

**Board of Finance
TOWN OF SIMSBURY, CONNECTICUT
REGULAR MEETING MINUTES
Tuesday, November 17, 2020 at 5:45 P.M.
Zoom Meeting/Simsbury Community Television Live Stream**

PRESENT: Arthur House, Derek Peterson, Robert Pomeroy, Kevin Prell, Linda Schofield (by phone)

ALSO PRESENT: Maria Capriola, Town Manager; Tom Fitzgerald, Management Specialist; Amy Meriwether, Director of Finance/Treasurer; Neil Sullivan, Director of Personnel, Simsbury Schools

1. Call to Order - Establish Quorum

Mr. Pomeroy called the meeting to order at 5:48 P.M.

2. Pledge of Allegiance

All present stood for the Pledge of Allegiance.

3. Presentation: Board of Education Enrollment Overview

Mr. Sullivan shared a slide presentation providing an overview of enrollment as of October 1, 2020. He reported enrollment is slightly below 4,000 students, a decrease of 65 students from one year ago. K-6 saw a decrease in 20 students and 9-12 had a decrease of 45. No single elementary school felt the impact of fewer students. He then shared projected versus actual enrollment by school, noting 65 below projection was surprising and the bulk of those numbers came from the larger schools. Next, he gave enrollment figures by individual grades. He indicated that many families may have chosen not to send their children to kindergarten due to the circumstances around COVID-19, further noting that kindergarten is not a compulsory grade. He then spoke about the increase of 19 students over projection in 9th grade, noting there is normally attrition in that grade due to private school options. He then provided historical projected enrollment versus actual enrollment figures from 2010-11 to 2020-21 and a five-year historical enrollment trend from 2016-2020, which indicates the overall enrollment has declined from 4110 to 3960, a reduction of 150 students, representative of a 3.8% decrease. He indicated this has yielded staffing savings but they are not equal to the 3.8% decline, given that it is across multiple buildings. He further noted the complexity of this year with the creation of a distance learning environment. The State required that a distance learning experience be provided and at the elementary level, 20% chose to start in distance learning this year. This required a significant shift of staffing to staff 19 teachers in the distance learning environment. Seven new positions were added at the elementary level this year. Two were originally budgeted and five were added in order to meet social distancing goals and to provide one distance learning only classroom. Out of those seven, all five of those contracts were interim contracts offered on a one-year basis with no expectation that those positions will move forward into the next budget year. The middle and high school level staffing was not impacted by distance learning. He noted the number of homeschooled students has more than doubled this year. However, he believes most of those students will come back after the pandemic.

Ms. Meriwether asked Mr. O'Neil to speak about staff repurposing.

Mr. O'Neil said they took 16 FTE teachers in non-classroom roles with certification and repurposed them to classroom positions.

Each board member noted appreciation for the flexibility and challenges faced this year by Mr. O'Neil and the Board of Education. Discussion followed about hybrid versus full-time schedules and projections.

4. Approval of Minutes - October 20, 2020

MOTION: Mr. House made a motion to approve the minutes of the October 20, 2020 Regular Meeting as written. The motion was seconded by Ms. Schofield. All were in favor and the motion passed unanimously.

5. Finance Director's Report

Ms. Meriwether noted the updated list of grants and donations in her report. Regarding COVID-19 impact on the Town, expenditures for FY21 have increased about \$15,000 since last reporting, mainly related to election supplies and poll workers. The prior year loss related to COVID-19 was covered by the prior year savings. The current year loss estimated thus far is covered at this point. Funding is expected from the State of about \$55,800 for COVID expenditures and \$13,738 is expected for election costs, as well as a private grant for \$8,682, totaling \$78,220 available right now to cover COVID costs. She noted this does not include any FEMA funding. For the Board of Education she noted an increase of about \$16,000 since last reporting. The majority of that is related to an increase in PPE and an extension of the tents contract. She noted there is state funding for the Board of Education and with the small use of the Non-Lapsing Fund, the Board of Education will probably see an estimated \$264,000 remaining in the Non-Lapsing Fund.

6. Town Budget Status Report

Ms. Meriwether gave a General Fund overview, noting revenues total about \$51,900,000 as of September 30, 2020, about 51% of revenues. She noted the majority of increases are in the Tax Department and the Building Department. She also noted a decline in the Finance Department due to the decrease in interest rates. Lastly, she noted an increase in the Town Clerk's Department. For expenditures, she reported they are in line with expectation, with the exception of a decrease in the Police Department. For the Simsbury Farms Fund, she noted revenues in excess of expenditures of almost \$140,000 at this point due to a decrease in revenues from Special Programs, Day Camps and the Pool, which were affected by COVID. For expenditures, she reported the same offset and noted the Golf Course expenditure for a piece of large equipment.

Ms. Schofield asked about the surplus and if that is typical this time of year.

