

BOARD OF FINANCE
TOWN OF SOUTHTON
JUNE 10, 2020

The Board of Finance of the Town of Southington held a Meeting on Wednesday, November 18, 2015 at the Town Hall Council Chambers, 75 Main Street, Southington, CT. John Leary, Chair, called the meeting to order at 7:01 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.....	\$ 241,229
Approved this meeting.....	\$ 1,121,034
Total Appropriations.....	\$ 1,362,263

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

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

III. Public Hearing Items

None

IV. Old Business

1. Approval of Minutes of May 13, 2020 meeting

Mr. Morrison made a motion to approve the Minutes as presented. 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 reviewed indicating we are basically through the eleventh month.

-	Prior years taxes	\$ 90,000 above budget
-	Building permit and fees	140,000 above budget
-	Investments	150,000 above budget
-	Town Clerk Fees	<u>\$130,000</u> above budget
		\$510,000

I will point out in Item 9 on the Agenda; we are using almost \$200,000 of that. And, possibly another \$145,000. I will speak on that when we get to that item. We are netting about \$170,000 above budget.

2. Review expenses vs budget

Ms. Portelinha noted in reviewing the budget, we don't any departments that are going to be substantially over budget with any line items that can be covered by transfers at this point.

The only thing I want to bring to your attention is that we have a budget in the emergency management department which we don't normally have an amount in short of some program supplies. What we'll be trying to do is moving all of our COVID expenses into that department, so that when we request reimbursement from FEMA, we'll have it all in the same account.

I might come back to you in July for an appropriation to cover that. We are anticipating getting a 75% reimbursement from FEMA and possibly a 25% match from the state. We won't not what is accessible or not accessible until we present it.

Mr. Beaudoin asked the costs right now. Mr. Sciota said about \$130,000 right now. That may go up a little bit because we are incurring expenses. This is from April 1st to June 30th. We have to give the Governor a solid number for between April 1st and June 30th by August but we will do it as quickly as possible and hope to have that some time in July. That is general government. The BOE has their own and they have in costs about \$160,000. The health and water department have smaller numbers.

Mr. Sciota clarified Emilia was just talking specifically about the town budget. The other expenses would not be put through that town line.

Mr. Beaudoin asked what some of the items would be that would be included in that? Mr. Sciota said the largest part is all the plexiglass ordered for the town buildings: town hall, Calendar House and the library. Plus, all cleaning supplies and masks, we ordered. Possibly a little bit of salary for specific employees that worked just on COVID. The infrastructure improvements on the buildings is going to be the big number.

The Chair asked if the measures implemented were temporary, permanent or both? Mr. Sciota said they went above the temporary stuff because he foresees these things may be up permanently. We did not go with temporary stuff which we have right now. We went with the more expensive plastic that is going to be molded so it looks good. My expectation is it is going to stay in place

3. Review Capital Projects in Budget (Quarterly)

No summary at this point. Hope to have it at the next meeting at the end of July.

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

A. Sewer Committee (Tony Morrison)

Mr. Morrison reported. A couple of issues because of COVID-19. (Inaudible comments). We have just signed off on a change order at the last meeting. That was for a variety of issues that we put all together. On the contract we are about (inaudible) so far. And, we have a 5 percent budget for that we've spent just under 2%. So, that's going well.

We are looking at proposing to Tighe & Bond to evaluate and design the next two pump stations for replacement work. That design we'll try to keep under \$1 million. The projects will be done separately.

(Off line)

Mr. Sciota added to the report on the administrative changes. Peter Stallings, who is our WPCA Superintendent for the last five years has decided to retire June 30th.

Kiari Williams has been his assistant and topnotch individual has been appointed to fill his position starting July 1st. I talked to the Sewer Chair and people who know Kiari quite well, I introduced him to the council on Monday and we're very excited that he is taking over that spot.

We have another retirement in June who oversees the entire division. Keith Hayden is retiring at the end of June, also. More to follow on that position.

Discussion.

