

Board of Finance – April 15, 2020

BOARD OF FINANCE
TOWN OF SOUTHLINGTON
APRIL 15, 2020

The Board of Finance of the Town of Southington held a Meeting on Wednesday, April 15, 2020 via teleconference. John Leary, Chair, called the meeting to order at 7:02 o'clock, p.m.

Appropriations from Contingency Account (Regular & Salary):

Approved to date\$ 218,878
Approved this meeting.....0
Total Appropriations.....\$ 218,878

Appropriations with Revenue Offsets:

Approved to date\$ 85,058
Approved this meeting.....\$ 2,939
Total Appropriations.....\$ 87,997

The following board members participated via telephone:

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

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

A quorum was determined.

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

III. Public Hearing Items

NONE

IV. Old Business

1. Approval of Minutes of March 25, 2020 meeting

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

2. Approval of Minutes of March 30, 2020 special meeting

Board of Finance – April 15, 2020

Mrs. Zoni made a motion to approve. Mr. Beaudoin 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 reported as to revenues at seventy-five percent through the year. Looking at revenues:

Prior year's taxes	\$110,000	above budget
Interest on taxes	\$ 20,000	above budget
Building permit & fees	\$190,000	above budget
Interests on investments	\$370,000	above budget
Town Clerk fees	<u>\$130,000</u>	above budget
	\$820,000	above budget

We are doing well with revenues through the end of March.

2. Review expenses vs budget

Ms. Portelinha stated in looking at the expenditures, currently there are no items that we find are going to be an issue at this point. We will be meeting with the department heads within the next couple of weeks to get an idea from them as to where they think they're going to land and whether they will need additional funds or have some funds that they can provide for the capital projects we had planned on doing with the extra money.

The Chair asked if we had any specific COVID-19 expenses or is everything being handled in the routine course of business? Mr. Sciota answered we are incurring small amounts at this point. What we are trying to do is keep track of those costs along with the cost of personnel. Obviously, personnel is the biggest issue at this point. FEMA has asked us to keep records which we are doing through the finance department and every department head is reporting on what employees are working less than their normal hours, whether on site or working from home. We are keeping track of that at this point.

But no major expenditures by the town at this point on COVID specifically.

Mr. Beaudoin asked about the stimulus for states and municipalities and do we know what that represents. Like a little overview for us. Mr. Sciota said the specifics as to the smaller municipalities did not come out yet. As soon as it does, I will forward it to the Council and the BOF. Nothing specific as to how it affects Southington has come at this point.

Ms. Portelinha added it was her understanding it pertained to larger municipalities and counties.

Mr. Sciota reiterated he would keep the board advised as soon as we find out. You hear big numbers from Washington, but until I see the specific coming from Connecticut, specifically DECD or the treasury department of the State of Connecticut, I don't have any numbers for you.

Mr. Morrison asked if he saw anything between now and June from a COVID perspective that we haven't encountered yet? Mr. Sciota said he was expecting some large overtime from police and fire in expenditures, but thankfully that has not come to fruition. In fact, they're lower than expected at this point. Many thanks to the police and fire for keeping themselves healthy and reporting to work. Without them, I am not sure where the town would be.

3. Review Capital Projects in Budget (Quarterly)

Ms. Portelinha had nothing to report. We are shorthanded and we are doing the best we can to keep up with all the information we have. She hasn't had a chance to compile the capital projects report.

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

A. Sewer Committee (Tony Morrison)

Mr. Morrison said last week's meeting was cancelled. Only one item that needed action which was a small change order and the subcommittee can approve it. Nothing to report.

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

Mrs. Zoni reported they did not meet. They had one item that was passed by consensus and went to the council.

Mr. Pocock asked Mr. Sciota about the transfer station. Are they still going to be able to take in brush? Mr. Sciota advised he notified the public works committee that the town starting this Saturday will be open at the transfer station for brush, only.

We are able to do that with two town personnel. I'd like to thank them for taking the ball on this one. We'll have one on top and one down at the brush area. We are making sure the cars will only be relieved when the other car leaves. We've asked the police department to check the area so there is no backup on Old Turnpike Road. We want to start the process of getting the transfer station at least

partially opened. This is for brush, only. The other operations at the transfer station will not be available until further notice.

When it comes to the stickers, they are honoring the current sticker you have through the end of May. If you don't have a sticker, bring your drivers license that shows a Southington address and we will still let you in for brush.

I'd like to comment that we are starting our spring process so we are bringing in more personnel for the parks division. They started the road sweeping this week. We are starting to bring that whole department back this week.

