

Minutes of the Regular Meeting of the Board of Finance
Town Hall-October 11, 2016

Members Present: Eric Harrington, Chris Childs, and Dr. Ann Huntington Members Absent: Justin Donnelly and Brian Kost. Alternates Present: J. Michael Stevens, John Sullivan and Tracy Eccles

Also Present: First Selectman Melissa Mack and Director of Finance Deborah Cerrato

Ryan Anderson called the meeting to order at 7:00pm.

Dr. Huntington made a motion for J. Michael Stevens and John Sullivan to be accorded the voting rights for the absent members Justin Donnelly and Brian Kost. The motion was seconded by Chris Childs and passed unanimously.

Citizen Comment: None.

Minutes of Regular Meeting September 12, 2016.

Mr. Childs motioned to table the acceptance of the minutes as written until next meeting. The motion was seconded by John Sullivan and passed unanimously.

Library Salary increase-Library Assistant 1- Error in budget document and did not include increase for this one position:

First Selectman Mack explained that they want to make the 3 positions equal. It was an oversight and the items should all be the same. No change to the budget. Mrs. Cerrato stated that the item is listed under the union grouping on the budget submission. Mrs. Cerrato and First Selectman Mack agree that they should all be the same. Mr. Anderson asked if it would retroactive. Mrs. Cerrato stated that it would.

Mr. Childs made a motion to accept the adjustment to the rate of \$14.50 to be paid retroactive from July 1, 2016. The motion was seconded by Dr. Huntington and passed unanimously.

State/Federal Grant Applications-Discussion and approval:

a. Urban Act Grant Funding for the extension of Route 75 Utility Extension Project-Phase II-Patrick McMahon-EDC Direction:

Mr. McMahon attended the meeting to discuss item. We are working on extending water and sewer down Route 75 for commercial and industrial development. The first part of the project is highlighted in yellow on the map (Phase I) and we are looking to pursue a \$1 million grant to complete the blue highlighted section of the map (Phase II). It includes water and sewer extension of 1,300 linear feet. A company Cardinal Engineering out of Meriden has done all the design work and put together the design system down to Windsor Locks town line. It is \$1,354,000 in total estimated costs based on the bid amounts that were received from the Phase I project. We would be looking for upward of \$354,000 from the town to assist in applying for the \$1million grant. Mr. Anderson asked if we already funded the yellow highlighted portion of the map. Mr. McMahon responded yes. Mr. Harrington asked when it would be completed. Mr. McMahon stated it would be done end of October, early November. Mr. Stevens asked why we don't extend to town line. Mr. McMahon stated they were concerned about the additional \$1 million of funding that it would cost to pay for the additional extension. Mr. Anderson asked if it is Parcel 10 and Parcel 9 that is existing privately owned property and would now be available for potential development. Parcel 9 has a potential developer but the information of the company is not disclosed at this time. Mr. Anderson asked if approved we would add the \$350,000 to the Capital Projects in the next budget. Mr. Anderson and Mr. Harrington agreed that we would need a cost benefit analysis. Mr. McMahon stated that we need the approval to be completed with water and sewer so it can be developed. We cannot yet do a cost benefit analysis with the current interested company. Mr. Anderson and Mr. McMahon agreed that receiving the

grant would allow them to pursue some more details from the prospective buyer. Mr. Anderson would like to see some analysis on a payback for a potential purchaser. First Selectman Mack stated they have a plan A and a plan B. Plan A would be a great benefit to the town including Research & Development and Biotech industries with significant job opportunities and benefit, Plan B is less of a benefit. Mr. Childs thinks that paying just \$350,000 is great for commercial development. Mr. Harrington stated that he wants commercial development as long as it benefits people's taxes. Mr. Anderson stated there is more land available for commercial development.