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

Mrs. Zoni reported on a couple of things. The bulky waste has been very, very busy. The only thing that might cost us money there is that they're considering some extra signage to indicate to people to please not block the driveways of residents in the area. And, they are also considering opening on some Wednesday evenings. That has not all been finalized at this point. But if it does, it will cost us a little more for personnel in the evening.

The decided to add a swing set to Memorial Park and that'll cost a little bit but not a whole lot of money.

We also discussed resurfacing the basketball and tennis courts. After a vote, we decided to send that to the council and we gave them a positive vote with an appropriation of \$213,295 plus 10\$ contingency fee.

Mr. Pocock added that for the bulky waste, they are possibly going to hire a police officer. Mr. Sciota said the lines at the bulky waste have been longer, but until Saturday, we had the rule that only one car could be at a dumpster at a time because of the social distancing. It is designed for two or three

cars. Starting this Saturday, with the permission of the health director, we can increase that two cars per dumpster, so it should go a little faster.

Discussion.

Mr. Sciota said we have had a police officer there and he is going to authorize one for this Saturday. But I do believe once the two/three cars per dumpster is in effect it will speed up.

The Chair asked that when he goes there, he noticed they are using a clicker to count the cars but not using the bar code scanner to see which vehicles are going in. Is that by choice or is it our intent to return to bar code scanning? Mr. Sciota explained the intent is, until the end of June, we are not requiring the new sticker because of the town hall being closed. Everybody who has an old sticker or a driver's license from the Town of Southington gets to use the transfer station. That ends on June 30th when they will be required to have the new sticker. The last weekend in June somebody from highway/parks will be issuing stickers to anybody who needs them.

So, to answer your question, that is temporary because of the situation we are in.

The Chair added the data garnered from the use the bar code scanner was very useful to help understand the drivers of the cost of operation.

C. Open Space Committee (Ed Pocock)

Mr. Pocock advised the committee did make a tour of the LEAF operation and CES and the other programs. We've got a couple of things in the works but not to be discussed at this time.

The Chair asked about the Upson Meadow and if anything is being done to manage it so it doesn't turn back into a forest. Mr. Pocock said it is being leased by a farmer that is using it and it has been under control. He will take a ride down.

Mr. Sciota added that last year Carmody Farms out of Cheshire leased for a zero sum the property to use for vegetables. That's the what I understand.

Discussion.

Mr. Sciota said several of those properties the council transferred to open space under farm heritage. Now they're one committee. So, under farm heritage they have the authority to lease out property for vegetables. We have that parcel. We have parcels that the Karabins do for haying. That's been around for a good five or six years.

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

Mr. Labieniec reported. We have the results through May of FY2020. We're almost \$1.7 million under budget and we're a little over half a million dollars under prior. We are expecting to finish the year under budget and it's just a matter of how much depending on where June and July are.

A lot of the impact is from elective procedures being put off beginning in March. The thought the costs are deferred, not cancelled. We anticipate that cost in the upcoming fiscal year. In speaking with the consultant about how we should be thinking about our exposure, as to the corona virus, his

feeling was there is still no reliable model that is going to be able to impact how it would affect any one client. What he is saying is that the clients are looking at the 2020-21 fiscal year and relying on their reserves to absorb anything. We're thinking as we had into the next fiscal year, there will be an increase as elective procedures that were put off will be done in the upcoming fiscal year. Our consultant is working on a way to model that or how we think about it. The concern is less so on the 2021 fiscal year and more so on how we budget for 2021-22 as to what would be the normal activity versus what was rescheduled and had been previously put off. We'll be working on all of that. I think the end result will be we will finish this fiscal year significantly under budget and an impact anticipated in the upcoming fiscal year because of that. We will work on how we think about 2021-2022.

Mr. Morrison asked about people working from home, you get less illnesses, accidents and less exposure to COVID and other viruses, do you have any sense at all about how much cost we've avoided just by virtue of working from home for two or three months.

Mr. Labieniec answered it is tough. The short answer is kind of "no". I think we are still trying to get a sense of it as we can. It's hard to say where the reductions are coming from. The big impact was the elective procedures being put off. There is a feeling of fewer visits to the ER. Fewer visits to Urgent Care. There is a reduction that difficult to quantify.

