

BOARD OF FINANCE
TOWN OF SOUTHTON
FEBRUARY 12, 2020

The Board of Finance of the Town of Southington held a Meeting on Wednesday, February 12, 2020 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 (Regular & Salary):

Approved to date.....	\$ 141,878
Approved this meeting.....	0
Total Appropriations.....	\$141,878

Appropriations with Revenue Offsets:

Approved to date.....	\$ 60,538
Approved this meeting.....	\$ 22,741
Total Appropriations.....	\$ 83,279

The following board members were present:

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

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

Absent: Joe Labieniec & Kevin Beaudoin, Board members

**7:00 pm The Board of Education will present their FY2020 - 2021
Operating Budget**

**The Regular Meeting and the Public Hearing on the Ordinance will
commence immediately after the Board of Education Presentation**

The Chair called the public hearing and regular meeting of the Board of Finance to order at 8:15 o'clock, p.m.

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

III. Public Hearing Items

Ordinance appropriating \$10,000,000 for costs related to the 2020-21 road and bridge improvement program, and authorizing the issue of \$10,000,000 bonds and notes to finance the appropriation.

Mr. Sciota advised this was introduced to the Town Council on Monday night. The plan is not new to this board. What we are going to try to accomplish is that every four years we are hopefully going to be going to the public and explaining the \$10 million bond ordinance. The reason for that is that we want to spend at a minimum the base number of \$1.5 million a year for our roads along with the money we receive from the state and some budgetary numbers. This is so we not only maintain our roads to a certain level but increase the level of our roads.

I believe that after discussions with this board and the town council last year, it is important that we understand that one of our major infrastructures, being our roads and bridges, we have to get into a habit of doing that. Knowing we are going to have a minimum amount of money we are spending each year and the assistance of our own budget and the state. We must continue to spend that amount of money or more to maintain our most important infrastructure outside of our buildings, our roads and bridges.

This is step one of the plan. We started doing a little bit in the past, but this is something that I plan on bringing to the BOF this year and then again after four more years.

To prove to the public how successful this is, this board allowed us to expend approximately \$45-ish thousand dollars to do a full study on where our roads and bridges currently stand. That full study is put into data which was carefully reviewed by Annette Turnquist and her staff as well as Keith Hayden and his staff. It is important we understand the formula and the software so we can prove to the public that where we decided to put this money is not something that is decided on any other basis other than the fact it makes logical sense and the town gets the biggest bang for its buck.

It also gives us a prognosis for the next five years on where we stand every time, we put money in there.

I'll let Mrs. Turnquist explain the process. With your indulgence, we move forward to the town council for their public hearing in two weeks.

This has always gone through the public works committee and they unanimously recommended it to the town council and obviously this board.

Annette Turnquist, Superintendent of Highway/Parks showed a slide presentation on the Streetscan Program. (Please refer to the video on line to hear the full 15-minute presentation.)

This company reviewed our roads and assigned a PCI (pavement condition index) for the roads. Their findings are here all color coded. The average PCI for Southington is a 76, in the good category. Discussion.

The recommendation seems to concentrate on the worst roads first. And, I agree with that recommendation.

Hopefully to the \$2 million per year, we'll have more to add with Town Aid to Roads and LOCIP funds. A budget of this magnitude really just stops the bleeding. It maintains the current average PCI but you are still in the good range which isn't a bad place to be. And, 76 is pretty good average PCI.

A \$10 million referendum is a fantastic start. It may take more than that to improve upon the average PCI. Maybe you will consider doing another referendum sooner than four years from now. It is a slow, steady ongoing process and we need continuous maintenance. Our backlog is at about \$30 million. Even with endless funds, you can't just throw \$30 million out and wash your hands and say you're done. Road deteriorates over time. It is always going to be an ongoing process. We have to be committed to the continuous maintenance.

Another important thing about the program is we can update the information. If we do projects this summer, we can put that in and it updates the PCI for that road segment and recalculates the average PCI and Streetscan recommended that we reassess the roads in the field every three to four years and in the meantime we can put in what we've done.