Mr. Childs made a motion to submit the grant application for the Urban Act Grant in the amount of \$1 million. The motion was seconded by Dr. Huntington and was passed 5 yes to 1 no. Eric Harrington voted against the grant submission.

b. The Farm Viability Grant-Bill Hawkins, Town Planner:

Mr. Hawkins attended meeting to discuss item. The purpose is to support agriculture and sustainability in the state. The town would be responsible for 40 percent of the total project cost should we be awarded the grant and that amount can be in kind services or hours. The big item is to repair and repave the farm access road, 1,100 feet, to the Hilltop Farm 79 acres, owned by the Town. Since the Town has taken it over it has been in disrepair. This would help promote the area and agriculture. This access road connects the town property to the FOFAH (Friends of the Farm at Hilltop) property and would provide additional access. The total of that is \$51,000. Also included is \$10,000 for 2 appraisals of farmland preservation farms. Additional line items request is 3 signs at \$650 each for a total of \$1,950. The estimate project cost is \$65,200. The towns portion would be drawn from pavement management account which is currently at \$470,000 balance and the open space fund for appraisals which has approximately \$27,000. The general fund budget would cover the in-kind amount. The request is for the State to pay the amount of \$39,120. The Board of Selectmen (BOS) has approved this last week at their meeting. The first 30 feet from road is in good shape so would not need to be repaired. The project would replace catch basins and add drainage. Mr. Anderson asked if there are any projects considered towards this property. Are there other Town projects that we could include in this grant? First Selectman Mack stated that we do own this access road and this portion of the property. First Selectman Mack stated that they will get more information on open spaces in town. Mr. Harrington would like to see what town properties and open space the town currently owns. Mr. Anderson asked if it is all paved today. Mr. Hawkins stated it is rock and dirt and we would like to repair and pave the road. The area closer to the barn is in bad shape but it is like a jigsaw puzzle and needs to be repaired. Mr. Hawkins states we usually hear about grants in February for a project to begin in March. Mr. Anderson asked if we can fund from pavement projects and would be money from current budget with no additional funds needed. Mr. Hawkins agreed.

Mr. Harrington made a motion to approve the request to apply for the 2016/2017 Farm Viability Grant per request of the Town Planner for a total of \$65,200 with \$26,080 to be funded by the Town of Suffield. The motion was seconded by Dr. Huntington and passed unanimously.

Treasurers Report -Christine Davidson

Mrs. Cerrato referred board to handout in Mrs. Davidson's absence. Today we currently have \$17,634,764 in the General Fund. Mr. Childs asked why we are keeping so much money in First National Bank of Suffield (FNB) account instead of State Treasurer's Investment Fund (STIF) which has a better rate of return. Mrs. Cerrato stated it may have been a timing issue. Mr. Anderson and Mrs. Eccles asked if you can move the money out of FNB to STIF. Mrs. Cerrato will relay that to Mrs. Davidson for consideration. Mr. Anderson asked for an update to be given at next meeting.

FY 2015-16:

a. Budget Line Item Transfers:

Mrs. Cerrato stated this year there were more transfers because of Payroll and Employee Benefits line items due to July 1st being paid in FY 2015/16 for the executive group, returning to the bi-weekly payroll instead