Ms. Meriwether noted it is typical and it will dwindle as time goes by. Regarding the Health Insurance Fund, she reported a current surplus of about \$30,000 and the reserve is about \$4.7M, 32% of expected claims. She noted the target is 20-25% of expected claims. There may be an

uptick due to rescheduled doctor appointments and medical procedures and staff will be keeping an eye on this. It was noted this will affect the current calendar year. Discussion followed and Ms. Meriwether noted she will provide options during the budget process.

Ms. Schofield and Mr. House were asked to give a report on the Parks & Recreation Task Force. Ms. Schofield noted there have been a few meetings and there were some differences of opinion. They looked at a five-year annual average shortfall (expenses minus revenue) of \$266,000. Over five years the average annual subsidy from the General Fund includes the \$180,000 given the last few years up front, averaging \$269,000. Looking forward, she noted other potential shortfalls, like pension changes and the impact of the minimum wage increase. She reported others on the committee look at the problem differently, noting positions and expenses some years back that were allocated to the Special Revenue Fund and should not have been. They would like to reallocate those items back to the Board of Selectmen. She noted there are two issues: how to define the problem of shortfalls versus equity and who should pay (users of the programs or all taxpayers). She discussed possible solutions and others on the committee wanted to move items to the Board of Selectmen budget, not have any fee increases and fund those new expenses to the Board of Selectmen through taxes. She noted this is important in relation to the Tri-Board meeting discussion as the committee would like this increase to the Board of Selectmen budget to not be counted in the percentage guidance given by the Board of Finance. She noted she and Mr. House were not in agreement with that.

Mr. House added that he was not comfortable agreeing to a revenue increase for this coming year without knowing the other priorities of the Board of Selectmen.

Mr. Pomeroy noted this needs to be considered against all the other priorities. Discussion followed about allocation corrections and pay-to-play fees versus taxes. It was noted that recommendations from this committee were made and no action was taken. Mr. Pomeroy asked that this topic be discussed at the Tri-Board meeting.

7. Supplemental Appropriation - Ice Rink Refrigeration Condensing Unit Replacement

Ms. Meriwether reported that the replacement of the refrigeration condensing unit at the Simsbury Farms ice rink revealed that the steel support was in poor condition and would need to be replaced. The cost to replace the steel is \$13,000 and an additional appropriation is being sought to pay for that.

Ms. Schofield noted that the Capital Reserve Fund should only be used in the case of an emergency and is contingent upon a phone call to the Board of Finance and the Board of Selectmen.

MOTION: Mr. Prell made a motion to approve a transfer of \$13,000 from the Capital Reserve Fund to the Capital Non-Recurring Fund to cover the cost of replacing steel supports for the ice rink condensing unit. Mr. Peterson seconded the motion. All were in favor and the motion passed unanimously.

8. Private Duty Fund Transfer

Ms. Meriwether noted that after consultation with Bob DeCresenzo, it was determined that a request to transfer the Police Private Duty Fund balance to the Capital Reserve Fund can be made with Board of Selectmen approval and if there is no approval, it will revert back to the General Fund.

MOTION: Mr. Prell made a motion to approve the Police Private Duty Fund transfer request as presented. Ms. Schofield seconded the motion. All were in favor and the motion passed unanimously.

9. Tri-Board Preparation Discussion

Mr. Pomeroy noted the guidelines prepared which were included in the meeting packet, adding that the goal is to share this document with both boards as a guide for discussion at the Tri-Board meeting. He noted this information is meant to help set the stage for this year, adding that they did not adjust the pension rate and did not implement the mortality rate adjustments.

Ms. Meriwether screen shared the budget assumption analysis. Discussion followed about the mill rate, negotiated salaries, mortality rates, impact on taxpayers, COLA increases, the Grand List, the K-shaped recovery, COVID expenses, debt service, and capital budget planning. It was agreed that a discussion about long-range planning and a Tri-Board meeting on capital prioritization is needed.

Mr. Pomeroy noted the Tri-Board meeting is scheduled for November 30 at 5:30 P.M. and it will be virtual. He noted there was agreement on guidance of 1.5% or less for operating budgets. The written guidelines will be shared with the Board of Education and the Board of Selectmen. Mr. Pomeroy thanked Ms. Heavner and Ms. Meriwether for their work on this.

10. Proposed 2021 Meeting Dates

MOTION: Mr. Prell made a motion to adopt the 2021 regular meeting schedule as presented. Ms. Schofield seconded the motion. All were in favor and the motion passed unanimously.

11. Board of Education Quarterly Financial Report

Ms. Meriwether screen shared and presented the first quarter budget analysis. She gave a summary of State grant awards and Federal grant awards. She then provided a breakdown of expenditures from 2019-20 and 2020-21.

12. Board of Education Savings Initiatives

Ms. Meriwether provided a listing of savings initiatives that the Board of Education has taken part in as requested by the Board of Finance.

Mr. Pomeroy noted appreciation for the fact Ms. Meriwether is now covering both the Town and Board of Education finance positions and is doing a fabulous job.

13. Adjourn

MOTION: Ms. Schofield made a motion to adjourn at 7:40 P.M. Mr. Prell seconded the motion. All were in favor and the motion passed unanimously.

Respectfully submitted,

Karen Haberlin
Commission Clerk