Ms. Portelinha interjected there were no dental procedures, either. Those can be serious or just cleanings. There is ER avoidance, as well, for those who didn't feel quite well. It's hard to tell why the claims went down.

Discussion.

E. Committee of the Chairs (John Leary)

No report.

F. Economic Strike Committee (Mr. Morrison)

The Chair noted that had been merged in with the reopening efforts. Mr. Morrison reported it is kind of related to financial issues, but not directly, at the last meeting we voted to open half of Center Street to get that going and give them more space for their outdoor dining. Fairly successful. It started off slow but it seems to have gotten going now as far as I can see.

In terms of other things, you saw the council had a resolution to ask the Governor to move along quicker with allowing Southington to open up if businesses thought it was safe enough.

The Apple Festival was cancelled. That is not under our purview but that of the town council.

Otherwise, we haven't done much because the state has a large amount of restrictions and policies and procedures you have to follow and it hard to do anything creative other than follow the dictates of what the state is telling us.

The marketing plan is going out. That is not going to slow down. It is for a digital marketing campaign for Southington and that'll be good to start pushing the town as much as we can to get as much revenue as we can.

The next meeting is next week.

Discussion of the cancellation of the Apple Harvest Festival. The decision was unanimous on the part of the committee and the town council. It was felt it would be a very, very irresponsible thing to do. Mr. Sciota further stated the biggest numbers we get are for sponsorship and we need about \$65,000 worth of sponsorship. To-date we had \$1,000. Our tents, we normally get about \$120,000 worth and we are \$20-something thousand. If you went farther, it would be financially devastating noted Mr. Sciota. That was the secondary part of the reason why we recommended cancelling.

The primary reason was the information we got from other people who cancelled their fairs, but our own health director made it perfectly clear what an irresponsible decision it would have been. We are very comfortable with that decision concluded Mr. Sciota.

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

A. Investment Committee (Kevin Beaudoin)

Nothing to report other than what Ms. Portelinha said earlier.

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

Mr. Pocock advised the truck purchased, a tanker, has arrived and it is at Company #2. Pictures were on the internet.

The overtime is down and it seems to be on a decline. Mr. Sciota added it is ticking up a little bit as the world comes to life which leads to fire calls. Also, being June, people are starting to take vacations and we have replacement costs there. We did expect that uptick. We are still right on the numbers to get through without transfers on overtime. I am pleased about that.

C. Other Committees

Nothing to report.

6. Board Communications

Noting to report.

VI. Public Communications (Excluding Public Hearing Items)

None 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 – New Legislative Update

Mr. Sciota advised last time we spoke I was a little bit nervous about possibly a special session this fiscal year. Good news for us is that the reason why they would have the special session in this fiscal year would be to look at the budget and we are still expecting about \$1 million in grant money. I am happy to say there is not going to be a special session and we will be receiving that \$1 million. Good news.

Maybe not so good news is that the Governor is going to ask for a special session in July or August, we believe. Right now, he does not have a financial element on, but we do believe the legislature is going to look at the budget. The numbers are we are going to end this fiscal year --- the State of Connecticut --- approximately \$900 million in deficit.

Projections for next fiscal year is going to be about \$2.2 billion in the red. The numbers could fluctuate. I believe the \$900 million for closing this year on June 30th is probably a good, solid number. That's going to have to be taken up at the next special session. And, they'll discuss the anticipated loss of revenue of the \$2.5 billion for the next fiscal year. That'll be watched.

I am on at least one conference call a day with the state and Emilia has been on a couple of them with her organizations. Right now, the revenue numbers coming in from the state are anything but good.

The Chair said that is becoming the norm for Connecticut and this just hurts it even more.

Mr. Morrison asked about federal legislation to bail out the states. Have you had any conversations on that subject? Mr. Sciota responded that issue came up and there is a lot of resistance from Washington. Call it Phase 2-C or Phase 3. That was discussed in the last package and there has been a lot of resistance because Washington is not in the position where they want to bail the states out for bad prior practices. So, they don't want to just give the states money for anticipated loss of revenue. They're afraid the states would use it to pay off prior bad acts. That is exactly what I am hearing.

