. Public Hearing Items

None this evening.

III. Old Business

1. Approval of Minutes of August 7, 2019 special meeting

Mr. Pocock made a motion to approve. Mr. Beaudoin seconded. Motion passed on a majority voice vote with the Chair abstaining.

2. Action on recommendation made by Tax Relief Committee

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

Mr. Sciota advised the presentation was made at your last meeting. We had the Director here and she was the ex-officio member of the committee. You have two members of the committee here if they wish to make a statement. Your action, if you wish tonight, would be a recommendation to the town council to start the process which would require an ordinance public hearing.

The Chair asked for another briefing on the recommendation. Mr. Morrison reviewed the recommendations. (Please see attachment at the end of the Minutes for the presentation on August 7th, 2019.)

After discussion, Ms. Zoni made a motion to recommend to the town council they proceed with the program as outlined. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

Ms. Zoni wanted to make sure Theresa Babon is thanked again for her hard work on this program. She gave above and beyond and it was during a very busy time of the year for her. She really worked very hard and gave us information that was easy to understand, easy to read and she helped with any and every question.

Mr. Sciota invited the committee members to come to the next council meeting as Chairman Bowes, chair of that subcommittee, is giving a presentation at the council.

Mr. Sciota congratulated Emilia and her staff for once again receiving the Certificate of Achievement. (Read the first paragraph of the letter from the Government Finance Office Association. Letter on file in the Town Manager's office for review.)

Congratulations to our Finance Director and her entire staff and this Board, also stated Mr. Sciota. The Chair agreed it was excellent. Jobs well done over many years. Mr. Beaudoin commented

he has been on this board for ten years, great job every year. Ms. Portelinha thanked everyone saying it was a group effort. A lot of work done by a lot. Mr. Beaudoin agreed, but it starts at the top with leadership.

New Business

IV. Assess current financial state of the town

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

Ms. Portelinha commenting on two months into the year. Everything is pretty much on budget for revenues and expenditures.

3. Review Capital Projects in Budget (Quarterly)

Ms. Portelinha said she would report after the first quarter. Mr. Sciota mentioned this does affect the capital fund. We are waiting for the bond council for the State of Connecticut to meet so they can distribute the Town Aid money and the LOCIP money. They may meet the end of September and we hope they straighten out their debt diet issue.

Discussion.

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

- A. Sewer Committee (Tony Morrison)

Mr. Morrison advised they haven't had a meeting. The one tomorrow is being pushed off for a week. At that meeting, we are also going to have a tour of sewer plant.

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

Ms. Zoni began by saying the renovation of the Center Street crosswalks is going to be quite costly. Quite a heated discussion about it regarding removing the current surface, adding concrete base and matching the color. Some discussion was regarding when the bids go out, whether they could get a local contractor for the concrete and it was determined the bid goes out and that company hires the concrete person so we have no say in that. Another concern was why is the money so high. It's because when the crosswalks were done last time the base was not done properly, however they did last 17 years. This

time, looking to do the base properly, approximating it would last 30 years, would be at a cost of about \$270,000. Discussion then followed about what other sidewalks in town.

Mr. Pocock added they did send a leaf contract off to the town council.

Mr. Sciota added the council was quite pleased with the crosswalks. I thought the number was \$204,00. The issue was and I'm not saying it was done wrong 17 years ago, but when it was done then it was with a sand base. One of the biggest complaints we get from downtown is our crosswalks. The stones have come loose. I made the decision to do it right this time. We had the money in the sidewalk account. We are not not doing other sidewalks because of this. This board and the council has allowed us to put \$250,000 in the account this year which went for numerous sidewalks in town and gives us the ability to also do the crosswalks. The council was very happy with the recommendation.

One small correction: because it is done through the state Q system, they will be started after the Apple Harvest Festival and it should take about five weeks and they are doing every one of the crosswalks. (From Route 10, all the way down. Everyone done during the Renaissance.)

Mr. Pocock clarified it is eleven crosswalks at a cost of \$214,624.

The committee and the council felt we want to get downtown Southington looking good. Hopefully, in the spring we will start with Plantsville and we'll have both downtowns looking very nice within 26 months.

Ms. Zoni brought up the Jude Lane intersection. It's such an improvement. Accolades for what they've done out there. There are right and left turn lanes clearly indicated from every direction along with turn signals that work. Driving there is so much better already.

Mr. Pocock said the project went along smoothly and there will be new traffic lights up there.

Mr. Sciota said it was a town project and not a state project and we're pretty proud of that.

On West Queen Street, Bill Casarella from the water department -- things happen. Water mains break. You should be proud of the coordination of the water department, police department, public works department, highway department. We thank Tilcon. They came right in and signed a contract with the water department and believe it or not

we had a virtual disaster on that road on a Thursday and by the following Sunday we had the road opened. Amazing accomplishment by the water department in coordination with the public works division and highway and police. It's good to know when those things happen, we can turn it around so quickly.