She explained the tables give the information, too. Anything in here can be downloaded into excel and manipulated. Thank you for approving this. I think it is a fantastic tool.

Mr. Lombardi asked if this was a cloud-based software or a software that we have in house and are there any annual fees?

And, I think it is important for the public and the new council members, to explain the rationale behind spending the money for this investment somewhere between \$30 and \$40 thousand.

Mr. Sciota again stressed this is an ongoing thing. We have to do for the 214 miles of road in this town. We have to make sure we do not let them go down and they continue to be where they are and then slowly, we move into the higher categories.

Discussion.

Mr. Sciota outlined other infrastructure improvements that will be included in his budget. This is what the town needs to keep moving forward. It is important to understand.

Roads and bridges are the core of our infrastructure and we have to take care of them.

Mr. Morrison asked about putting more money per year in, did Mrs. Turnquist explore that? Mrs. Turnquist said she did. It did affect the PCI some. You can also put in your goal and this program will tell you how much money you need to put in.

Mr. Morrison asked if we should set a goal of what we want to do and see how much we should spend? Mrs. Turnquist said she is working with the funds that she is hoping will be available. We can add TAR and LOCIP money and see which roads we should be doing.

She further explained the software, at the end of the construction season she is able to go in and enter the projected we've done and it updates the PCI of that road and the average PCI. Streetscan estimates that every three or four years we should have them come back and do an assessment, but in the meantime putting in the projects will maintain it. I thought that was a nice little feature she added.

In response to another question by Mr. Morrison, Mr. Sciota explained the rationale behind asking for the \$10 million. He would like to see, including all other sources of income for roads, a budget number of \$3 to \$3.5 million-ish a year. Mrs. Turnquist explained that doing much more than that is a challenge based upon the time period we have and the staff we have.

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The record will reflect there is nobody here to speak at the public hearing.

IV. Old Business

1. Approval of Minutes of the January 15, 2020 meeting

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

New Business

V. Assess current financial state of the town

1. Review revenues vs budget

Ms. Portelinha advised we are doing fairly well. Prior year taxes are about \$60,000 above budget. Our building permits and fees are \$160,000 over budget. Interest on investments \$320,000 above budget. Our town clerk fees are about \$80,000 over budget for \$620,000.

2. Review expenses vs budget

Ms. Portelinha advised there is nothing currently in our budget that would require any large appropriation.

3. Review Capital Projects in Budget (Quarterly)

Ms. Portelinha advised there is more delay with this. For some reason my spreadsheet kind of blew up. I have to probably start from scratch to get it started. I am hoping to have that done for next month.

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

A. Sewer Committee (Tony Morrison)

Mr. Morrison advised the meeting is tomorrow.

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

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Mrs. Zoni said bulky waste permits are in and people are encouraged to go to the town hall to get them before it's too late.

Interest in sidewalks for Carter Lane, the town sent out 35 letters and 29 were returned as "no" or against it. One was returned as unable to deliver and five were not returned at all. We are not going to pursue.

C. Open Space Committee (Ed Pocock)

Mr. Pocock said a lot of things in the works down the road.

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

Next meeting is Wednesday.

E. Committee of the Chairs (John Leary)

Nothing.

F. Economic Strike Committee (Tony Morrison)

Mr. Morrison reported one minor issue. It is to do a marketing plan for Southington as a tourist destination. We discussed that. Not a large amount of money with a big bang for the buck.

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

A. Investment Committee (Kevin Beaudoin)

Nothing.

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

Nothing to report by Mr. Pocock.

C. Other Committees

Nothing.

6. Board Communications

Nothing.

VI. Public Communications (Excluding Public Hearing Items)

No one present to speak.

VII. Review Long Range Plan and Priorities

1. Review status of LRP items in current fiscal year budget
 - A. Status / Reprioritizations
2. Strategy Discussion

VIII. Conduct Administrative Business

1. Consent Agenda

- A. Appropriation \$18,760 * Highway Parks - Vehicle Maint - Loss/Damage (Spec Rev)
- B. Appropriation \$ 2,500 * Community Svcs - Vehicle Maint-Loss Damage (Spec Rev)
- C. Appropriation \$ 22,741 * Board of Education - Operations

Mrs. Zoni made a motion to approve the Consent Agenda. Mr. Morrison seconded. Motion passed unanimously on a voice vote.

