

**Town of Simsbury Board of Finance  
REGULAR MEETING MINUTES  
Thursday, April 18, 2017 at 5:45PM  
Simsbury Town Offices – Main Meeting Room  
933 Hopmeadow Street, Simsbury, Connecticut**

**PRESENT:** Robert Pomeroy, Jr., Jeff Blumenthal, Derek Peterson, Kevin Prell, and Linda Schofield.

**ABSENT:** Moira Wertheimer.

**ALSO PRESENT:** First Selectman Lisa Heavner, Deputy Director of Administrative Service Melissa Appleby and Finance Director Sean Kimball; Simsbury Public Schools Superintendent of Schools Matt Curtis and Business Manager Burke LaClair, and other interested parties.

**1. CALL TO ORDER:**

Chairman Rob Pomeroy called the meeting to order at 5:48 PM.

**2. PLEDGE OF ALLEGIANCE:**

Everyone present stood for the Pledge of Allegiance.

**3. APPROVAL OF MINUTES – MARCH 21, 2017 REGULAR MEETING AND APRIL 6, 2017 REGULAR MEETING & PUBLIC HEARING:**

The March 21, 2017 Minutes should be amended as follows:

The first line of the second page: the text, "ASCME" should have instead read, "AFSCME"; first line of seventh paragraph on second page: the percentage that read "2.84%" should instead read "2.48%"; and the first line of second paragraph of third page, the name "Mr. Curtiss" should instead read "Mr. Curtis".

The April 6, 2017 Minutes should be amended as follows:

The fifth line of the second paragraph should read, "....a budget with a 2.4% increase that includes the elimination of 5.6 FTEs and the addition of 3.6 FTEs, resulting in a net decrease of 2 FTEs.

The Minutes were accepted as amended.

**4. APPROVAL OF TAX COLLECTOR'S ANNUAL SUSPENSE LIST:**

Tax Collector Colleen O'Connor noted that the cars added to the suspense list are from the 2014 Grand List, will remain collectible for fifteen years and will continue to accrue interest on the amounts owed.

**MOTION:** Ms. Schofield, Mr. Prell second, to approve the Tax Collector's Suspense List in the amount of \$56,649.54; unanimously approved.

**5. PRESENTATION ON MUNICIPAL BOND MARKET & RATING AGENCY CRITERIA BY BILL FAZIOLI, PFM:**

Finance Director Sean Kimball introduced Bill Fazioli from PFM who has assisted Simsbury for a number of years guiding the Town through the bond process, as is done every two years. He noted that this June, the Town will be going to market seeking \$12M-\$14M.

Mr. Fazioli presented a power point presentation providing an update on the municipal bond market. He noted that the volume is down, 30%, from 2016. He noted that the bond buyer index, a twenty-year composite rate for Aa rated communities, is currently at 3.77%, which is still historically low rate terms. He noted that rates have only been lower 7% of the time since 1980.

Mr. Fazioli also provided a credit overview. He reviewed Simsbury's rating history from 2007, noting that Simsbury rating went up to Aaa rating in 2010. Mr. Fazioli noted that the town has always had a record of strong management, conservative budgeting, and fast repayment of debt as bonds are always paid off in ten years. He explained that typical municipal bonds are twenty years. He noted that the one negative point Moody's had noted was that the tax base was somewhat slow to recover coming out of the recession and had identified the loss of a major taxpayer. Mr. Fazioli reviewed the scoring methodology that Moody's has now published after the housing market bubble occurred. He noted that one factor, the weighting of debt, is currently 20% up from what was previously used (10%).

Mr. Fazioli briefly reviewed the recommended range for reserves for towns within New England. He noted that 10% is on the low side although Simsbury has a wealthy tax base, and a record of favorable operating performance, moderate debt levels and debt that is paid off very quickly.

**6. FINANCE DIRECTOR'S UPDATE AND OPENGOV BUDGET PORTAL DEMONSTRATION:**

Mr. Kimball reported that tax collection continues to be very strong, trending ahead of where the town was last year. He demonstrated a new budget transparency tool Simsbury has, called OpenGov. It allows individual lines to be reviewed in terms of both budget and actuals.