The Chair brought up the school access sidewalks and discussion followed regarding where the town is replacing those and turning them back over to the homeowners. Mr. Sciota said the Frost Road area has all been accomplished.

We are now moving forward with ADA compliance. We have about two thousand sidewalks we have to do. It will take many years and that's why in the capital plan you see \$250,000 each year. That is the responsibility of the town.

Discussion.

Continued discussion on school access walks. Maintenance by the town was discussed.

C. Open Space Committee (Ed Pocock)

Mr. Pocock reported they had a meeting but nothing was really discussed financially.

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

Mr. Beaudoin said a meeting is to be scheduled later this month. But I'll tell you for the month of July, our medical claims came in slightly above our budget by about \$1,700 which is good. That's on budget.

Discussion.

E. Committee of the Chairs (John Leary)

The Chair reported nothing financially eventful. A nice meeting to have.

Mr. Sciota advised staff has begun visiting all the social clubs about the November referendum. There's a lot of good questions out there. After explanation on the savings, the more outreach the better. We're doing 11 social clubs and the BOE through Mr. Palmieri, Mr. Goralski and Mr. Connellan are doing all the PTOs.

Nothing is to stop you from going to any club or organization or any group of friends you have, to go through the process. I'll have

Emilia forward to you the sheet that we use during the presentation which shows the three classifications:

1. Buying with the fund balance
2. Bonding
3. Doing nothing

As you are out in the community, that sheet is something you might want to have with you.

Mr. Sciota explained the video could not be put on the website because it takes a position and that is not allowed. However, it can be shown at a meeting and if it is taped during any meeting, that is allowed. There will be information sheets put on Facebook and the town website.

The Chair asked if the tape could be added to this meeting or the October meeting. Mr. Sciota said he would talk to IT. If they can't do it, we will present it at the next meeting.

F. Property Tax Relief Committee (Mr. Morrison & Mrs. Zoni)

Reported on earlier in the Minutes.

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

A. Investment Committee (Kevin Beaudoin)

Mr. Beaudoin said nothing more to add other than what Emilia said earlier. Thank you, Kevin, for your work a long time ago in suggesting that and Mr. Coleman, who is not here, for working on that and it is starting to bear fruit and it is a good thing. Hiring the Treasurer and the cash flow analysis that went with it, it is the right thing to do and it has done well for us.

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

Mr. Pocock said the fire department applied for a grant and got \$185,000. That's a plus.

Ms. Zoni noted in the budget it indicates they've used 26.5 percent of their overtime already, two months into the year. Mr. Pocock said he didn't do a comparison on that so he can't answer that. Ms. Zoni asked to find out what is going on. Ms. Portelinha will check it out and get an answer for the board.

Discussion.

C. Other Committees

Nothing to report.

6. Board Communications

Nothing to report.

V. Public Communications (Excluding Public Hearing Items)

None.

VI. Review Long Range Plan and Priorities

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

A. Status / Reprioritizations

2. Strategy Discussion - Budget workshops

Mr. Sciota advised the board has been talking about getting an earlier start on the budget. The Chair agreed we should assess and go first.

Mr. Morrison pointed out this board is going to be re-elected in November. If we say something between now and November, if there are new people on the board, that is a concern. However, I would rather we talk about it now. How do you translate over with an election.

The Chair said some members will still be here and they should bring the thinking forward and get the message carried forward to the new board.

A meeting will be set up for the later part of October. A workshop to talk about budget strategy.

VII. Conduct Administrative Business

1. Consent Agenda

A. Appropriation \$327,788 * Capital Budget - LOCIP

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- B. Appropriation \$3,654 * Police Dept - Vehicle Maintenance (Spec Rev)
- C. Appropriation \$500 * Town Council - White Christmas (Spec Rev)
- D. Appropriation \$485 * Youth Services - Outside Programs (Spec Rev)

Mr. Beaudoin made a motion to approve as a group. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

2. Manager's memos

- 1. Transfer \$5,000 Sewer Fund - Plant Office Supplies

Ms. Zoni made a motion to approve. Mr. Beaudoin seconded.

Mr. Pocock noted that it is a lot of money for office supplies. Ms. Portelinha advised they are getting new furniture. (Office desks and lunchroom furniture)

Motion passed unanimously on a voice vote.

- 2. Appropriation \$185,000 Fire Dept - Assist to Firefighters Grant (Spec Rev) (90% Grant for Program Services, Supplies & Overtime)

Ms. Portelinha explained the total program is \$185,000 and it's 90% grant and 10% town. As part of this, we're looking to also transfer out of the fire department \$18,500 to keep the expenses all together in the special revenue fund. I will provide you with that detail.

