

BOARD OF FINANCE  
TOWN OF SOUTHLINGTON  
DECEMBER 9, 2020

REVISED MINUTES

The Board of Finance of the Town of Southington held a Meeting on Wednesday, December 9, 2020 via teleconference. Joseph Labieniec, Acting Chair, called the meeting to order at 7:00 o'clock, p.m.

Appropriations from Contingency Account:

Approved to date .....	\$ 52,102
Approved this meeting.....	<u>19,100</u>
Total Appropriations.....	\$ 51,202

Appropriations with Revenue Offsets:

Approved to date .....	\$ 37,898
Approved this meeting.....	<u>\$ 25,276</u>
Total Appropriations.....	\$ 63,174

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

\* Arrived where noted.

A quorum was determined.

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

**A Budget Discussion Workshop will commence immediately upon the completion of the Board of Finance Regular Meeting**

The budget discussion workshop was not held this evening.

III. Public Hearing Items

None this evening.

IV. Old Business

1. Approval of Minutes of November 10, 2020 meeting

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

2. Approve the Board of Finance 2021 Meeting Schedule

Ms. Portelinha noted the 2021 budget workshop meeting dates also need to be approved.

\* Mr. Morrison joined the meeting.

Mr. Beaudoin made a motion to approve the meeting dates, including the workshops, for next year. 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 this month is basically the same as last month. Our prior year's taxes are under budget. Interest on taxes is \$50,000 under budget. Interest on investments is about \$60,000 under budget. Making that up and surpassing their budget, the building permit and fees are currently \$150,000 above budget. Town Clerk fees are currently about \$200,000 above budget. CIRMA equity, we received less than what was budgeted. It is an average of about \$136,000 to the positive. Building fees and town clerk fees are more than making up for what we're not seeing in prior years taxes and interest on taxes and obviously our investment income.

The Chair asked about collections on deferred tax payments. Mr. Sciota said they did a year over year, October 1 to October 1 and we were actually ahead this year than we were last year. Very pleased to see that. Doing very well for the first half of the year.

Mr. Sciota felt the January one will give us a little bit more of a future for us than the July one.

Ms. Portelinha referred to the last page of the package which includes the current year tax collections. We are at 56.54% collection. About \$1.5 million over budget at this point in time. More people paid in the first half of the year so let's see how the second half goes.

Discussion of a deferment not being in place for the January payments. Mr. Sciota advised the Governor is the only one who can authorize a deferment. CCM has not heard anything about that being done. It is very late in the game, so I would suggest if the Governor was going to do it, he would've done it by now. Unless he does and Executive Order granting a waiver of the February 1<sup>st</sup> payment date, then the Town of Southington has no other choice but to stick with that. All the interest rates, et cetera are statutory and unless it is waived or modified by an Executive Order, we are following the state statute when it comes to tax collection. It is what it is.

Discussion about the current stimulus being talked about right now does not include funding to the state or the municipalities.

Mr. Sciota advised CCM advised they felt certain we would not have any midyear cuts by the state. We will be safe thru June 30<sup>th</sup>, but no guarantees about what the Governor would say in February during his budget talk.

Discussion.

2. Review expenses vs budget

Ms. Portelinha said there is a building item on tonight's agenda for an appropriation. And, emergency management we are charging some of the stuff pertaining to COVID to that department. You'll see that is over expended but we will take care of that once we get an idea of what type of grant is available for this coming quarter. We did receive our state's money for last year. We received \$135,000 for CARES funds. The FEMA money was a much smaller amount. In total about \$170,000. That's for the first quarter ending in June.

3. Review Capital Projects in Budget (Quarterly)

Ms. Portelinha advises basically the projects are moving along. We still have a few pending audits. School projects we will be waiting a while for them as the employees are working from home. We've closed out some older projects and if you have specific questions, just let me know.

Mr. Sciota advised Emilia has been working very hard and there are boxes of audit stuff for the middle schools. I can't tell you how frustrating it is for Emilia and I for these capital projects that have been finished and not audited by the state. It is holding up a

substantial amount money that could be used for other purposes by the town because the audits are not completed on some of our major capital projects. Very frustrating on our side.

Discussion.

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

A. Sewer Committee (Tony Morrison)

Mr. Morrison reported. He sent pictures to show what \$39 million buys. You can't do a tour right now because of COVID. We are 90% complete based on invoicing. It gives you a sense of what is going on. The project is probably about 75% complete right now based on the report two or three weeks back. We are having a sewer committee meeting tomorrow and we'll get a better update then.

The approved change order about a week was a large one for about \$97,499 and most of that was for metal railings and plates and others throughout the site that were going to be reused according to the design but couldn't be for safety reasons.

The contingency is only 3.4%. And, we are not going to reach the maximum of 5% at this point.

The South End Pump Station, you might've noticed the generator, a truck ran into it. We have to replace that and at the same time as doing the rehabilitation of the pump station to give it another life of 30 years. The generator cost \$50,000, approximately. And, we'll get reimbursed \$38,000 from our insurance policy. They are thinking they'll go after the driver's insurance company to get the remainder which is essentially our deductible on the policy.