of the semi-monthly payroll from FY 15/16 so it created some issues in some departments. The monthly budget updates indicated throughout the year that the police department would go over budget. Mrs. Cerrato stated that Superintendent of Police Services, Tony Riello and Deputy Chief Richard Brown came to explain the shortfall. Mr. Harrington asked if all transfers wash out to zero. Mrs. Cerrato responded with yes. Mr. Anderson asked if we only used some of the contingency. Mrs. Cerrato stated that \$46,000 is remaining from \$360,000 contingency. Mr. Harrington asked about Fire and why the amount was less than what they anticipated. Mrs. Cerrato responded that the estimated overage of \$50,000 was for payroll after the final payrolls were processed for FY 15/16, including the volunteer stipends and fire call payments. There were balances remaining in "Other" line items of the department budget to have an overall budget shortage of \$10,000. Mr. Childs asked if each contingency line shows the final balance remaining in contingency. Mrs. Cerrato responded yes. Mrs. Eccles asked if we could include a column for town approved budget. Mrs. Cerrato said we can make those changes and resend. Mr. Childs had a question about Information technology's payroll and consulting, where are we as far as staffing. Mrs. Cerrato said we are now fully staffed with 2 full time members. Mr. Anderson asked if there were some synergies with Board of Education (BOE). First Selectman Mack said it is in discussion. Mr. Childs asked why we are over \$22,000 for 457 plan. Mrs. Cerrato said that the number new hires were not anticipated. This plan is replacing the Defined Benefit Plan in most employee agreements. Mr. Anderson said we would have to plan for new hires in the 457 plan in next budget depending on where the new hires are coming in. Mr. Harrington asked if there could be more shared services with BOE. First Selectman Mack stated that Human Resources may be included. The HR Director is in full swing and has a lot on her plate. First Selectman Mack met with Superintendent Karen Berasi and stated that there are synergies there and we will try to get the Human Resource Director up to speed to possibly to assist with the non-certified staff. First Selectman Mack will continue to work with Superintendent Karen Berasi to get some job processes developed. Mr. Anderson asked if there would be some consistency with benefits during contract negotiations to impact the town side. Superintendent Karen Berasi stated that Mr. Donnelly attended union meetings and it is even better if we work together. Mr. Anderson said that there can be more leverage in changing brokers for health plans to provide better technology and products for the town employees. First Selectman Mack agreed. Mrs. Cerrato stated they (BOE) are involved in meetings with the medical benefits consultant. Mr. Anderson asked if there are any good ideas for plan changes that would benefit the town. Mrs. Cerrato stated that it is driven by teacher's contracts (the largest employee group) and they must buy in to any changes. Mr. Anderson asked if we could take it offline as an action item for a common strategy for all negotiations across the board. First Selectman Mack stated that as far as other collaborations with Superintendent Karen Berasi we are using proper procedures for Facilities and Public Works and it is a work in progress to ensure that all procedures are being met and they are working well together. Mrs. Eccles asked about \$55,000 of medical insurance, was it a shortfall. Mrs. Cerrato stated that it was actually a benefit of \$55,000. Mrs. Eccles asked about the town council number and would we need to increase the amount next year. We spent \$7,000 more and we are close to the \$100,000 number. Mrs. Cerrato stated that this number did not increase that much this year and that number included unanticipated settlements. First Selectman Mack is overseeing the legal fees. We are currently negotiating 5 union contracts so legal fees will be greater to avoid arbitration in the future. Mr. Anderson asked if we did budget some risk. First Selectman Mack responded no but we increased the amount because we knew the negotiations were coming.

Mr. Stevens made a motion to approve the transfers as presented including further discussion of transfer of remaining contingency. The motion was seconded by Mr. Harrington and was passed unanimously.

b. Police Department budget shortfalls explanation:

Deputy Chief Rick Brown and Superintendent Riello were in attendance to explain the shortfall. There is a spreadsheet showing shortfalls. Copies were being made and distributed. The Superintendent felt the Consulting fees were reasonable given the scope of the vacancies. This was an unbudgeted item. The selection process for Lieutenant, Sergeant and Chief search were included in those fees. The budget was inherited by current administration. Our most recent budget reflects the changes so it will be closer to the amount. We can quantify almost to the penny where the money was spent. The Salary item is \$108,000

