

Board of Finance – May 13, 2020

BOARD OF FINANCE  
TOWN OF SOUTHLINGTON  
MAY 13, 2020

The Board of Finance of the Town of Southington held a Meeting on Wednesday, May 13, 2020 via teleconference. Joseph Labieniec, Vice Chair, called the meeting to order at 7:05 o'clock, p.m.

Appropriations from Contingency Account (Regular & Salary):

Approved to date .....	\$ 218,878
Approved this meeting.....	<u>0</u>
Total Appropriations.....	\$ 218,878

Appropriations with Revenue Offsets:

Approved to date .....	\$ 87,997
Approved this meeting.....	<u>\$ 153,232</u>
Total Appropriations.....	\$ 241,229

The following board members participated:

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.)

A quorum was determined.

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

**JOSEPH LABIENIEC, Acting Chair, presided:**

III. Public Hearing Items

ORDINANCE APROPRIATING \$2,500,000 FOR COSTS RELATED TO THE DESIGN AND CONSTRUCTION OF A BACK UP WELL (WELL #10) FOR THE SOUTHLINGTON WATER DEPARTMENT'S WELL #9, AND AUTHORIZING THE ISSUANCE OF \$2,500,000 BONDS, NOTES, TEMPORARY NOTES AND OTHER OBLIGATIONS TO FINANCE SAID APPROPRIATION.

Mark Sciota, Town Manager, introduced the Superintendent of the Water Department, William Casarella, who will present the ordinance and he and his staff will answer any questions.

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Bill Casarella started by saying it is an Ordinance appropriating \$2,500,000 for costs related to the design and construction of a back up well (Well #10) for the Southington Water Department's Well #9, and authorizing the issuance of \$2,500,000 bonds, notes, temporary notes and other obligations to finance said appropriation.

Well #9 is our most critical and highest producing well in town. It produces 46% of the supply of water in our town. We did have some issues last year in the middle of summer and that's what prompted us to move ahead and try to build a back up well ASAP. That's why we are before you today looking for the bond ordinance.

With me is Scott (Inaudible) from Budwitz & Myerjack.

Mr. Morrisson asked if there were any alternatives to drilling the back up well. Mr. Casarella responded drilling the well is the only thing we can do. There is no other opportunity we have. It is our biggest producing well in town.

It was originally built in 1991. It was permitted in 1987 to install two wells, 9 & 10, at the time. At the time the water department decided to build one well, #9, because of the cost restrictions.

We've gone this far and we've found that at this time for the protection of our water supply, the best thing to do right now is build a backup well.

We have back up wells on Well #2 and Well #7.

Mr. Morrisson further asked when will be implemented once it is built. Mr. Casarella said it will be a backup. The plan is to run both at 1,000 gallons a minute. Instead of using one well producing 2,000 gallons a minute and pulling hard from underground, we'll have two wells pumping at 1,000 gallons a minute. We create longevity in both wells. The amount of water in the ground wouldn't be used as much by using two wells instead of one.

Hearing no other questions, Mr. Sciota advised Acting Chair Labieniec he could close the public hearing.

Mr. Morrisson interjected with one more question for Mr. Sciota. Will this be on November's referendum?

Mr. Sciota explained this is a bond ordinance for water improvements so it is not paid for by the general taxpayers. It is paid for by the water users. It does not go to referendum. It does not affect the budget.

It was asked on the public line if anyone had any questions at this time. (No response)

Mr. Sciota advised you can now close the public hearing.

(\* Mr. Leary jointed the meeting and asked Mr. Labieniec to continue chairing the meeting.)

**SET THE MILL RATE FOR THE FY 20202-2021 ADOPTED BUDGET**

Mr. Sciota asked Ms. Portelinha, Director of Finance, to summarize the actions of the Town Council for the public and the board and based upon that action of the Town Council what the mill rate would be. You would then discuss and vote.

Ms. Portelinha advised that on Monday night the Town Council motioned to reduce the general government budget by \$135,000 for specific line items. I will provide a list for you in the Minutes.

They reduced the BOE by \$435,000.

The total budget for FY2020-2021 would be \$158,243,387. Using our calculation, that would be come out to a 30.63 mill rate which one-hundredth of a mill less than the current mill rate.

Mr. Sciota said the only other change was Capital. As you know it was reduced by \$13.9 million. We had for year one of our five year plan the library which has been removed from year one. Obviously, it does not affect the mill rate.

Mr. Leary reminded the board that one of the responsibilities of the BOF alone, and one of the powers that the BOF has exclusively, is to set the mill rate. We can set the mill rate in line with the budget which has been the common practice, we can set the mill rate the same as last year or a little bit higher. We get to set the mill rate with no override. Keep that in mind.