C. Open Space Committee (Ed Pocock)

No report.

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

No report.

E. Committee of the Chairs (John Leary)

The Chair reported there was no meeting since our last meeting.

F. Economic Strike Committee (Tony Morrison)

Mr. Morrison reported there was no meeting since before the last BOF meeting. Nothing to report.

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

A. Investment Committee (Kevin Beaudoin)

Mr. Beaudoin echoed what Emilia said. We are going to do well this budget year because we're above with investments. We'll sneak by this budget year. Next year will be a little tougher with low interest rates.

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

Mr. Pocock said they've been excellent in getting to work and being the first line with the police department is really crucial. It seems like everything is going smooth.

Mr. Beaudoin agreed.

Mr. Pocock also noted the ambulance service. The Chair noted they are on the front line, too.

Mr. Sciota pointed out that AMR has been in constant contact with Shane Lockwood, our health director and we should be very proud of their service. I'd just like to mention them and police and fire.

The Chair agreed. We can go further and further into all of our front-line people. And, the town's gratitude which I am sure the Council will convey. Any elected official should thank everybody on behalf of the town for all that they're doing to navigate us through this.

C. Other Committees

No reports.

6. Board Communications

Mr. Morrison asked Mr. Sciota: You mentioned the Council on Monday that you are in touch with the state legislature on any sort of potential economic revenue. Do you have any news?

Mr. Sciota explained the revenue numbers coming in are less than expected at the state level. The Governor has not chosen to at this point publicly discuss with CCM, which is our representative or with the legislature, on what his plans are with that. I may have this number wrong, but I thought it was around \$600 million, the shortfall on the revenue. That being said, I have not heard any specifics that the Governor is talking about. I would hope that he wouldn't chose this time of all times to limit the expected revenues to the municipalities.

Mr. Morrison further asked about the timing as to when we might know. Mr. Sciota said this is the short session which is supposed to end on May 11th. I know they've been having teleconferences but the legislature has not met in well over a month. Currently, the Governor's budget is the only budget that is in front of the legislature. I don't know if the Governor wants to call them back in special session if things turn around to modify the budget. Currently the numbers we all used to do the budget are the only numbers I have because the legislature hasn't even looked at those in session.

Mr. Beaudoin stated that no town employees have been diagnosed with the COVID-19. Mr. Sciota clarified we have no town employees

that have gone to the hospital. I do have employees that are home and I would not know specifically if they have it.

Good news.

VI. Public Communications (Excluding Public Hearing Items)

None this evening.

However, Mr. Sciota commented, you received notice today from the Chair of the Town Council through a Press Release. I want to be sure everyone understands that the Council will be acting on the 27th of this month and more than likely it will be not to move forward with the bond ordinance referendum for the library. I wanted to be sure everyone knew. That will not be scheduled for your public hearing in May.

On the 27th, I expect the Council to simply say they are going to table it indefinitely and possibly bring it up for the 2021-2022 budget. But that is as far as they are going to go, I believe.

Mr. Morrison said it is painful, but a wise decision at this point with everything that is going on.

The Chair stated some general advice. People in town want to know what they could do or should be doing from a financial perspective. We can't direct you what to do, but one of the recommendations when this clears is to go out and support local businesses. Be it our landscapers, restaurants, et cetera. Get out in town and when it is proper, go out and support local businesses to help them all get back on their feet. That's how you can help.

Southington Community Services, Bread for Life are providing food to people in need. They have a different need ship as to what they provide and who they provide it to. They're in need of donations of food and money. That's a noble cause. You can help the people who help the people. Other charities, places of worship all know how to get this done. I speak for all of them in saying they are in need of donations to help them provide their services.

Mr. Morrison said we are all totally onboard with that. Especially with the restaurants that have had to close down. The take out seems to be doing well and it is not a replacement but it is something to keep going so they can open at the end of this. Excellent point, John. Excellent point.

VII. Review Long Range Plan and Priorities

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

Board of Finance – April 15, 2020

A. Status / Reprioritizations

2. Strategy Discussion

Nothing this evening.

VIII. Conduct Administrative Business

1. Consent Agenda

A. Appropriation \$1,333 * Highway /Parks - Property
Maint - Loss/Damage (Spec Rev)

B. Appropriation \$4,619 * Fire Dept - Vehicle
Maintenance - Loss/Damage (Spec Rev)

C. Appropriation \$1,900 * Police Dept - Vehicle
Maintenance - Loss/Damage (Spec Rev)

D. Appropriation \$2,300 * Youth Svcs - Regular Wages -
Drug Free Communities Grant

Appropriation \$639 * Youth Svcs - FICA/Medicare -
Drug Free Communities Grant

Mrs. Zoni made a motion to approve all items as one. Mr. Morrison and Mr. Pocock seconded. Motion passed unanimously on a voice vote.

