

BOARD OF FINANCE  
TOWN OF SOUTHLINGTON  
JANUARY 13, 2021

The Board of Finance of the Town of Southington held a virtual meeting on Wednesday, January 13, 2021 via Webex. John Leary, Chair, called the meeting to order at 7:04 o'clock, p.m.

Appropriations from Contingency Account:

|                            |           |
|----------------------------|-----------|
| Approved to date.....      | \$ 71,202 |
| Approved this meeting..... | <u>0</u>  |
| Total Appropriations.....  | \$ 71,202 |

Appropriations with Revenue Offsets:

|                            |             |
|----------------------------|-------------|
| Approved to date.....      | \$ 63,174   |
| Approved this meeting..... | <u>\$ 0</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

(\* Connection to the meeting in and out)

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

III. Public Hearing Items

None.

IV. Old Business

1. Approval of Minutes of December 9, 2020 meeting

Mr. Beaudoin made a motion to approve. Mr. Morrison seconded. Motion passed on a majority voice vote. Minutes are approved.

New Business

V. Assess current financial state of the town

1. Presentation of Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2020 by Leslie Zoll, Partner for Blum Shapiro & Company P.C.

(Minutes are prepared summary style and you may refer to the online posting to hear the full 20-minute presentation.)

Leslie Zoll, Partner for Blum Shapiro & Company P.C. presented. See online presentation to view the slides and hear the comments.

She reviewed:

- Scope of the Audit
- Audit results
- Financial Highlights
- Single Audits
- Required Communications
- Upcoming GASBs that might affect the town
- CLA

You did receive an unmodified an opinion. No findings to report an internal control over the financial statements as a whole. No significant deficiencies or material weaknesses on the financial statements.

On the federal single audit, you also got unmodified opinions on the major programs we tested (Child Nutrition Cluster, Special Education Cluster and CDBG). No compliance findings and you are in compliance with those grants. There was on significant deficiency in internal control we'll talk about later.

On the state side you also got unmodified opinions. We tested the Clean Water Fund, Drinking Water and LOCIP. No compliance findings to report to you and no issues of internal control related to those three programs.

She went over the financial highlights.

She went over the federal single audit. For Child Nutrition, the BOE procurement standards were not in compliance yet with uniform guidance. Almost all of our municipalities are kind of in that boat and they're slowly trying to update their policies. Sherri DiNello is in the process of completing that and Ms. Portelinha is working on that, as well.

She went over the state side. Nothing to report on findings or internal controls related to the three programs tested.

Required communication was discussed. No new standards adopted with COVID that was challenging for everyone.

I thought the audit went very well. I'm glad Emilia was able to accommodate us in this COVID environment and give us what we needed. No disagreements with management, no difficulties during the audit and no one corrected misstatements or independence issues.

GASBs coming up were discussed.

She went over the merger with CLA effective January 1<sup>st</sup>, 2021.

The Chair queried do you see municipalities using an additional software to account for the leases or is it pretty much done on spreadsheets and handled without additional software? Ms. Zoll responded if you have a significant amount of leases, you may need an outside software. But if you have one or two and they can calculate it in-house, I don't feel it is necessary. It all depends on the complexity of the agreements.

Discussion.

And, what was the specific issue with the Child Nutrition program that we are resolving? Ms. Zoll said it comes down to updating your procurement policies per the new uniform guidance that came out a few years back in regards to procurement standards. She explained the federal government was requiring everyone that gets federal assistance to have a more robust procurement policy. It is just an internal control issue. You were in compliance with the grants in terms of you did procure the items for the program and the expenditures. It's really just an internal control policy issue on whether or not you have all the musts that the federal government is asking you to put into your written policies.

Ms. Portelinha said the town has put together a policy and it went to the council and the BOE is in the process of doing theirs. As soon as Blum came onboard, they assisted us with putting it together. Mr. Sciota advised the Council will act on it on January 25<sup>th</sup>.

Mr. Morrison asked about our fund balance compared to other municipalities you review? The fund balance is critical at 14%. We have an extensive amount of money available. Compared to other municipalities are we midrange or ahead of the pack? Ms. Zoll said for the municipalities she serves; you are above the norm. I think the range is anywhere from 9% to 15%, maybe. You're at 14.

The Chair asked what was the asset transfer into sewer that caused the asset increase. Ms. Portelinha explained that has to do with the waste water treatment plant we're building. We basically

paid for it out of the capital fund and then we transferred the asset to the sewer fund which is an enterprise fund. That's why you see the big change from one area to the other.

Mr. Beaudoin asked, when doing the audit, do you look at the amount of insurance we have on property casualty or cyber insurance? Do you look at what we carry as part of your audit if it is an appropriate amount for a municipality based on your knowledge of other audits? Ms. Zoll responded we don't look at insurance in terms of comparing them to other municipalities. We're not much involved in that from a financial audit unless we know there's a problem.