Typically, what we do is wherever the Town Council places the budget, we set the mill rate and it balances. Pure math.

We're not obligated to do that.

Mr. Morrison made a motion to set the mill rate for FY202-2021 to be 30.63. Mr. Leary seconded.

Motion passed 6 to 0 on a roll call vote.

IV. Old Business

1. Approval of Minutes of April 15, 2020 meeting

Mr. Pocock so moved the motion. Ms. Portelinha advised there was an amendment to the Minutes because it reflected the wrong percentage for increase on the BOF budget as approved. It should have read: .42 percent. I didn't get that out but that was corrected by Linda.

Mr. Pocock said he would amend his motion to include the amendment left off. Mrs. Zoni 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 outlined the revenues through the end of April are:

Prior year's taxes:	\$90,000 over budget
Building permits & fees:	About \$100,000 over budget
Interest on investments:	\$240,000 over budget
Town Clerk fees:	\$130,000 over budget
CIRMA equity & interest:	About \$30,000 over budget

A total of \$590,000 but you will see in the items listed today that we were going to use \$140,000 of interest and the CIRMA equity, \$70,000 of that, we'll appropriate in Item 10 for the Capital Budget projects.

2. Review expenses vs budget

Looking at the expenses year to date, we're doing very well. We are incurring a few expenses pertaining to the COVID but right now they are minimal. You will see an item on the Agenda requesting a transfer to cover the cost of N95 masks for \$17,500. Other than that, right now we are doing fairly well with our budgets.

Mr. Morrison asked if Ms. Portelinha had a sense of where we will land at this point and Ms. Portelinha responded it is way too early to discuss that at this point.

3. Review Capital Projects in Budget (Quarterly)

No report this month.

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

A. Sewer Committee (Tony Morrison)

No report as the next meeting will be tomorrow.

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

Ms. Zoni reported the bulky waste is extremely busy and we will be returning to a normal schedule. There are no extra hours during the week any more.

The highway and parks department are going back to full staff in the near future.

As to the Memorial Park concession stand, the committee passed on to the council a bid for \$293,448.69 for the rebuilding of the concession stand. The council approved that at their May 11<sup>th</sup> meeting.

On Arrowhead Lane, the trees are damaging the sidewalks. The trees are the town's responsibility because they are in the area between the road and the sidewalk. The estimate is for \$10,000/tree for removal with an extra \$15,000 for sidewalk repair and another \$2,000 to \$4,000 for police department. It must be done.

We checked out other trees in the area and the discussion was whether or not they are going to take out all the trees and sidewalks on the street. I'm not sure how that will end up. It will have to be undertaken at some point because the trees belong to the town and the damage is being done to the sidewalk because of the trees.

C. Open Space Committee (Ed Pocock)

Mr. Pocock stated the town purchased the parcel next to the train station in Milldale. Very useful in the near future. Mr. Sciota added it is under contract and we expect a closing soon.

And, Mount Vernon Road, we have a parcel over there we put into our coffers.

Other than that, the police have been doing a good job for us patrolling Crescent Lake and Novick's property. They seem to be congregating at Novick's and we're trying to keep that to a minimum.

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

Vice Chair Labieniec reported on the meeting held April 22<sup>nd</sup>. He reported figures through March. March was essentially on budget. And, for the year that put us \$331,000 under budget and versus prior

we are about 3.5% above. For the last three months of year we are budgeting about 8.3% above prior. The feeling is as we are about \$331,000 under budget, if we don't incur any COVID-19 claims, there is a good chance that claim activity will be lighter as some elective procedures are put off and emergency services go down as well as people follow stay at home protocol. We'll monitor the last three months of the fiscal year. For this fiscal year, we appear to be in good shape.

Mr. Beaudoin said we are in good shape with our budget thus far. I did want to ask if we had any town employees that have been hospitalized. Mr. Sciota responded: to the best of our knowledge, no.

E. Committee of the Chairs (John Leary)

No meeting was held.

F. Economic Strike Committee (Mr. Morrison)

Mr. Morrison said it has been changed to: Long Term Recovery Committee. Along with the Governor's ask that every town in Connecticut come up with a committee to supervise how the town could gradually reopen everything that has been closed, it was decided to use the Strike Committee make up and add to that the head of the Chamber of Commerce and Shane Lockwood, Southington Health Director.

The meeting was held last week. We just listened to the public and nothing was really discussed. Businesses called in. Restaurants, hair salons and nail salons called in as they would be among the first in Connecticut to open as of May 20<sup>th</sup>. They had lots of questions on the Governor's instruction on how to open.

