

BOARD OF FINANCE
TOWN OF SOUTHLINGTON
FEBRUARY 10, 2021

The Board of Finance of the Town of Southington held a Meeting on Wednesday, February 10, 2021 via teleconference. John Leary, Chair, called the meeting to order at 6:30 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

6:30 pm The Board of Education will present their FY2021-2022 Operating Budget (Please refer to the online posting to hear the full presentation.)

The Regular Meeting and the Public Hearing on the Ordinance will commence immediately after the Board of Education Presentation.

The Chair called the public hearing and regular meeting of the Board of Finance to order at 7:24 o'clock, p.m.

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

III. Public Hearing Items

ORDINANCE APPROPRIATING \$4,500,000 FOR COSTS RELATED TO THE ACQUISITION OF DEVELOPMENT RIGHTS - COUNTRY CLUB ESTTES, AND

AUTHORIZING THE ISSUE OF \$4,500,000 BONDS AND NOTES TO FINANC THE APPROPRIATION.

(MINUTES ARE PREPARED SUMMARY STYLE AND YOU MAY REFER TO THE ONLINE POSTING TO HEAR THE FULL 75-MINUTE PRESENTATION AND DISCUSSION.)

Town Manager Mark Sciota introduced the Ordinance. Sometime ago the Town approached the owners of Southington Country Club with a goal of seeing how we could preserve this property. They met with us and we went to a proposal system whereby we got an appraisal for the property, we sat down with the property owners and the administration and some members of the council met with them and we came to what we feel is something we are excited about and we want to propose to the people of the Town of Southington.

This has been introduced at the council level. The PZC has already reviewed it and given a unanimous recommendation.

Tonight, as part of our Charter you have a public hearing and then you recommend to the town council whether this is something the Town of Southington should pursue or not.

We have a presentation by town staff and a couple of members of the council. I want to thank the town staff. They worked very hard to put this presentation together. It is very informative. We have a shorter video version which we plan on putting forth to the public and the service clubs in town assuming the town council and this board moves forward with it.

I'd like to introduce Rob Phillips to start the presentation.

Rob Phillips started off with the agenda for the presentation:

1. Open Space Strategy & Parcel History (Paul Chaplinsky, Councilman)
2. Planning & Zoning (Jeremy Taylor, Town Attorney & Rob Phillips, Director of Planning & Community Development)
3. Educational Impact (Rob Phillips, Director of Planning & Community Development)
4. Financial Assessment (Teresa Babon, Director of Assessment & Tax & Emilia Portelinha, Director of Finance)
5. Infrastructure Impact (Annette Turnquist, Director of Public Works/Town Engineer)

6. Community Impact (Lou Perillo, Economic Development Director)

Hard copy of the presentation slides will be attached hereto to the Minutes.

Town Council Chair Victoria Triano commented as to how grateful she was for each single department head that has spoken this evening. A wonderful presentation.

We all know what this potentially could be for Southington for generations and generations. It is something that every person in town will be able to enjoy. Not only us, but generations to follow.

I ask that the esteemed Board of Finance would consider this and endorse it and move forward with us together providing the future.

Wonderful presentation from the staff.

The Town Manager went over the proposed timeframe. (See slide)

Mr. Sciota explained this is a very unique opportunity. These opportunities don't come up very often. I'm hoping that based upon this presentation and based upon this opportunity we choose to move forward. Staff is here to answer any questions from the board and the public.

The Chair called for questions from the Board of Finance members.

Mr. Morrison asked if any consideration was given to paying for this with the undesignated fund balance. Chair Triano responded there has been a little talk of that. We are trying to focus in on the long-term goals. With COVID we are dealing with unexpected expenses and all of that. We felt that bonding was the thing to do at this time.

Mr. Sciota added from the town's administration, we discussed this issue also and we felt that based upon the current status of our undesignated fund balance and the current interest rates for which the town was able to bond, this was the smartest move. I recommended to the council we move forward with the bonding scenario because I believe from a financial standpoint and Ms. Portelinha and I are lock step on this one, we felt the bonding was the best course of action.

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Ms. Portelinha said that is exactly it. Right now, the rates are low. I agree with Mr. Sciota's comments. Based on the rates, we are better off bonding this at this point.

Mr. Morrison suggested putting this information in the video of the presentation going to the public. Just to be as comprehensive as possible.

Mr. Sciota agreed. The presenters will have bullet points and we'll add that.

The Chair called for questions from the public.

