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3 **Board of Finance**
4 **TOWN OF SIMSBURY, CONNECTICUT**
5 **REGULAR MEETING MINUTES**
6 **Tuesday, December 15th, 2020 at 5:45 P.M.**
7 **Zoom Meeting/Simsbury Community Television Live Stream**
8

9 **I. CALL TO ORDER** - Chairman Pomeroy called the meeting to order at 5:48pm.

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11 1. Pledge of Allegiance

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13 **Present:** Robert Pomeroy, Amy Meriwether, Kevin Prell, Arthur House, Lisa Heavner, Linda
14 Schofield and Derek Peterson

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16 **Also Present:** Tom Fitzgerald, Chris Kachmar and Tyler Polk

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18 Chairman Pomeroy provided comments on the Triboard meeting. He felt the meeting went well
19 overall, respected the dialogue and encouraged the Board to remain civil and recognize
20 everyone's role as volunteers. Chairman Pomeroy acknowledged this is a tough budget year
21 and a tough climate. Mr. House asked Chairman Pomeroy if there were any concerns reported
22 from the meeting that prompted this discussion in which Chairman Pomeroy denied. He stated
23 there are many feelings that arose in the meeting and again restated that this is a tough year
24 and a tough climate but provided understanding in that the Board's role is often a tough role.
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26 **II. Presentation: DiMeo Schneider & Associates**

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28 Mr. Kachmar and Mr. Polke presented to the Board. This information was also presented at the
29 Retirement Plan subcommittee meeting, which some Board members attended. Mr. Kachmar
30 began the presentation by sharing his screen and presented the PowerPoint titled: Town of
31 Simsbury retirement plans. He explained the environment around capital markets is a
32 constructive one since the onset of the crisis in March and noted that what is working in the
33 capital market today is much broader than what they had post crisis. There is a broadening in
34 the capital market which is encouraging to them. He expressed hope around the COVID
35 vaccines and possibility of a second stimulus providing decent returns on a go forward basis.
36 Mr. Kachmar discussed equity returns and explained there is a lot of stability in the market with
37 a broadening of returns. Mr. Kachmar discussed the pension plans; Board of Ed 75% funded,
38 town plan similarly and the police plan is funded around 82%. The statewide average is about
39 75%. He explained to the Board that the expected rate of return targets have diminished
40 through time with the largest cohort being at an expected return between 6.75% - 7.25%. Ms.
41 Heavner inquired if what was presented at the subcommittee continues to be accurate; that
42 rates are more likely to return at 6.2%. Mr. Kachmar explained he doesn't think they will land at
43 6.75% feeling overtime it will be pressured lower. In their next cycle of reporting they will be
44 delivering to the subcommittee the formal asset allocation work with the latest capital market
45 inputs. He presented the statewide investment returns, the portfolios and informed the Board
46 that from an allocations perspective they are in good working order. He showed the individual
47 plans and the target rates. Mr. Kachmar noted the due diligence notes are in the presentation
48 for the Board to read at their own will.
49

50 Simsbury's OPEB fund was presented next. Mr. Kachmar went over the portfolio; there is 19
51 million dollars in the OPEB trust in October. He noted that over time the portfolio will provide a

return that will align with targets. Mr. Kachmar asked the Board for any questions or thoughts. There were none.

Mr. Kachmar turned it over to Mr. Polk to complete the presentation. He reminded the Board they are in the transition stage from Mass mutual to ICMA; the mailings and education meetings were done in late November, with a blackout period scheduled for 1/4/21 and the assets should begin transitioning as of 1/12/21. He confirmed being on track as of now. He noted they will maintain the funds that have merit and there are an additional 6 index funds to what they already had; fidelity large value, mid value, small value, small growth, mid growth and large growth index. The balances, as explained by Mr. Polk, are pretty good. They have been in recovery since March; back up to 13 million in the 457 and the 401A and the Board of Education plans shows decent recovery as well. Mr. Polk reported that a questionnaire was completed on the town's behalf in respect to cyber security with ICMA. Mr. Polk explained that the questionnaire was done to ensure ICMA is up to times with data protection and data security. The summary was presented. The discussion was opened up to questions and comments. Ms. Heavner commented the subcommittee asked that the Town report on the same questions regarding cyber security and will be discussed in February during the cyber security agenda item. Chairman Pomeroy thanked Mr. Kachmar and Mr. Polk.

