

BOARD OF FINANCE
TOWN OF SOUTHTON
OCTOBER 14, 2020

The Board of Finance of the Town of Southington held a Meeting on Wednesday, October 14, 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:

Approved to date.....	\$ 2,102
Approved this meeting.....	50,000
Total Appropriations.....	\$ 52,102

Appropriations with Revenue Offsets:

Approved to date.....	\$ 37,898
Approved this meeting.....	\$ 0
Total Appropriations.....	\$ 37,898

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

Absent: Susan Zoni

A BUDGET DISCUSSION WORKSHOP will commence in the Town Council Chambers immediately upon the completion of the Board of Finance Regular Meeting.

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

Minutes are prepared summary style and you may refer to the online posting to hear the full presentation.

III. Public Hearing Items

None this evening.

IV. Old Business

1. Approval of Minutes of the September 9, 2020 meeting

Mr. Labieniec made a motion to approve the Minutes with Mr. Morrison seconding. Motion passed unanimously on a voice vote.

2. Carryforward to Education Non=Lapsing Account 2020 (up to \$1,963,779 (per CT Statute - 248a Unexpended Education Funds Account)

The Chair asked Ms. DiNello to explain although both Superintendent Connellan and Ms. DiNello were in attendance. Ms. DiNello stated last time there was some discussion about the fact that a line item has been created but has not been funded and you asked for backup information from the BOE to explain how we would utilize the funding out of this account. She walked the board thru the packet of information provided previously to the board of finance members. (Attached hereto)

Mr. Morrison questioned costs for special education that wasn't done and needed to be pushed over to this year. But it is not listed here. The Superintendent explained their team has been reaching out to families and there has been excellent dialogue among the special ed teaching staff, assistants, coordinators and directors and families. The families have been fantastic. People have worked very hard to try to meet the needs of the student but it is difficult with what we are up against right now. I do think we are continuing to work on that, but most of our folks are pretty satisfied with the fact they have been able to make as much contact and are delivering the type of instruction. Our families can choose full remote and that was part of the whole reopening plan. We do have a fairly high number of families who have children with disabilities who have chosen full remote. That is difficult to do. We did add personnel to do that and you'll see

that cost on here. That's where we are at this point in time. I think we are in a pretty good place with regards to that.

Mr. Morrison asked about the food service program loan. Do you think that is going to be for the whole year? That's the amount that could fund the whole year? Ms. DiNello said last year we had a \$337,000 loss. Right now, the thought process was that that loss is covering last year's loss and providing some cash flow in the first few months to the year to maintain payroll and pay the invoices for food. And, then we haven't even seen the numbers for September, yet. Once we get the participation numbers for September and October --- we can't foresee what that will look like. We are trying not to fill vacancies when we have them so we can reallocate staff and things like that, but I'm fairly confident the \$300,000 is just the first infusion of dollars.

Ms. Portelinha added we are looking for approval of the carryforward amount. I have auditors coming in next week and I need to finalize the numbers.

Discussion.

Ms. DiNello said the money would be used for the COVID reopening, the food service and if any dollars are remaining, we'd come back with a prioritized project list. And, we will keep you updated as things change.

Mr. Sciota said updates would be provided at each of your meetings either through Ms. DiNello and him.

Ms. Zoni made the motion to move the \$1,963,779 into the carryforward account for the education nonlapsing account.

Mr. Pocock seconded. Motion passed unanimously on a voice vote.

V. Assess current financial state of the town

1. Review revenues vs budget

Ms. Portelinha started with the tax collections. We have provided the information from our tax collector. Basically, through October 1, we collected 55.76% of our revenue which compares favorably to last year at this time which was 55.05. We were a little lower through August, but everybody rallied by October 1st. Really great news for us.

Looking at the other accounts, three months into the year, our prior years' taxes are \$40,000 under budget and the interest on taxes are \$70,000 under budget. We were not charging for interest or late fees. I anticipate the number will go up a little bit.