The rehabilitation will cost \$35,785. Done by Kouvacs who will also do the generator, as well. They'll be done simultaneously. We'll have to wait for the contractor because they don't send their crew out because of COVID. They'll do it all at the same time.

The next two pump stations to be rehabilitated are Plantsville and West Queen. West Queen has a financial issue. We did some of the design but didn't finish it. To complete the redesign will require \$60,000. We want to do that by essentially - we obviously use a lot of methanol which we purchase at the going monthly rate. Explained the uses.

Methanol is really cheap right now because of a good supply in the marketplace. We'll take advantage of that. We will ask the BOF to transfer the money from one account to another.

There is another transfer as well on the agenda and that is for \$29,000. That is to complete the lining work this year. We are suggesting we take that out of the sewer contingency fund which has a good balance right now. We'd like to do this going forward but it will be discussed at tomorrow's meeting.

Discussion of the lining being installed in the older parts of town on the old clay pipes. This will allow the lining to be done sooner and cheaper. Again, that will be discussed at tomorrow's meeting.

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

Mrs. Zoni advised that next year's transfer station schedule has been approved and posted. As to the leaves, they found this year their two new leaf trucks were extremely efficient and because of that they didn't need as many outside vendors. They are considering a future purchase of a couple more trucks so they won't need any more outside vendors.

Other than that, things are running smoothly.

A lengthy discussion was had about the leaf pick up plan in town in response to a query by the Chair.

(You may refer to the online posting to hear the full 10-minute discussion.)

C. Open Space Committee (Ed Pocock)

Mr. Pocock noted the recent purchase on Sherry Drive which attached to Karabin Farms. Nice parcel and should be usable in some areas. Not much else to report on. We have a lot in negotiation which is in executive session.

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

Mr. Labieniec reported another good month for November. We came in at \$1.55 million on a budget of a little under \$2 million. Over \$400,000 below budget and about \$250,000 below prior. Five months in the fiscal year, we are about \$1.8 million or a little over, below budget which is around 20% below budget. Just under \$1.5 million below prior or around 16% or 17% below prior. Still kind of maintaining that run rate and analyzing what is being delayed versus what is being avoided. We have a meeting scheduled for tomorrow at 4:30 pm. At that time, we will take action on the 2021-22 budget.

Discussion of the current trends. Are procedures being deferred, keeping the costs down, or are we seeing an uptick because of COVID, who pays for COVID testing. Mr. Labieniec said we are maintaining the same run rate of around \$1.4 or \$1.5 million over the last seven months starting in May. We are relying on information from Anthem in terms of those costs delayed where we will incur the costs versus avoiding it all together. That is part of the challenge in how we set the 2021-22 budget. We are significantly under budget again thru the first five months of the year. Just a matter of how much of that do we think we will pay at some point in the future.

Discussion.

E. Economic Strike Committee (Tony Morrison)

Mr. Morrison said there hasn't been a meeting since we last spoke. We did meet briefly by email to talk about the marketing campaign with Rebel. The website is up now and it will be filled in by the traffic we get over the next two or three months. Marketing will take about two or three months to kick in which will get us into the spring when we hope the restaurants will open. It also gives us a chance to measure the matrix provided by the marketing company and we can see if they do what they said they would do, essentially. That'll be monitored.

Mrs. Zoni noted some errors that need to be corrected on the website.

Mr. Sciota said his staff would take care of that.

Greenway Commons hopefully will have good news in the New Year.

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

A. Investment Committee (Kevin Beaudoin)

Mr. Beaudoin said investment income is down and that is driven by the federal reserve. We don't expect interest rates in the foreseeable future to go up. That'll have to be adjusted in the next budget.

Mr. Sciota explained that when we have debt, we benefit on that end of it. We just refied and got some good rates. Good rates when we have debt and bad rates when we try and get revenue.

Ms. Portelinha informed the BOF we did another refunding. We funded our Clean Water loans with the state and the water department's

Drinking Water loan. We are paying off the loans to the state and we are refunding bonds. The debt was approximately \$7.5 million and we reduced our principle to a little bit over \$6 million and we had overall savings of \$427,000 over ten years between us and the water department. Our savings was \$326,000 and the water department will be saving a little over \$100,000.

This is the balance of what we had on the books for the Denite Plant. And, for the water department, we get Clean Water Money for our end and they get Drinking Water loans. We wound up refunding theirs as well.

We'll pay off state loans with bonds in their place.

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

Mr. Pocock reported the overtime has been holding steady with the Acting Chief Paul and his crew and team. I was told we started out with about 13 volunteers and I think we ended up with about 3 or 4. I think COVID had a lot to do with it.

The Chair asked about the search committee for the Chief. Mr. Sciota explained we have a third-party professional group doing the legwork for us. The fire commission has approved of the job description and the notice. The notice has gone out. The third-party group knows exactly where to target all those. We expect as soon as it closes - and I don't have the date off the top of my head - but then the group will go through the applications and come down to approximately five candidates who will then be put through the process by the investigating committee. Then recommendations to the Board of Fire Commissioners. We'll get notice when they narrow it down to five candidates.