**7. FY17 SUPPLEMENTAL APPROPRIATION REQUEST FOR SIMSBURY VOLUNTEER AMBULANCE ASSOCIATION (SVAA) IN THE AMOUNT OF \$80,000 AS RECOMMENDED BY THE BOARD OF SELECTMEN ON MARCH 13, 2017 – PRESENTATION BY MICHAEL DELEHANTY, SVAA:**

Simsbury Volunteer Ambulance Association Executive Director Michael Delehanty noted that their call volume has been steadily increasing over the years, with an estimate of 1900 calls for 2017.

Mr. Delehanty noted that a third ambulance was added last year in order to ensure stability of two-ambulance system. He explained that there is consensus that the second ambulance and advanced capability is appropriate. The issue is that volume of the unit alone does not generate sufficient revenue to sustain it, according to Mr. Delehanty. He reviewed the calls and revenue granted, noting that the end result is a deficit of \$59K per year. He noted that in 2016 contracted EMTs were utilized during the day to minimize the use of paramedics in the driver role, controlling costs and freeing up the staff for a second ambulance. In 2016, SVAA had cash receipts of \$820K and expenses of \$900K. The \$80K deficit is a result of paid EMTs and staffing a second ambulance, according to Mr. Delehanty. He also noted the capital expense of the third ambulance. He explained that they have funded the shortfall for several years but that the current level of reserves must be maintained for unforeseen expenses and fluctuations in

their revenue stream. It was noted that 90% of the revenue is derived from billing for services while the other 10% comes from the annual fund drive. He noted that while the balance sheet of their Assets would indicate a value of \$1.7M in 2016, only \$331K is in cash and investments while the remaining amounts are accounts receivable and fixed assets such as land, building, and equipment. He noted that \$235K was used in 2015 with \$150K being spent on the ambulance and \$85K spent on small capital and operational.

Discussion ensued. Mr. Delehanty explained that most communities have a blended staff of both paid and volunteers. He noted that there are three full-time and ten or eleven part-time paramedics. First Selectman Lisa Heavner reported that the Board of Selectmen are recommending a one-time expenditure and have requested Deputy Director of Administrative Services Melissa Appleby to take a deep-dive look of call volume, workload, staffing, and response times and whether there are alternative services that should be recommended.

**MOTION:** Mr. Blumenthal, Ms. Schofield second, to approve the request for the \$80K appropriation; Motion failed with Mr. Blumenthal voting aye while Mr. Pomeroy, Ms. Schofield, Mr. Prell and Mr. Peterson were opposed.

Ms. Appleby explained that the recommendations produced from a study done now would be available for FY19. Mr. Delehanty indicated that the SVAA operates on a calendar year and confirmed that the \$80K would get them through December 31, 2017.

**MOTION:** Mr. Prell, Mr. Pomeroy second, to fund \$50K and recommend that the SVAA raise money from some other source including pursuing fundraising; unanimously approved.

#### **8. FY18 OPERATING & CAPITAL BUDGET DISCUSSION:**

It was noted that more information regarding the Governor's proposed budget is likely to be garnered by April 27, 2017 or April 28, 2017. Consensus of the board was to schedule a Special Meeting of this Board on May 2, 2017 in order to give final direction to the Board of Selectmen and Board of Education in order to allow them time to make modifications to their budgets prior to the second public hearing scheduled for May 16, 2017.

The Board of Finance again reviewed the Mill Rate worksheet. Among the assumptions used was that there would be a \$1,034,442 adjustment to the Governor's budget. Another assumption used was that a \$1M, at least, be cut from the two boards with the Board of Education incurring 80% and the Town incurring 20%. It was also noted that \$500K excess reserves from FY18 budget, \$550K transfer back from The Hartford reserve and \$1.45M from the fund balance would likely be included in setting the mill rate. These would result in a \$400K net change in reserves. This scenario would result in FY18 reserves at 11.01%. Consensus of the Board was that the mill rate should definitely be kept under 40 and that there should be no more than a 3% mill rate increase.

#### **9. OTHER BUSINESS:**

No other business discussed.

#### **10. ADJOURN:**

**MOTION:** Ms. Schofield, Mr. Blumenthal second, to adjourn at 7:56PM; unanimously approved.

**Respectfully submitted,**

**Pamela A. Colombie**

**Commission Clerk,**