III. Approval of Minutes of the Tuesday November 30th, 2020 regular meetings

Chairman Pomeroy asked the Board for any comments or suggested edits from the November 30th, 2020 Triboard meeting. No comments from the Board.

Mr. House made a motion to approve the November 30th, 2020 regular scheduled minutes. Mr. Prell seconded the motion.

MOTION: All in favor, no opposed, no abstentions. Motion passed unanimously.

IV. Supplemental Appropriations

Ms. Meriwether presented the two supplemental appropriations; first was road paving done by Aquarion coordinated by the town. She explained the work was done by the town and reimbursed by Aquarion for the work. There is an allotment of money for paving during the year, which according to Ms. Meriwether is not over budget and can cover the expenditures. However, it was noted that going into the spring they will need additional money that Aquarian provided. Formal approval for the appropriation is needed.

The second appropriation was the bike and crossing grant dated back to 2018. According to Ms. Meriwether, the grant award was received but they hadn't started work. They would like to start it within this budget season. Formal approval for the appropriation is needed.

Ms. Heavner asked how the \$600,000 number came about as that is half of their paving budget. Ms. Meriwether noted she will get more information for Ms. Heavner and will follow up with her.

Mr. Peterson made a motion to approve both appropriations. The motion was seconded by Ms. Heavner.

MOTION: All in favor, no opposed, no abstentions. Motion passed unanimously.

V. 2021 Agenda planning

Chairman Pomeroy reminded the Board they set the meeting dates for next year, looked at the guests they will be having and the topics that they will be discussing throughout the year. He asked for the Board to be aware of the schedule. He felt this allows for everyone to be prepared.

Ms. Heavner asked Chairman Pomeroy if he wants to discuss the debt modeling agenda item in January 2021. Chairman Pomeroy confirmed and noted that will be a big meeting. He explained they are working on some modeling and requested that resources be obtained in preparation of the meeting. Chairman Pomeroy noted they need to look out longer term and look at absolute debt and debt service, along with tax impact. Ms. Heavner added the want to ensure affordability for the taxpayer and noted that taking on more debt may impact Simsbury's bond rating. She suggested considering what going over 7% will do to their ratings and the affect it will have on taxes. Ms. Meriwether has an updated summary report of debt which she confirmed she will provide to the Board. Ms. Heavner requested that the Bond Advisor be at the next meeting in January 2021.

Chairman Pomeroy noted that the October 2020 building department report continues to be strong.

Ms. Heavner asked Chairman Pomeroy about the independent appraisal on Meadowood. Chairman Pomeroy will follow up. He explained the appraisal that Trust for Public Land completed is now available but the work that was asked to be done for an independent appraisal to show the value of the property in its "to be used" state, is still unresolved. Chairman Pomeroy informed the Board that the original appraiser feels it is a conflict to do another appraisal for the Board. Chairman Pomeroy will have further conversation with the Board of Selectman. Ms. Heavner explained she was told it may take some time, but she wanted Chairman Pomeroy to know she feels it is very important.

Mr. Prell asked if there are items Chairman Pomeroy wants the subcommittee to review on behalf of the Board of Finance. Chairman Pomeroy requested a recommendation of the assumed investment rate from the investment subcommittee.

VI. Communications

There was no communication discussed during this meeting.

VII. ADJOURNMENT

Mr. Prell made a motion to adjourn. Mr. Peterson seconded the motion. The meeting adjourned at 6:24pm.

MOTION: All in favor, no opposed, no abstentions. Motion passed unanimously.

Respectfully Submitted,

Amanda Werboff
Commission Clerk