Hearing no further questions, the Chair thanked Leslie and CLA for their work.

2. Review revenues vs budget

Ms. Portelinha reported prior year's taxes area currently \$60,000 under budget. Interest on taxes is about \$60,000 under budget. Building permits and fees are about \$200,000 above budget. Interest on investments about \$80,000 under budget. Town Clerk fees are about \$300,000 over budget. Both building and town clerk have been extremely busy bringing in review. We think that is going to continued based on the current activity.

We have CIRMA Equity that came in \$44,000 under budget. We are doing fairly well with current taxes right now. We're keeping an eye on it.

Discussion.

Mr. Morrison noted the tax collection information was included in the packet.

Ms. Portelinha noted we are at 66% which is like a ¼% higher than we were over the last 3 years. It equates to \$700,000 through the end of December. Pretty good. We'll see how things go. We have gotten a lot of signs people are still coming in and making payment.

3. Review expenses vs budget

Ms. Portelinha said in reviewing the expenses, we don't see any issues currently. Nothing has jumped out at us that appears to be an issue at this point.

4. Review Capital Projects in Budget (Quarterly)

Ms. Portelinha reported last month and nothing to discuss. She is looking at capital projects in conjunction with the budget process right now.

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

A. Sewer Committee (Tony Morrison)

Mr. Morrison said they would be meeting on January 14<sup>th</sup>. Nothing really to report except we did virtually approve another change order. The majority of them are where certain things aren't known until you go through the process and you have to repair or change whatever needs to be done. We have used 3.5% of 5% for the contingency and 76% completed. That was all we did.

Hopefully, as the next phase is testing, we will see less change orders as the construction is coming to an end.

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

Ms. Zoni reported the transfer system that is going into effect using a telephone and codes to read instead of the system we had previously. It's more accurate and more consistent. It will hopefully prevent abuse by those making multiple trips to the bulky station who are taking money and doing dump runs. Residents are allowed to make multiple trips. This will help us keep track of who is making multiple trips and reduce redundancy abuse.

An important reminder for all businesses and residents and property owners in Plantsville and in the Downtown area. I want to read this into the record as I do think it is important. It is for snow removal:

Snow removal has to be done by property owners in the downtown area. The only areas that are done by the town are the following.

The town is responsible for:

Downtown Southington

Around entire green  
Apple Alley walk way to lots  
Columbus from the end of Southington Insurance  
property to the restaurant (Flair) delivery ramp at rear of building  
All of Town Hall  
Riccio Way Rout 10 & Fountain  
Sidewalks adjacent to all Municipal lots, Friends,  
Ideal Tavern, Paul Gregory's, Bank of America  
Stairs behind the American Legion

Downtown Plantsville

The Plantsville Green 756 to 700 Main St  
Adjacent to Centennial Park  
Over the bridge Both sides  
Walks at the trail. Both Sides  
120 West Main St. (Municipal Lot)  
55 West Main St. (Municipal Lot)  
West Main St. @ West St Bridge

Anything not mentioned is the responsibility of the property owner and must be taken care of according to the local regulations.

We are doing very well on snow this year as there haven't been many snow incidences.

Thank you to public works and Annette for providing that list for me for this record. (Also see attachment hereto.)

C. Open Space Committee (Ed Pocock)

Mr. Sciota reported in Mr. Pocock's stead. The council approved of a parcel next to Plantsville School. They purchased the parcel for \$45,000. They're in the process of purchasing the property on the corner in Plantsville Center. That is currently at the PZC and will go back to the council.

There are many, many properties in the hopper which I can't discuss in open session.

The reasons for buying the property on the corner were several. First was safety and how to incorporate it into the new design for downtown Plantsville, for beautification purposes and possibly to have a small parklet there. Those things are all on the table right now.

Ms. Zoni commented there were several former councilors that were very, very important in the early discussions on that corner property. I'd like to put a shout out to Dawn Miceli for her work on that. I know she had many, many conversations with the property owner that helped to lead to this. Thank you to Dawn.

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

Mr. Labieniec reported at the last meeting. Nothing new to report.

E. Economic Strike Committee (Tony Morrison)

Mr. Morrison said the committee hasn't met since we last met ourselves. There is an action. The marketing campaign has been going for a few weeks and it is going to be examined by a couple of people on the committee next Tuesday to see if the company is doing what they said they would. If they are, the effectiveness of that by examination of what kind of traction they've gotten from people and the messaging. Once that is done, we'll know more about the success or not of this project.

We'll probably have a meeting after that and we'll review it then.