Discussion.

Our building permit and fees are currently about \$70,000 above budget. We did have a couple of large amounts, about \$55,000 for two permits for Economy Spring. One in July and one in September. That added to our revenue for building. It is a onetime thing.

Town Clerk Fees are about \$100,000 above budget for the first three months.

Looking at the report, we are 25% into the year and we've already hit 40% for building fees of our budget and for the town clerk fees, we've hit 45%. That's how busy those two departments have been.

Now with respect to interest on investments, that's about \$20,000 under budget and that was expected. The rates have dropped dramatically. Some of interest is paid quarterly, some monthly and some annually. So, it varies from month to month.

We had overbudgeted on the CIRMA Equity and it came in about \$44,000 lower than we had budgeted. It's just the way it worked out this year.

We are pretty much on even keel with the revenues. I have a \$4,000 reduction but we will say we are at budget at this point overall with the revenues.

In response to a query by Mr. Morrison discussion was had on the tax collections and how they were paid. Bankruptcies were brought up. Mr. Sciota said bankruptcies were stopped but we do have businesses closing in town. We will be affected eventually. This is much better news on collection than they thought originally. I hope there is nothing with the January taxes. Once the court systems are allowed to do what court systems do and debt collectors do what debt collectors do, I do believe you may see a rise in that.

2. Review expenses vs budget

Ms. Portelinha said as far as expenses, we are okay. You will see our emergency management department will show an over expenditure

because we are trying to keep all the expenses in the same area. We have applied for a FEMA grant. It's a bear to get through, to say the least. We're still working on the first quarter. It's not an easy process. Once they respond to us, we can apply for the other 25%. They want this done on a quarterly basis. We haven't received responses from the first quarter which ended June 30th. They keep extending the timeframe. You see stuff with respect to COVID.

And, then you'll see expenses associated with the election and the absentee ballots. That is another large number that will be funded with grants and we'll be requesting town money. This is something we have to handle at this meeting because the election is right around the corner and we need the extra help in getting this work done.

3. Review Capital Projects in Budget (Quarterly)

Ms. Portelinha is still working on finalizing the year for the audit. She'll put that off until next month.

4. Town Council Subcommittees (Emphasis on financial aspects)

A. Sewer Committee (Tony Morrison)

Mr. Morrison reported on the recent meeting. The project is 88% percent complete judging by invoices. A lot of work still has to be done. The completion date is still next July.

We did pass two large change orders, both in our opinion, valid. It was stuff we wouldn't have known about at bid time but once you get into the work, you realize certain things aren't exactly as stated at the time.

Discussion.

Adding those, puts us up to a 3% contingency on an allowed 5% contingency. It looks like at this point we will come in under budget at 88% completion.

Two things finally finished are under budget. The South End Pump Station improvement came in at \$8,000 lower. And, the Blatchley Pump Station came in \$26,000 lower. That goes back to the sewer fund.

Discussion.

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

Mrs. Zoni reported bulky waste is going full blast. They are in the process of looking into a new tracking system to replace the old one. One that is more effective and more efficient possibly using bar codes or QR codes instead of the current system. It should reduce the number of people abusing the system.

We need to remind the public that contractors are allowed one load per week and residents are allowed multiple loads but they have to be from your home. It is our service for our residents.

Explained.

The leaf collection schedule is posted on the website. That will be starting on November 2nd in the northeast quadrant and goes from there.

We received more bids for snow removal than normal. All bids were accepted for that. We have some new and different companies. Procedures were discussed and how we will accept and work with the bids. It was included that local contractors will get first priority if the bids were exactly the same for the exact same services.

There will be a hazardous household waste pickup that our community can participate in. That's November 7th in Bristol. The town's website has information. We do pay for that through our community and it is good for you to do that. It keeps hazardous waste out of our ground, our rivers and our community. We will try to have one in our community next year, but that is dependent upon COVID and funding.