There was a discussion on Center Street and the advisability of closing that down to create more outdoor restaurant space. Restaurants can only open if they use outdoor space. There was decided. We heard a lot about the owners and what they think and how it should run in the future.

At our next meeting I'm sure we will discuss more strategic issues and how to make sure these things are implemented in the town.

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

A. Investment Committee (Kevin Beaudoin)

Mr. Beaudoin had nothing more to add to what Ms. Portelinha reported.

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

Mr. Pocock said there has been no actual meetings. I did speak with the Fire Chief this afternoon. The overtime is well in line. It has been held down very good considering the activity going on.

The Chief and I discussed whether for the next month and a half we think we're going to be pretty safe with overtime. We're still up in the air on.

Mr. Sciota echoed Mr. Pocock's comments. Overtime has been very much under control.

Chief Butler (on the public line) said they are projected to meet our overtime goals for this year where we won't be required to transfer any addition funds. He checks it every day. He didn't see any problems coming from our overtime at this point.

C. Other Committees

Nothing this evening.

6. Board Communications

Nothing this evening.

VI. Public Communications (Excluding Public Hearing Items)

No public communications 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

No discussion this evening on these items.

VIII. Conduct Administrative Business

1. Consent Agenda

A. Appropriation \$2,915 \* Highway/Parks - Property  
Maint-Loss/Damage (Spec Rev)

B. Appropriation \$3,242 \* Youth Svcs - YS Enhancement  
Grant (Spec Rev)

C. Appropriation \$525,964 \* Capital Fund - Town Aid  
Roads

Mr. Pocock made a motion to approve the Consent Agenda, Items A thru C, as listed on the Agenda. Mr. Beaudoin seconded.

Motion passed unanimously on a voice vote.

2. Manager's Memos

1. Bond Ordinance \$2,500,000 Public Hearing Item #1

Mr. Beaudoin made a motion to approve the bond ordinance of \$2.5 million. Mr. Pocock seconded.

Mr. Sciota read the item: Ordinance appropriating \$2,500,000 for costs related to the design and construction of a backup well (Well #10) for the Southington Water Department's Well #9, and authorizing the issuance of \$2,500,000 bonds, notes, temporary notes and other obligations to finance the appropriation.

Motion passed 6 to 0 on a roll call vote.

2. Transfer \$1,200 Police Dept - Stipend

Self-explanatory in the letter. Mrs. Zoni so moved the motion. Mr. Pocock seconded.

Motion passed unanimously on a voice vote.



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3. Transfer \$19,762 Police Dept - Program  
Supplies

Mr. Pocock made a motion for the transfer of \$19,762 for program supplies. Mr. Beaudoin and Mr. Morrisson seconded.

Motion passed unanimously on a voice vote.

4. Transfer \$7,800 Central Dispatch - Overtime

Mr. Pocock made a motion to approve the \$7,800 in Central Dispatch to overtime transfer. Mrs. Zoni seconded.

Mr. Morrisson asked how the police overtime budget was looking. Mr. Sciota said it has not come up as anything we have a question over. It's in good shape. Ms. Portelinha said they haven't been told otherwise.

Mr. Sciota explained we did have to put on a part time dispatcher to cover the calls we had for the virus. That is where some of the additional costs come from.

Motion passed unanimously on a voice vote.

5. Transfer \$6,500 Fire Dept - Fire Equipment

Mr. Pocock made a motion to approve the \$6,500 transfer to fire equipment. Mr. Beaudoin seconded.

Motion passed unanimously on a voice vote.

6. Transfer \$7,000 Fire Dept - Equipment &  
Furniture

Mrs. Zoni made a motion to approve the transfer. Mr. Beaudoin seconded.

Mr. Morrison noted a lot has been transferred from the volunteer firefighter budget, are we okay on that? Mr. Sciota said with the reduction in calls, it also reduces that part of it.

Chief Butler added right now we have had a reduced call volume for the last two months and with that it has allowed us to move some money around to take care of some issues at the volunteer stations.

Motion passed unanimously on a voice vote.

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7. Transfer \$12,836 Fire Dept - Stipend

Mr. Beaudoin made a motion to approve the transfer of \$12,836 to fire department stipends. Mr. Pocock seconded.

Motion passed unanimously on a voice vote.

8. Transfer \$17,500 Emergency Mgmt - Program Supplies

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

Ms. Portelinha advised we had the opportunity to purchase N95 masks, so obviously, we jumped at it. We just transferring funds into the emergency management department to cover it.

Mr. Sciota said we are hoping that we do get a 70 to 75 percent reimbursement on the numerous costs we've had so far to prepare for the virus.

Mr. Morrison stated he thought the state was handing out N95 masks. Is there any reimbursement from the state, as well, or just FEMA?