The Chair asked if there were a point when this campaign ends and we have to engage it further? Mr. Morrison said it is anytime. This is important because it is at the very beginning. If things are going well, great. If not, we have to fix them or move on to somebody else. That's where we are now.

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

A. Investment Committee (Kevin Beaudoin)

Mr. Beaudoin had nothing more than what Emilia said. He did note that interest rates have been going up slightly in the last couple of weeks and that's due to Wall Street and not the federal reserve. They're worried about inflation. Ms. Portelinha has seen nothing like that with respect to our investments.

Discussion.

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

Mr. Sciota said the closing date is approaching for the Chief search. I have a conference call this Friday and I'll know more at that time about how many candidates they recommend we interview. From a search standpoint, we are moving along.

As for the financial point, the fire department had its best overtime week for as long as I can remember. The overtime for the pay period was only \$5,000. That being said, it was also a holiday week and people don't tend to use vacation and/or sick time during holiday weeks because of the additional money you get for working the holiday. From an overtime standpoint we are in good shape.

C. Other Committees

Nothing to report.

7. Board Communications

The Chair reminded everybody that today we heard we have a high percentage of taxes being paid which is good for the community. I want to put it out there that if you want to help the community in any way, one thing you can do is support local businesses. Order take out food, buy something, do something. If you can't get out, have it delivered. Now is the time when the local businesses depend on support.

Before COVID, restaurant owners said that most of the customers that come in on a regular basis pay the bills. The ones that make the profit could be just a few families that come in during the week to one of the higher end restaurants. They make the profit.

For all the businesses struggling, try and do a little shopping locally. Support local charities. (Community services, food bank, Bread for Life. Support your local faith-based organizations and support your local business. They need us now.

There is a sign in one of my favorite restaurants in Waterbury it says: Come on in and eat or we'll both starve. They don't have the exclusive on that sign.

Anyone of our town business could hang a sign that says: Come on in and support my business or we'll both starve.

Be mindful that is a way we can all help one another.

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



No discussion this evening. The Governor's speech is the second Wednesday in February. He did give an opening speech to the legislature and he used the terms "equity and state aid" on numerous occasions. We'll see what that means. Usually, that is not the best news for suburban towns.

VIII. Conduct Administrative Business

1. Consent Agenda

- A. Appropriation - \$7,500 \* Town Clerk - Document Preservation Grant (Spec Rev)
- B. Appropriation \$400 \* Fire Dept - CT Fair Plan Program Supplies (Spec Rev)
- C. Appropriation \$620 \* Police Dept - Vehicle Maint-Loss/Damage (Spec Rev)
- D. Appropriation \$38,851 \* Sewer - Property Maint-Loss/Damage (Spec Rev)
- E. Appropriation \$1,000 \* Youth Services - STEPS Donations (Spec Rev)
- F. Appropriation \$10,720\* Town Clerk - Nominee Fee - Program Svcs (Spec Rev)

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

2. Manager's memos

- 1. Transfer \$5,000 Community Services - Building Maintenance

Mr. Sciota said that is for a new furnace for the building. They're having a couple of small issues and it is up and operating.

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

(Whereupon, the meeting was adjourned to executive session at 7:53 o'clock, p.m.)

EXECUTIVE SESSION

The Board of Finance of the Town of Southington entered into executive session on Wednesday, January 13, 2021 via Webex in order to discuss Real Estate and Contractual Matters.

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  
Steve Salerno

No motions or votes were taken.

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

(Whereupon, executive session was adjourned at 8:39 o'clock, p.m.)

**REGULAR SESSION**

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

(Whereupon, the meeting was adjourned at 8:40 o'clock, p.m.)

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Mark J. Sciota  
Acting Secretary



Attachment #1

Committee Members,

To make things easier, I asked Gabe to put together the following lists pertain to Item 3.c.iii. on this afternoon's agenda. I figured it would be better if you could read them, rather than me just rattling off a list. I will "see" everyone in about an hour.

Downtown Southington

- Around entire green
- Apple Alley walk way to lots
- Columbus from the end of Southington Insurance property to the restaurant (Flair) delivery ramp at rear of building
- All of Town Hall
- Riccio Way Rout 10 & Fountain
- Sidewalks adjacent to all Municipal lots, Friends, Ideal Tavern, Paul Gregory's, Bank of America
- Stairs behind the American Legion

Downtown Plantsville

- The Plantsville Green 756 to 700 Main St
- Adjacent to Centennial Park
- Over the bridge Both sides
- Walks at the trail. Both Sides
- 120 West Main St. (Municipal Lot)
- 55 West Main St. (Municipal Lot)
- West Main St. @ West St Bridge

Thanks,

Annette S. Turnquist, P.E., M.P.A.  
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John Weichsel Municipal Center  
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