Discussion.

VII. Conduct Administrative Business

1. Consent Agenda

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|----|---------------|------------|--|
| A. | Appropriation | \$2,667* | Highway /Parks – Property Maint – Loss Damage (Spec Rev) |
| B. | Appropriation | \$25,340* | Central Dispatch – E911 Program Services (Spec Rev) |
| C. | Appropriation | \$75,000* | Emergency Management – Program Supplies |
| D. | Appropriation | \$430,534* | Education – Operations |

Mrs. Zoni made a motion to approve the Consent Agenda as one item in its entirety. Mr. Pocock and Mr. Morrison seconded. Motion passed unanimously on a voice vote.

1. Manager's Memos

1. Transfer \$1,340 Capital Budget – Police Body Camera System

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

2. Transfer \$3,500 Police Dept – Temporary Seasonal Wages

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

3. Transfer \$10,000 Animal Control – Building Maintenance

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

4. Transfer \$3,000 Fire Dept – Equipment Maintenance

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

5. Transfer \$1,200 Library – Database Services

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

6. Transfer \$3,500 Bulky Waste – Contracted Services

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

7. Transfer \$4,261 Non-Legal Professional Services

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

8. Transfer \$20,000 H& H – Transfer to Self-Insurance Fund

Mr. Morrison made a motion to approve. Mrs. Zoni seconded. Motion passed on a majority voice vote with Mr. Pocock abstaining.

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|----|----|---------------|------------|--|
| 9. | A. | Appropriation | \$100,000* | Capital Budget – Town Wide HVAC |
| | B. | Appropriation | \$150,000* | Capital Budget – Information Technology |
| | C. | Appropriation | \$50,500* | Capital Budget -Highway/Parks Equipment |
| | D. | Appropriation | \$50,000* | Capital Budget – Street Signs |
| | E. | Appropriation | \$65,000* | Capital Budget – Fire Dept Vehicle |
| | F. | Appropriation | \$200,000* | Capital Budget – Road Widen, Resurface &
Drainage |

Mr. Sciota explained this is the second part of our budget reallocation for our capital budget. At your last meeting we approved about \$950,000 and this one is approximately \$615,500. We get this money when we meet with all the department heads. We did the expense side and this is more towards the revenue side. Ms. Portelinha will explain how we come up with that number.

Ms. Portelinha said she took surplus to date and applied the revenue towards the expense line. I'd like you to look at the list of items we are transferring from, you notice that I have a contingency line item for \$144,189 which is kind of the net of what I needed for the \$615.5. I have every intention of having sufficient revenue to cover that entire amount so I won't need the contingency. I ask that you allow me to change where the money is coming from. Explained between the four accounts there will be more than \$144,000 that we can transfer from so we won't need to use the contingency. Just give me a little leeway to change the numbers a little bit so we come up with the \$615,500 using revenue line items strictly.

The motion will be made allowing the flexibility of the "from" location when we have more exact numbers clarified the Chair.

Mr. Morrison made a motion to approve as explained by the finance director. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

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|-----|---------------|------------|-----------------------------------|
| 10. | Appropriation | \$313,059* | Capital Budget – Road Restoration |
|-----|---------------|------------|-----------------------------------|

Mr. Sciota explained that is one of the state grants that we're appropriating towards the line item. Ms. Portelinha said she was surprised by the state in a good way when they decided to give us additional money for this grant.

This is part of LOCIP, a municipal grant we get every year usually in the neighborhood of \$800,000 plus. This one was more than that.

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

11. Tax Collector's Tax Suspense List

Mr. Sciota explained we do this every year. Our tax collector/director of revenue and assessment gives us these items. We don't fully waive them off and we still try to collect them when we can, this number goes into suspense which means it is not actively pursued but it is on the suspense list. Sometimes we catch them with the motor vehicles and personal property. These are the ones that disappear from our jurisdiction.

The real estate one is a combination of properties that are no longer taxable.

This is a little higher than last year but it may be because they're cleaning up some of the books and it's higher. We do this once a year. This number will no longer be part of our numbers we review but they are still actively collected when we can.