C. Other Committees

None this evening.

6. Board Communications

Mr. Morrison pointed out a very nice article on Mr. Sciota in this month's Southington Magazine.

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

Mr. Sciota started by saying he has sent his letter to all department heads. I don't have a lot of guidance as to what Governor is going to do for the next budget cycle. We do have some good news in this budget cycle in that they won't cut us mid-stream. That being said, in the next week or two, I will be putting together my preliminary capital budget. Emilia and I will work closely with Annette Turnquist on the capital budget.

The date I expect budgets from my department heads is January 8<sup>th</sup>. Emilia and I will then begin individual meetings with each department head. Hopefully, I can get into my budget pretty deeply by mid-January.

I set a number for my department heads and that is for the operational budget of my department heads. Emilia and I have several other budgets which will not be in the category I gave my department heads. That being said, I won't know the overall budget until after the Governor does his speech, I advise you there are several areas of the non-operation part of the budget that will increase more than the normal 2% to 3% to 4%. We're talking about debt service, health insurance, LAP insurance. It's too early to discuss that part of it.

From the operational standpoint, you saw the letter and the guidance I gave my department heads. The non-operational budgets will probably increase more than the operational numbers I gave my department heads. That's where I am.

VIII. Conduct Administrative Business

1. Consent Agenda

- A. Appropriation - \$13,173 \* Highway/Parks - Vehicle Maint. Loss/Damage (Spec Rev)



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Appropriation - \$223 \* Highway/Parks - Property Maint.  
Loss/Damage (Spec Rev)

B. Appropriation - \$25,276 \* - Board of Education -  
Operations

Mr. Labieniec made a motion to approve the Consent Agenda as one item. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

2. Manager's memos

1. Transfer \$15,000 Highway/Parks - Temporary  
Seasonal

The letter is self-explanatory. Mr. Labieniec made a motion to approve. Mrs. Zoni seconded. Motion passed unanimously on a voice vote.

2. Transfer \$60,000 Sewer Fund - Plant - Other  
Professional Services

This was explained earlier in the meeting by Mr. Morrison. Mr. Morrison made a motion to approve. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

3. Appropriation \$29,000 Sewer Fund - Plant - Major  
Maintenance

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

4. Appropriation \$10,000 Building Dept -  
Temporary/Seasonal

Appropriation \$9,100 Building Dept - Regular Wages

Mr. Sciota noted that the building department is \$150,000 over budget when it comes to bringing in fees. That's because they are outrageously busy. We've had to bring in a part time building inspector to keep our heads above water.

Unfortunately, we lost our electrical inspector and it took a couple of months to get somebody else onboard.

Unfortunately, for the town, Mr. Smiegel is leaving town service on the 14<sup>th</sup> of December. Jeff Pooler has been working as acting director. His wages were going up as he was doing that.

This particular amount of money is well spent. We are keeping up with an incredible amount of building permits and inspections. This is probably one of the hardest groups working for the town and this was necessary to keep the operations moving.

I support it one hundred percent.

Mr. Pocock made a motion to approve. Mrs. Zoni seconded.

Mr. Morrison asked if this was going to continue or is it a one-time event? You've an excess of business and people leaving. Will the excess of business continue into next year? Mr. Sciota said yes, it is. There may be more help necessary for this department. I'm working with Rob Phillips and Jeff Pooler as to what their staffing vision is for this department for the next budget cycle.

We hope to fill Mr. Smiegel's position that Jeff occupies relatively quicker. I want to be able to have money in the line if we need to bring a couple of more temporaries in.

Discussion.

Motion passed unanimously on a voice vote.

5. Transfer                    \$300                    Library - Dues and Conferences

The letter is self-explanatory. Mrs. Zoni made a motion to approve. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

6. Transfer                    \$4,000                    Police Dept - Medical Services

The letter is self-explanatory. Mr. Pocock made a motion to approve. Mr. Morrison seconded. Motion passed unanimously on a voice vote.

IX. Executive Session - Contractual

Mr. Pocock made a motion to move into executive session with the BOF members, Finance Director and the Town Manager. Also, two other individuals from the financial field and a town employee will be included. Mrs. Zoni seconded.

(Whereupon, the meeting moved into executive session at 8:00 o'clock.)

EXECUTIVE SESSION

The Board of Finance of the Town of Southington entered into executive session on Wednesday, December 9, 2020 via teleconference immediately following their regular meeting in order to discuss Contractual Matters.

The following Board of Finance members participated:

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

Also, Present:

Mark J. Sciota, Town Manager  
Emilia Portelinha, Finance Director  
Stephen Chykirda, Actuary, Hooker & Holcomb  
Sgt. Stephen Salerno, SPD, LEAS President

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 9:00 o'clock, p.m.)

**REGULAR SESSION**

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

(Whereupon, the meeting was adjourned at 9:01 o'clock, p.m.)

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Mark J. Sciota  
Acting Secretary