C. Open Space Committee (Ed Pocock)

Mr. Sciota discussed the horse farm on Laning Street. The Town proposed to the council through the open space committee and the council sent to the planning and zoning commission the purchase of a 2-acre parcel and to get development rights over the remaining parcel. We hope to get a favorable recommendation from planning and zoning sending it back to the council. They will take action at the next meeting.

Mr. Pocock stated we have a lot of irons in the fire right now. Because of negotiations, et cetera we can't disclose.

A lot of our properties like Crescent Lake and the Novick property have been used. People have been taking the outdoors very seriously with this COVID we've got going.

Mr. Morrison asked if there were anything the town can do about the property off of East Street. Karabin farms some of it. It's a nice space. Mr. Sciota stated there is currently a petition in front of the Siting Council to look into that. The Town of Southington through it's planning and zoning commission had an independent lawyer write a letter to the Siting Council giving them standing. Their concern is taking prime farmland --- although most are in favor of solar energy or any king of green energy, this was a balancing act with the Town of Southington and the planning and zoning commission felt that this may not be the best possible deal for the town. We don't own the property but we gave our opinion through the planning and zoning commission.

Mr. Pocock said there is abutting property next door that belongs to open space. There is an entry off East Street. That's a very large parcel. There is a lot of factors in that.

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

Mr. Labieniec said the next meeting is coming up next week. We do have results through August, two months into the fiscal year. We were \$300,000 under budget so we are now \$830,000 under budget for the year and that's about 23 to 24% under prior by about 15%.

I think an interesting thing we will look at at the next meeting is August was below budget but actually versus prior year August, it was the same. I think we will see some of it catch up and we'll discuss it at the next meeting.

At the last meeting we talked about the funding split between the town and the BOE. We'll take it up at our next meeting.

Our consultant had updated his corona virus impact tracking and that will come into play for how we think about the upcoming budget and the proper number to budget. That's going to be the challenged:

2021-2022. We'll discuss that soon. Our consultant has been doing his best to build as reliable a model as possible.

Mr. Morrison brought up the uptick. Mr. Labieniec explained we were under budget for August, but we were the same as actual last year. I think we might have had a big 2018 August. We average three years, usually. August is the first month that we've been close to prior, whether that is the start of a trend, we'll have to see.

E. Committee of the Chairs (John Leary)

Mr. Leary had nothing to report.

F. Economic Strike Committee (Tony Morrison)

Mr. Morrison said the action has been mostly on the marketing campaign and the company has come a couple of times to run their ideas and they've asked us for feedback. They are marketing the town itself as a destination area for specific segments of the population. It's intended to drive business and tax revenue. It is to encourage tourism here and have people set up new businesses. Market it as a wonderful place to visit and a wonderful place to do business. They have good ideas, but need direction from us now.
Discussion.

5. Board of finance Sub Committees and Liaison Reports

(Emphasis on financial aspects)

A. Investment Committee (Kevin Beaudoin)

Nothing this evening.

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

Nothing this evening.

C. Other Committees

Nothing this evening.

General Comments:

Ms. Portelinha stated we are currently doing the refunding. She doesn't have a lot of information on it, yet. We'll do the presentation on Friday. We're looking to refund anywhere between \$22 and \$30 million worth of bonds and Clean Water Funds. We haven't heard from the State. So right now, we're moving forward with the bond.

The 2011, 2012 and 2014 issues are the ones we are looking at refunding. We're hoping to get a little over \$1 million in savings over the next 12 years. We are doing some exempt bonds and some taxable bonds. Explained.

If we can do this transaction, we should save over \$1 million. Not all municipal bonds are tax exempt.

The legislature a while back included in one of their bills that we can no longer do advance refunding on a tax-exempt basis. Explained.

Now we are in an unusual situation where our taxable rate is so close to our tax-exempt rate, they are so low, it is giving us an opportunity to refund on a taxable basis and still get over \$1 million worth of savings. We're excited about that. The presentation is on Friday.