The Chair added this factors into the 2% uncollectible in the budget.
Discussion.

Mr. Pocock made a motion to approve the tax suspense list. Mrs. Zoni seconded. Motion passed unanimously on a voice vote.

**12. Transfer to the Board of Education \$134,805 to the BOE Operations line.

Mr. Pocock made a motion to add this item to the agenda. Mr. Beaudoin seconded. Motion passed unanimously on a voice vote.

Mr. Pocock made a motion to approve the \$134,805 to the BOE operations. Mr. Beaudoin seconded. Motion passed unanimously on a voice vote.

3. Discussion and Action on Board of Education Non-Lapsing Account

Mr. Sciota started off by saying we started this process last year. What the action is today is not a specific amount of money but what you are doing is establishing the non-lapsing account. Either in August or September of this year, the BOE will come to us with a number. They will go through exactly what they are going to use the money for. They did it beautifully for us last year with a chart.

Your only action tonight would be to allow a non-lapsing account to go into the next year.

Ms. Portelinha added the statutory limit is up to 2% of the BOE budget.

Superintendent Tim Connellan said the town manager presented it well. The process worked extremely during the current year. We were able to accomplish an awful lot especially in terms of maintenance projects for the buildings we all have responsibility for.

This year, one of the caveats I will be addressing with the BOE is that any funds that go into the non-lapsing account --- although we will be coming back to the have the discussion with the BOF --- the BOE will establish and have the list approved as they did last. My caveat will be, let's identify those

projects but let's hold off on taking any action. Right now, we have very little idea of what the state is going to require for us to reopen school. Last week we were told we would get direction in two or three weeks.

Those directions have been all over the lot that they put in place for in person summer school. Some of them can't be implemented. Just one of the recommendations on transportation quite honestly would talk about adding only one-third of the students on a 70-passenger vehicle. We are talking increased transportation costs.

Dollars in the non-lapsing account, we can certainly identify all the projects we want to do but I think we should not take any action on implementing any of those projects for improvement until we know exactly what it is, we are going to be required to do. I have the distinct impression that the costs attached to these, if some of them come true, are going to be significant and none of us anticipated any of that.

Discussion.

The Chair asked for a motion to establish the non-lapsing account for the BOE up to 2% of their budget which is the statutory limit. Mr. Beaudoin made the motion to approve establishing the account for up to 2% of the BOE budget. Mrs. Zoni and Mr. Pocock seconded.

Mrs. Zoni would like to note that she cannot imagine how difficult this is going to be for the BOE. I admire and respect them for what they have (inaudible). I know at the high school what the hallways are like and I cannot imagine for this to take place.

Mr. Morrison said you will have money left over and you have savings from this COVID-19 stuff which I think you told the town council was about \$860,000. But that is a large sum of money composed of those two things. The object for next year would be to:

- Spend on additional costs the state may impose on you that you just went through;
- The fact that we have to make up certain things with those savings. They are not savings per say and you may have to make up stuff like in special ed in next year's budget.
- The usual capitol projects.

Is my understanding correct that the money would go in those three buckets?

Mr. Connellan responded that is a very accurate assessment and that's really different from what we did this past year. This year we looked specifically at the projects in capitol improvements.

I think the dialogue that has to happen is that we need to be able to come back to all of you and have that discussion when we know what it is that is going to be required.

Discussion about the potential special education costs.

Mr. Beaudoin wanted to thank the BOE and the teachers for doing an outstanding job with the stay at home schooling. Mr. Connellan acknowledged it so much harder for the teachers than to have their students in front of them. They miss their students and their students miss them. So, my input through our state association to the Commission of Education and to the Governor was let us go back. We get it now. We want to do it in a safe and healthy way, but let us go back. We'll wear masks. We'll

use quantities of hand sanitizer we haven't seen before. We'll wash hands and do everything that we have to do. But, let us go back and have the kids in the classroom so we can proceed with education the way it should be.

The Chair said we all support education and will do what we need to do to make sure it happens as properly as possible. We're leaders in bringing everybody back to school and doing it right.

Motion passed unanimously on a voice vote.

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 8:06 o'clock, p.m.)