2. Manager's memos

1. Transfer \$6,500 Police Dept - Temporary/Seasonal

Memo included is self explanatory. Mr. Beaudoin made a motion to approve the transfer for \$6,500. Mr. Morrison seconded. Motion passed unanimously on a voice vote.

2. Transfer \$679,822 Capital Fund - Road Restoration

Mrs. Zoni made a motion to approve the transfer of \$679,822 from capital fund to road restoration. Mr. Morrison seconded.

Mr. Sciota said as you know, we try to piece together as much money as possible for the road projects this building cycle. We're hoping to get --- assuming the budget is approved as you recommended -- close to \$3 million for our roads this season. Part of that is a

transfer of this \$679,822 which includes the truck wash bay which will no longer be necessary since we're doing a public/partnership with a truck wash being built in town near the bowling alley.

The second one is a TRV which is no longer required by the state which we had in this year's budget. That was transferred to roads.

This is a very important part of the \$3 million that we have for roads this year.

Motion passed unanimously on a voice vote.

3. Transfers \$18,000 Fire Dept - Fire Equipment

Memo included is self-explanatory. Mr. Beaudoin made a motion to approve the transfer of \$18,000. Mr. Pocock seconded.

Mr. Morrison asked the nature of the PPE. Mr. Sciota responded in the transfer he talks about having to update the equipment because the other equipment is outdated. Nothing to do with COVID. Equipment times out and it needs to be updated.

Motion passed unanimously on a voice vote.

4. Transfers \$28,000 Fire Dept - Building Maintenance

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

The Town Manager advised the Council on Monday night did approve the tax deferral. All real estate taxes whether it be motor vehicle or personal property will be deferred until October 1st. It is 60 days from the due date which is August 1st. October 1st will be the new due date before any interest accrues.

The Chair asked for a cash flow projection as to what we anticipate, the low range, the high range and of people utilizing this program and at the higher range and the lower range how we will cover our expenses.

Mr. Sciota said Ms. Portelinha will work on that. But as I mentioned before, the Governor's Executive Order specifically exempts financial institutions. The banks that pay through escrow are not excluded in this and we do expect 11,000 or our 18,000 residential units are paid by escrow. That should take some of the sting off.

Board of Finance – April 15, 2020

Ms. Portelinha said about \$22 million came in last year through escrow.

The Chair wanted to have a cash flow projection so we know. Our Rainy-Day Fund is very, very healthy. We could take from it and put back to it if need be. This is a good program for folks.

Discussion.

This is for anybody who pays taxes in the Town of Southington but does not include escrow.

Whoever can, should pay on time. It has to be noted in the Minutes that are expenses in town do not take a hiatus, but our revenue will. People have to realize that and use this program if they need to and if they have the ability to pay, they should come forth and pay.

Mr. Morrison agreed. My comment on that is do we think we will be short during that quarter and have to dip into the Rainy-Day Fund or is it just a question of moving expenses out where we can?

Ms. Portelinha said we are in a lot better place than a lot of municipalities in this area. I think once we work the numbers, we should be fine.

The Chair thanked everybody in town, every elected leader who has been fiscally responsible on our Town Council and Board of Finance over many years and all of our citizens and taxpayers who went along with us as we built that Rainy Day Fund and maintained and put us in a conservative position because that today helps us. If we ever needed it for self-insurance or another program, we are way better financially than many, many other towns. And, we are thankful to everybody for that.

Mr. Sciota had one last thing. Mr. Chairman, you are cordially invited by Council Chair Triano to their meeting on the 27th to present the BOF budget remotely. The public hearing is number one on the agenda and you'll be first to speak.

Discussion.

The Chair said when we went through budget it became clear that the vote was for 24.2% increase and there was another plan for the zero. I will speak to both of those because the Council will consider one or the other with nothing in between. I'll speak for both and let them know we did have plans for both and tell them what the recommendation was. I'll let them sort it out.

Mr. Sciota advised there are several questions and you will be asked about the thoughts of the BOF for the \$500,000 reduction in self-insurance. That's another question you should be prepared to answer.

IX. Meeting Adjournment

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

(Whereupon, the meeting was adjourned at 7:37 o'clock, p.m.)