6. Board Communications

Mr. Sciota stated we do not meet before the next election, but remember there is a very important question on the ballot. I know I spoke about it at the town council meeting and I want to speak about it here. On the website is a pamphlet explaining the process and the fact that we spend taxpayer money to put a program together this year. It was very successful. I'm hoping the public will back that and vote

“yes” on the only question which is: Shall the Town appropriate \$10 million to build roads and bridges.

I remind everybody this is a referendum unanimously approved not only by this board but the town council and the planning and zoning commission.

Please go out to vote. And, I would ask you to support the referendum.

Any questions, you can contact my office and I will explain the entire referendum.

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 – Preparing for Budget 2021/2022 Challenges

VIII. Conduct Administrative Business

1. Consent Agenda

A. Appropriation (Spec Rev)	\$6,550*	-Nominee Fee Program Svcs
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B. Appropriation (Spec Rev)	\$6,708*	-CTCL Safe Election Grant
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C. Appropriation \$13,416* -CTCL Safe Election Grant
(Spec Rev)

Mr. Labieniec made a motion to approve in its entirety. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

2. Manager's memos

1. Appropriation \$20,000 Emergency Management - Town Clerk (COVID)

And

2. Appropriation \$30,000 Emergency Management - Elections (COVID)

Ms. Portelinha explained both the elections department and the town clerk's office will need additional funding for the safe polls for the absentee ballots for not only supplies, but also personnel to handle the polls and the absentee ballots. We did one PO for ballots and it was almost \$20,000 --- just one item.

This is going to be costly. We've managed to get some grant money from the state which was about \$37,000. And, then we have this money from Mark Zuckerberg which is another \$20,000.

Now we're looking at another \$30,000 for elections and \$20,000 for town clerk. It's an estimate but because we need to get this done immediately, we can't wait for a better number. We are going to need quite a few people working to get all this done on a timely basis.

Both departments are very good at managing their budgets and we're confident any monies they do not use will be turned back to the town.

Mr. Sciota said when backs need to be patted, it has to be done. The Town Clerk's department is always one of our busiest departments, anyway. They were given this task. Nothing they tasked for. Obviously, that's how life will move forward from now until elections.

Kathy and her staff, one of which is in the audience here, have worked incredibly hard. I know exactly what is going on over there. The number of people she had to hire on a part time basis just to keep up with the timeframe set forth in the statutes, is a mammoth feat.

Mike and Elaine supporting that group for the election's division.

This was a task that all municipalities are having a very difficult time with. I'm happy to say that although we had to shift hours --- we had to cut down on the hours on the clerk's office hours open to the public because we could never have gotten the work done, I would say those two departments are doing as well as any town, if not better.

Congratulations to both of those departments.

The Chair thanked the Clerk's Office and the Election group and everybody else who stepped up to make our polling places all COVID compliant and safe and handling all of those absentee ballots which is not the norm. And, then making sure nobody votes twice. And, all the checks and balances. It's got to be a daunting task and until you do it you don't know. I just want to put our appreciation out, too, for all the folks involved.

Discussion about having substantially more ballots through the absentee system than the votes on election day. There'll be several groups counting ballots in this town hall until probably until Thursday. That's our goal.

I do believe this is something in the future where people will have more opportunity to not cast their ballot on election day.

Discussion.

We have all the checks and balances in place. I am comfortable with that part of it.

The Chair called for a motion on Manager's Memo #1, the \$20,000 for Emergency Management - Town Clerk

Mrs. Zoni so moved the motion. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

The Chair called for a motion on Manager's Memo #2, the \$30,000 for Emergency Management - Elections.

Mrs. Zoni so moved the motion. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

IX. Adjournment

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

(Whereupon, the meeting was adjourned at 8:04 o'clock, p.m.)

IX. Meeting Adjournment