over. First item is a settlement and bonus which was not budgeted for at the time for a total of \$26,372. The Sick payout was retro pay for someone on military leave. Dispatch overtime was budgeted incorrectly and is corrected on current budget. The Superintendent has added one hour a day to the Administrative Assistant's schedule because records were not being done since the dispatcher was responsible and was no longer there. The additional time up to 8 hours per day is at straight time and any hours after that and on the weekend are at time and one half the regular rate of pay. Mr. Anderson asked if this is now budgeted next year. Deputy Chief Brown stated that \$6,000 dollars were regular hours and 10,000 dollars was overtime. Mr. Anderson is making sure that all items are covered in next year's budget. Short term disability injured employees and workers compensation was over budget. Mr. Harrington asked if anyone is currently on workers compensation, Superintendent Riello stated no. That overage number was to pay the coverage overtime for an employee that was out on worker's compensation. They will be hiring a dispatcher who left due to a recent retirement and the new hire will need field training. Mrs. Childs asked if they are coming in at a lower salary. Superintendent Riello stated yes. All department staff meetings, have not been held in past. Superintendent Riello felt it was very important to have those meetings for all police staff and dispatchers. Mr. Anderson asked if all meetings are accounted for in next budget and Deputy Chief stated that they were budgeted. Superintendent Riello stated all operations staff that had reports for the Police Commission meetings needed to attend meetings so they were paid overtime pay, in accordance with their union agreement. Superintendent Riello stated we only need to bring in people as needed currently. Mr. Stevens asked if we should have a line item for Meetings in the budget. Mr. Anderson said we can decide if they need to be adjusted and some will be immaterial. Superintendent Riello said some will come from the amount budgeted for overtime. The DISC training was a personality and communication style training to address the issues in the department. The department had to pay consulting fees and overtime. Contracted services were to pay Windsor Locks officers to cover for the department wide meetings. Strategic planning was a day and a half and will not be recurring next year. Training will be quarterly and is in the budget as an increase. Field training pay is paid to mentor officers to supervise new hires for a 12 week period. The K9 Officer volunteering his time to train we had a responsibility to pay that person if it was extra duty. Mr. Childs asked if town gets paid to perform training. Deputy Chief Brown said yes but it comes back to general fund not police budget. All surrounding towns departments should pay for the training of their K9 programs. Suffield invoiced 5 departments that participated in the program for \$500 per training. The school resource officer has changed and they needed to enhance the program for after school mentoring and for BOE meetings. First Selectman Mack asked if we charged back to BOE, we need to do that in future. Mr. Anderson asked if in summary, what items do we not have budgeted this year and are there any large items. Superintendent Riello said we don't budget for short term disability or worker's compensation coverage since it is an unknown. These are items that come from the amount budgeted for overtime. Superintendent Riello said that this year some of the issues we are facing are that we are down 4 people right now which includes the newly budgeted narcotics officer. We have vacancies and are hoping for December to get 1 into training and 2 in the spring. Superintendent Riello said we are not running short in town but the overtime coverage may cause some overages. Mr. Anderson asked if consulting fees are one time deal and Superintendent Riello agreed that it is. Mr. Anderson said we are not hearing a lot of risk going forward. There was discussion held about the agreements made by the prior administration. Mrs. Eccles asked what the amount of the original Police Department approved budget and the amount was over \$2 million, so overage is not too high. Mrs. Childs said the concern can be the overtime. Superintendent Riello said we are using some of the vacancy salaries. Deputy Chief Brown said it may affect the replacement rates. Deputy Chief Brown will come as soon as possible if there is an amount that is alarming. Superintendent Riello said we budgeted appropriately for uniforms, training, etc. Deputy Chief Brown said that we do not want to fill the positions too quickly. They need to be vetted properly. Superintendent Riello added that Deputy Chief Brown figured out the budget to the nickel and you can rest assured going forward that the budget he put forward he knows item by item. He did a phenomenal job on all the finance items. Mrs. Eccles thanked them for the transparency. Mr. Childs asked what was going on with animal control. First Selectman Mack said we have a part time Animal Control Officer (ACO). We currently have an agreement with East Granby and we were working with Windsor Locks on a tri town solution. Windsor Locks wants Granby and Suffield to pay the majority of the Animal Control costs for Windsor Locks. The adopted budget had anticipated the agreement with Windsor Locks being in place as of July 1, 2106. It is still good for us to work with East Granby. They are working with Deputy Chief Brown on a solution for two part time ACOs. First Selectman Mack is presenting this proposal at next BOS meeting and to add the positions and to do some

transfers from the amount budgeted in contracted services for this anticipated change. Windsor Locks asked that we pay 90 percent of cost, wanted it cost neutral, they are not taking into consideration that they have a new bonded building. Deputy Chief Brown is doing a call analysis to see when they need service and it will be more efficient. The current ACO is doing a great job.

Director of Finance

a. Budget Highlights:

Mrs. Cerrato showed the revenue from last year to this year the difference at this time we are missing the airport authority amount \$693,909, everything else is about the same. Mr. Childs asked about the MRSA Sales Tax Sharing amount being \$321,763 vs. what we budgeted as \$75,876. Mrs. Cerrato explained that the state gave us more money after the Town's budget was complete. Mr. Childs asked if we will still receive the PILOT-CT airport authority as hoped. Mrs. Cerrato stated yes. Mr. Childs asked why we haven't received the Agriscience money. Mrs. Cerrato stated payment was running a few days late. Mr. Childs asked why there is no income in Real Estate Conveyance Tax. Mrs. Cerrato stated that record all deposits into the Town Clerk Recording Fees and we wait to get a report from the Town Clerk to reallocate the amount and we have not received them for July, August or September. Mr. Childs said we are ahead of where we were last year. For the expenditures, the difference is we have not paid out OPEB(Other Post Employment Benefits) and Pension, after change in GYL Financial Services Requiring all new forms to be completed for the Town. Mrs. Davidson is waiting for that to be completed before she processes the payments. Mr. Childs asked about the additional \$350,000 that was budgeted for the CNRE Fund (Capital Non-Recurring Expenditure Fund). Mr. Harrington asked where OPEB amount is and Mrs. Cerrato stated in Other Financing Uses. The town has paid out entire insurance amount for workers compensation and liability and we are waiting on BOE and WPCA to pay out the remaining pension and OPEB amounts. Mrs. Eccles said we haven't made any expenditure to contingency. Mrs. Cerrato stated no. Mr. Childs asked about the police balance being higher than last year and seems to be tracking at a higher pace than last year. Mrs. Cerrato will look at the amounts and the trend. Mr. Anderson asked if there are any other items in question.