(No speakers)

IV. Old Business

1. Approval of Minutes of the January 13, 2021 meeting

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

New Business

V. Assess current financial state of the town

1. Review revenues vs budget
2. Review expenses vs budget

The Chair advised in the essence of speed, if everyone is okay with it, are we on track? Your message last time was we were ahead in our revenues and holding on our budget. Is that still the case?

Ms. Portelinha confirmed that is still the case. If anybody wants the specific information Ms. Portelinha will be happy to provide it.

3. Review Capital Projects in Budget (Quarterly)

Nothing reported.

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

A. Sewer Committee (Tony Morrison)

Mr. Morrison reported the plant upgrade is going great. Construction is 95% complete. We've spent \$37.5 million out of the \$39.5 million contract amount which includes the change orders, as well. We are moving into completing the phosphorus building. The work into the next couple of months will be testing everything out.

One big new issue is we are relining the sewers in town. And, there was a discussion over the last couple of months --- we had to move \$29,000 into the maintenance account to finish up the work for this year. But the thought was that we still have 55,000 feet which is the center of town with the oldest sewer. The thought was it would take five years at that spend rate. But we do have a very decent fund balance for the sewers. And, we still have 60% to do. The thinking is to take a portion of that money and apply it to increasing the rate of the sewer lining. To add another half or a million dollars to it this year and there'll be a proposal put forward to the BOF and the town council along those lines. The actual amount isn't decided, yet. We could it down to two or three years instead of five years where we would be vulnerable.

Our contractor, Granite Inliner, is not an issue and they can do this because other towns are stopping all infrastructure work because of COVID issues.

I wanted to say it is a tribute to Southington that we have the finances and the ability to do that. Other towns aren't as well off as us. I would say that's a tribute to a lot of people over the last 10 years or so. Especially people on this board who have been on it for the last nine or ten years.

That's going to be coming up next month. We'll discuss the amount again so we can get that done tomorrow.

One thing will be coming to you as well which is \$57,000 to finish off the design of the West Queen Street pump station. Explained the committee reviewed it and made a motion to push it forward to the town council to approve it but it hasn't gotten there.

Mr. Sciota explained the process doesn't have to go any further because we have the whole amount approved. The contract was already approved. It was done in stages and hopefully we'll get it designed.

Discussion of what happened to the pump station on the Meriden Waterbury Turnpike. Insurance coverage was discussed. The barrier was redesigned so it would stop a car before it can hit the generator.

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

Mrs. Zoni was not at the meeting. Mr. Pocock reported he was done there to look at the new scanner system. It is up and operating a lot better than anything he's seen. Good money spent on that.

We'll be getting figures for this snow, obviously.

C. Open Space Committee (Ed Pocock)

Mr. Pocock said they are looking for different items. Paul does a great job of searching out these parcels. The big one going right now is the one we had the presentation on tonight.

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

Mr. Labieniec reported on seven months into the year. We have the results for January and it continues to trend about \$2.5 million under budget. The budget through January was just shy of \$13 million and actual was \$10.4 million. We are about 20% under budget and about 13% under prior. It's been pretty consistent. We are averaging right about \$360,000 under budget. The lowest month so far under budget has been \$240,000. That is to say it hasn't been a couple of months over and a couple of months under. It's been pretty consistent around that \$2.5 million mark. We expect the cost to go up in the second half of the fiscal year.

Our budget for the last five months of the year is just shy of \$10 million. If you look at the run rate through the first seven months, it would put us almost 30% under that number.

As for our position relative to budget, we stand in very good shape at this point.

The reason for an uptick in the second half of the year is as deductibles are hit you expect the insurance costs we incur to go up.

As far as COVID, Joe Spurgeon does a great job to analyze it. We are not in a place of certainty in terms of what is avoided versus what is delayed. It's not an exact science.

Mr. Beaudoin said Mr. Spurgeon indicated he has not seen an uptick in elective surgeries, et cetera, yet. He reaches out to our insurer all the time to see if that is on the horizon.

Ms. Portelinha added Mr. Spurgeon has indicated this is not a capacity issue. It's not that the hospitals or doctors can't perform or can't do the services, it is more of our people are hesitant to go to the doctor or to have services done. It's a choice.

Mr. Labieniec said at the last meeting there was a decision made by the committee to use some of the reserve fund and we are going to be working at our next meeting about updating our fund balance policy for use of that. We spoke about it in the context of the multi-year approach. We can only act on one year. The multi-year approach would be reviewed every year by the committee, but we are going to look to incorporate that language and approach into the fund balance policy.

It is important to note that as it was brought up tonight, the impact that will have on the upcoming budget. In a positive way.