2. Manager's memos

1. Bond Ordinance \$10,000,000 Public Hearing Item #1

Mrs. Zoni made a motion to approve the bond ordinance moving to the town council with a favorable recommendation. Mr. Pocock seconded.

Mr. Morrison asked if we chose to, we could use part of the Rainy-Day Fund because nothing in here is definitive. Mr. Sciota said this gives the town the authority to use up to \$10 million. If you

wish to, as advice to me and the council, we want to spend a little more money on roads and we can take the money out of the undesignated fund balance, you could do that and it would have nothing to do with this.

Mr. Morrison asked what if we decide to use \$8 million in bonding and \$2 million from the Rainy-Day Fund. Does this restrict that? Mr. Sciota wouldn't advise it. We're taking \$2.9 million out of the Rainy-Day Fund to be purchasing the John Weichsel Center. I would go against that. I want to keep the authority for the \$10 million to bond.

The Chair noted we did receive a schedule I asked for of how much debt we've been carrying and the repayment on it. A long while back it was supposed to be \$11 million something every year or every other year to the point where we had \$40 million and then it would revolve.

Ms. Portelinha said the intent was that we would be bonding much quicker. But as the projects progress, we've determined that it would be more cost effective to wait a little longer to bond. Thereby, paying less interest. On the other side, we still have more debt to put on the books.

I did want to point out that included in the package was a debt payoff for the \$10 million. At times I've been asked why I would show it all at once versus in pieces, and that's really like the worst-case scenario. That's how I have presented it in the past.

Right now, it is difficult to assess how we're going to be bonding it. Most likely it will be \$5 million and \$5 million if we progress through the projects quickly. We do have a policy in place that we bond every 18 to 24 months with the exception of when we had the middle schools. At that time, we had to bond every year because of the sheer magnitude of the project.

My thought process is that even though we are using that fund over three or four years, we'll probably be bonding it in two installments.

The worst-case scenario would always be bonding it all at once. That's our highest cost.

Mr. Morrison said we are going to look at the life of the building and other things, but I think we should bring this into the budget discussion this year. We need to look at how we are going to pay for this. We need to understand the impact that has on the budget and make sure we don't go too crazy. I'll just throw that out.

Ms. Portelinha said those projects would be included in the budget.

Motion passed 4 to 0 on a roll call vote.

2. Appropriation \$831 * Calendar House - Overtime

The Chair said with the abstention we'll have on this one, we don't have a quorum. Ms. Portelinha will include it on the next agenda.

IX. Executive Session - Contractual & Real Estate

Mr. Pocock made a motion to adjourn to executive session to discuss contractual and real estate matters, excluding the press and the public but inviting the town manager and the director of finance along with the Board of Finance members. There will be no action outside of executive session. Mrs. Zoni seconded. Motion passed unanimously on a voice vote.

(Whereupon, the meeting was adjourned to executive session at 8:44 o'clock, p.m.)

EXECUTIVE SESSION

The Board of Finance of the Town of Southington entered into executive session immediately following their regularly scheduled regular meeting on Wednesday, February 12, 2020 at the Town Hall, Council Chambers, 75 Main Street, Southington, CT in order to discuss contractual matters and real estate.

Present were:

Mrs. Zoni, Mr. Morrison, Mr. Pocock and Chair Leary

Ex-Officio Members present were as follow:

Mark J. Sciota, Town Manager
Emilia Portelinha, Director of Finance

Absent: Joe Labieniec & Kevin Beaudoin, Board Members

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No motions or votes were taken.

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

(Whereupon, executive session was adjourned at 9:20 o'clock, p.m.)

REGULAR SESSION

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

(Whereupon, the meeting was adjourned at 9:21 o'clock, p.m.)

Mark J. Sciota
Acting Secretary