First Selectman's Update:

Applied for a Certified Local Government Grant, Phase II, this is \$30,000. Phase III will be done at some point. It provides a good inventory for historic structures and properties in town. The town is currently in 5 union negotiations for Town Hall, Dispatchers, Fire and Police and Library. Have done a very comprehensive review and we know where we should be going using comparability data. We are working with CCM (Connecticut Conference of Municipalities) for comparability data which is given to member towns for free. We will be able to come up with good competitive salaries. The Fire Commission has reviewed fire apparatus, Fire commission recommended that we need in order of priority rescue #1, ladder #2 and engine #3. First Selectman asked that it be reviewed at next BOF meeting. We recommended that fire reviews all their need and makes a recommendation which was presented to the BOS and we would discuss urgent need and can tell how many years we need each item. Mr. Anderson asked if it should be from ACCE (Advisory Commission on Capital Expenditures). First Selectman says we need a comprehensive plan to take care of this item. Mr. Anderson said we cleared out most of the accounts for fire apparatus. Mr. Childs said because we didn't know how we are going to pay for it. Mr. Anderson says we have time to get plan together so when we get to budget cycle we will be prepared. Fire Chief says we are at over 25 years for the rescue truck and we cannot wait until next year. We are really pushing envelope. Mr. Harrington said we wanted to make plans for rescue truck. The fire chief said we cannot go to bid without funding. Have already gone out to bid on the 3 trucks. Mr. Childs asked if we are waiting on finance options. Chief said in 2013 he came in with bonding information and then was directed to look at a lease purchase. Mr. Anderson said he didn't think the financing options given were reasonable. We need to review to decide what direction we go in. Mr. Childs asked if cost of rescue truck is \$750,000. Mr. Stevens and Mr. Harrington said rescue is in need of purchase right away, it is rusting. Chief said that we are at the max year life with most of the trucks. First Selectman Mack stated that they may purchase our old trucks in Maine in small communities where they are not able to purchase new. Mr. Stevens asked how much down payment is needed to start the process. Mr. Anderson asked if we should use contingency for

down payment. Mr. Childs said the town needs to approve. Mr. Anderson asked if the manufacturers will give better rates than banks. Chief gave lease package from manufacturer. Dr. Huntington would like to have all the information for apparatus so we can review and vote and go ahead with it. First Selectman Mack asked if you have to go to bid. Chief said you still have to look at bids. Mr. Childs said we should put it in the bond. Mr. Anderson said we need list of options and this item needs to be added to the agenda. Mr. Stevens said we need action and cannot afford to wait. Mr. Childs said it must go to a town meeting. Mr. Childs asked about when we are planning to bond soon, early December, for the Roads projects. Since Dec 14th is the Fed meeting it is wiser to be more aggressive on the date for bond for the \$9 or \$10 million. Mrs. Eccles asked if union negotiation will be complete by February before next budget meeting. First Selectman Mack said she is hopeful that yes it will be completed. For the police union they had 2 unions fighting over police union. We only just started negotiations recently.

At 8:20pm Dr. Huntington made a motion to enter into Executive Session regarding potential litigation. The motion was seconded by Mr. Childs and passed unanimously. Also in attendance at the executive session were Town Counsel Derek Donnelly and Deborah Cerrato.

Dr. Huntington made a motion to approve the settlement as discussed. The motion was seconded by Mr. Harrington and passed unanimously.

Dr. Huntington made a motion to adjourn meeting. The motion was seconded by Mr. Harrington and it passed unanimously and was adjourned at 8:37pm.

Respectfully submitted,

Melissa Finnigan