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

- 3. Transfer \$6,000 Police Dept - Tuition Reimbursement

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

VIII. Meeting Adjournment

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

(Whereupon the meeting was adjourned at 7:38 o'clock, p.m.)

Click on the following link to view the Municipal Center Referendum Video:

video <https://www.youtube.com/watch?v=mRNo50-RI2Q&t=5s>

Excerpt from the August 7, 2019 Minutes:

Presentation by Director of Assessment & Revue on recommendations made by Tax Relief Committee

Theresa Babon, Director of Assessment and Revenue presented the recommendations made by the Tax Relief Committee. (Hard copy of presentation attached hereto to the Minutes.)

(Minutes are prepared summary style and you may refer to the video on line to hear the full 13-minute presentation with comments by the BOF.)

Ms. Zoni commended Theresa Babon for the work that she has done to put this together. She has been amazing in looking up statutes, doing research, putting together information and disseminating that to all of us. Thank you very much, Theresa, we appreciate your hard work.

Three recommendations:

1. Permanently totally disabled per CT Statute 12-81 provides a \$1,000 assessment exemption to residents that are permanently totally disabled meeting a mandated state income level. We offer this \$1,000. Income levels for married people are \$16,000 and single people \$14,000.

A local option statute allows us to double that benefit. Guidelines and income limits are the same but instead of \$1,000 upon legislation from the Town Council enacting an ordinance we would be able to give them \$2,000 assessment credit. The committee felt that was a good idea.

There are 176 people that are qualify and the total tax dollar amount right now totals \$5,395. It would double to about \$11,000.

(2) CT Statute 12-170aa, that is commonly referred to as the circuit breaker. It is state mandated and used to be funded by the state but that doesn't happen anymore.

Guidelines: At least 65 years of age, lived in this primary residence for at least a year with income limits for the 2018 Grand List, married people is \$43,900 and they would be eligible to receive a tax credit of \$1,250. Single person with an income level of \$36,000 and their max credit would be \$1,000.

Those applicants total 585 and a financial impact right now of \$383,000.

The freeze is 12-170V and to qualify for that you need to be 70 years old, live in the home for at least one year, income limits are for married people \$37,000 and for single people \$32,000.

Annual tax amount on the Grand List of 2017 was \$10,000. If you applied for and received the freeze on the 2018 Grand List, if your taxes increased to \$10,200, then you would get a pass on that \$200 difference. That amount would be liened and interest accrues at 5% on that amount. That's the current freeze we have right now.

Four people have applied for this program. Right now, the total impact is about \$8,000 between all four applicants.

We want to recommend increasing the income limits to the state mandated limits plus \$7,000. That would mean \$50,900 income limit for married person or \$43,000 limit for a single person. Just to assist a larger number of people who have been previously denied. Some that come in are \$200 over the income limit.

We think the number is low because we think there seems to be a stigma attached with the lien. Education about that is coming down the road by me and the community services director.

A lien isn't such a bad thing. The program is meant to keep them in their homes.

The Acting Chair asked for the discussion at the committee level around the \$7,000 figure. Mrs. Zoni said it came about primarily from other towns as we looked at what they were using as a number.

The third recommendation is Statute 12-129N which is meant to provide additional tax relief to a certain group of people. They have to be at least 65 years of age, or permanently totally disabled, they have to live in Southington for at least a year as mandated by the state.

The committee decided they have to reside in town for at least six months plus one day of each year. Shall not owe delinquent taxes to the town except for those resulting from participating in any tax relief programs. Income limits are suggested to be the same as the new income limits for the freeze: \$50,900 for married people and \$43,000 for single people. Assuming they meet those income limits, they would qualify for a \$250 tax credit per qualifying household with a program cap of \$250,000/year. A lien would be put in place for the \$250 with zero percent interest.

Ms. Zoni added that the Council can change any of these if they determine it is needed without forming a new Tax Relief Committee.

The historical qualifying limits from the state slide shows how they increased from year to year. Also, fiscal impact is 585 residents that qualify for ground zero and assuming all also apply for this new program, that would be an additional revenue impact of \$146,250. As of May 15th, we had to turn away 100 residents that were over income and received no state benefits. Assuming all of them were able to apply for this new program that would be an additional \$25,000 with the total potential of \$171,250.

Mr. Sciota explained it is not on for action tonight because you may want to discuss it with the Chair and I will anticipate you'll take action at your next meeting and put it on for the second Council meeting in September.

Discussion of the process going forward. Mr. Sciota said the statute says: recommendation. That recommendation goes to the Town Council and they take action which would be to (1) send it to the ordinance committee (2) have the town attorney draft a new ordinance and have a public hearing.

The BOF recommendation is based on the financial impacts to the town.