Mr. Sciota advised we were told by the state to put our estimated costs through June 30<sup>th</sup>, which we did. To the best of our knowledge the money is coming from federal. It comes from the federal to the state to us.

Motion passed unanimously on a voice vote.

9. Transfer \$1,000 Calendar House - Equipment Maintenance

Mr. Morrison made a motion to approve and Mr. Beaudoin seconded.

Motion passed 5 to 0 to 1 abstention by Mr. Pocock on a roll call vote.

10.A. Trans & Approp	\$50,000	Capital Budget - Public
Safety Radio System		
B. Trans & Approp	\$60,000	Capital Budget - Town Hall
Renovation		
C. Trans & Approp	\$250,000	Capital Budget -
Repair/Replace Sidewalks		

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D. Trans & Approp	\$275,000	Capital Budget - Spring St. Turning Lane
E. Trans & Approp	\$118,000	BOE - Capital - High School Sound System
F. Trans & Approp	\$123,000	BOE - Capital - Fuel Tank Removal
G. Trans & Approp	\$67,382	BOE - Capital - Paving

Mr. Sciota explained as part of the capital budget which was approved by your board and the town council. There are several ways to fund capital items. One way is to use cash that we obtain through budget reallocation for the 2020 year. That's what is in front of you today. This is not for the entire amount we plan on using. We'll be coming to you for a portion tonight and a portion at your June meeting to equal the approximately 1.6 that we need to fund the entire cash part of that.

Ms. Portelinha said she would forward the transcript of that along with the items for the \$135,000 cut from the town budget.

Basically, it is all individual expenditures. These are balances coming from the CIRMA equity revenue and from the interest on investments in order to make up some of the funds that we had anticipated budgeting for reappropriation. A total of \$943,472. They're in your packet.

We'll be coming back probably next month for the balance.

Mr. Beaudoin made a motion to approve the list of items identified as the Agenda for transfer & appropriations. Mrs. Zoni seconded.

Mr. Pocock asked about the turning lane on Spring Street. Way back, there was Spring Street construction up there by contractors and I thought that was approved at the time. Mr. Sciota responded that is going to take place. If you look and see the \$275,000, that is going to be --- the property owner gave us the necessary easements for not cost. We'll be putting in the turning lane and you saw we already put in the Do Not Park box. We're hoping to get that done in the building cycle which would be this summer assuming the restaurant opens up in the next couple of weeks. I don't know if they do outside dining. We'll be working closely with them. That is part of this vote to get that done.

Mr. Morrison asked about the repair/replace sidewalks. Is there any schedule of what is going to be done? Mr. Sciota responded we have a list of sidewalks that need to be done each year. That's done through the engineering department. We can forward you what we expect to do out of this \$250,000.

Ms. Portelinha added we are also reimbursing people for putting in sidewalks. Mr. Sciota agreed. This account is also for the 60/40

splits that we have when people put in sidewalks. That also comes out of that account.

Motion passed 6 to 0 on a roll call vote.

Mr. Leary had a comment to make. Our board certainly knows that getting to the zero was the response that town council wanted to go to, but in a way our expenses really didn't come down to that level. The real expenses: salaries, operating costs. And, we have had an exceptionally high year of Grand List growth. We are able to achieve the zero which this board certainly knew and had planned how to get there.

I think we all have to be prepared bringing it to zero when costs are actually increasing, puts us in a situation as we look towards the following year. We'll have to monitor everything and really hope that our Grand List does grow and we have some positive news going forward to the next year. It is just to put a warning out that next year could be, unless economic development and everything really comes back for us, next year we could be faced with the need for a much higher increase with the need for the operating expenses.

Mr. Beaudoin agreed with Mr. Leary's comments. We did the right thing by bringing it back to zero but next year it is definitely going to be tougher than the last few years.

Mr. Leary responded when the public reads the narratives, the paper is going to say whatever it says about holding the tax increase to a zero and they're going to say great job. The public is going to assume that somewhere costs have also been contained to adequately go with that. And, it is a true statement, but not the costs that we would control. Again, not the salaries, not the actual costs to run the town. We have salary increases this year for union and non-union staff. We have stuff going up and the tax is holding firm. I don't think the optics of the zero were achieved but the substance of any sound synergies, reductions in costs or anything creative on delivering equal to or better services at a lower cost --- none of that part has been achieved. That is our challenge going forward.

Mr. Morrison said we really don't know what is going to happen next year. I'd like to keep that thought with me until we see what happens come next December or January.

Mr. Sciota stated he and Ms. Portelinha are looking forward to the challenge.

IX. Meeting Adjournment

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

(Whereupon, the meeting was adjourned at 7:55 o'clock, p.m.)