E. Economic Strike Committee (Tony Morrison)

Mr. Morrison stated we have a social media campaign to push Southington businesses. We were disappointed. We had data to show in terms of actual click throughs on Facebook, Instagram, Google, et cetera. It's fairly flat and you would expect it to go up.

We are after young professionals and people with families as there is a lot of family stuff to do here --- not just going to restaurants.

We had a very honest discussion with our marketing friends and said we need to kick this up a notch. They are coming back this week with some suggestions and things to do.

The Chair and Mr. Perillo will work with Rebel on that.

There was an executive session and the topic may be talked about some time down the road.

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

A. Investment Committee (Kevin Beaudoin)

No report.

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

No report.

C. Other Committees

No report.

6. Board Communications

No report.

VI. Public Communications (Excluding Public Hearing Items)

No speakers from the public.

Ms. Portelinha brought up the budget workshop session schedule. She was looking for feedback on which departments the BOF wanted to hear from so she could let the department head know to be prepared. Mrs. Zoni said she would like to hear from the building department. Mr. Sciota advised that is a joint department (planning & zoning and building) under Rob Phillips.

The Chair will review the schedule one more time and send a note back.

Ms. Portelinha said planning & zoning is scheduled for the 24th at 8:00. They're a big department and they usually come every year.

VII. Review Long Range Plan and Priorities

1. Review status of LRP items in current fiscal year budget
 - A. Status / Reprioritizations
2. Strategy Discussion

Mr. Sciota advised the Governor gave his speech today. As promised, he has left us flat. He did not harm us. There is a small increase for adult education which goes directly to the BOE. And, then there is another what CCM and the Governor call an increase, but Emilia and I still haven't put our finger on how this is going to work, yet. This is that half of that \$1.8 million he was talking about. So, this is the \$928,000 we'll be looking at. We'll talk to Sherri DiNello and see how this is going to transpire in the next two fiscal years. We've heard that \$928,790 is going to be for FY2022 and then for 2023.

That was reported by CCM and the Governor. Emilia and I dealing with the BOE will see how that is going to impact the budget overall.

Ms. Portelinha said the information on the grant is it is the ESSERII which is elementary and secondary school emergency relief fund. We just found out about it today. It appears to be a BOE grant.

Discussion.

Mr. Morrison requested that when Ms. Portelinha prepares documents for the BOF, she looks what it would be without revaluation and then what it would be with revaluation? A basic thing we discuss is the ability of taxpayers to afford. Ms. Portelinha is preparing that information for the budget.

VIII. Conduct Administrative Business

1. Consent Agenda

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|---------------------------------------|-----------|---------------------------------|
| A. Appropriation Grant (Spec Rev) | \$11,346* | Youth Services - YS Enhancement |
| B. Appropriation Rev) | 1,048* | Fire Dept - Memorial Fund (Spec |
| C. Appropriation Donations (Spec Rev) | 1,110* | Town Council - White Christmas |
| D. Appropriation Rev) | 2,700* | Police Dept - Donations (Spec |

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

2. Manager's memos

1. Bond Ordinance \$4,500,000 Public Hearing Item #1

The motion to approve moving this item forward to the Town Council was made by Mr. Morrison. Mr. Beaudoin seconded.

Motion passed 6 to 0 on a roll call vote.

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|--------------|---------|---------------------------------|
| 2. Transfers | 25,500 | Central Dispatch - Overtime Pay |
| 3. Transfer | 1,560 | Police Dept - Program Services |
| Transfer | 130,000 | Police Dept - Overtime Pay |
| 4. Transfer | 5,200 | Animal Control - Overtime Pay |

Mr. Pocock made a motion to approve Items 2, 3, & 4 in aggregate. Mr. Beaudoin seconded.

Mr. Morrison noted the police overtime is up this year. Mr. Sciota responded Southington is being inundated by car thefts, car break-ins and general issues as are other towns throughout the state.

We've asked the police officers through the Chief's office to put together what they need to do to try and stop this or at least try to get it under control. It is taking overtime.

Discussion.

Motion passed unanimously on a voice vote.

IX. Executive Session - Personnel

A motion to adjourn to executive session to discuss Personnel was made by Mrs. Zoni. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

(Whereupon, the meeting was adjourned to executive session at 8:39 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 Personnel.

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

No motions or votes were taken.

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

(Whereupon, executive session was adjourned at 8:55 o'clock, p.m.)

REGULAR SESSION

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

(Whereupon, the meeting was adjourned at 8:56 o'clock, p.m.)

Mark J. Sciota
Acting Secretary