

**Board of Finance
TOWN OF SIMSBURY, CONNECTICUT
REGULAR MEETING
Tuesday, June 20, 2023, at 5:45 P.M.
In Person Meeting /Simsbury Community Media Live Stream**

PRESENT:

Lisa Heavner, Robert Helfand, Linda Schofield, Mike Doyle, Bert Helfand and Arthur House

ALSO PRESENT:

Amy Meriwether, Director of Finance & Lee Erdmann, Interim Town Manager

1. Call to Order - Establish Quorum

Ms. Heavner called the meeting to order at 5:45 P.M.

2. Pledge of Allegiance

All present stood for the Pledge of Allegiance.

Ms. Schofield provided her notice to the Board and will be stepping down for personal reasons effective September 1, 2023.

Ms. Heavner welcomed the interim town manager Lee Erdmann who introduced himself. Ms. Heavner said that he will be focusing on a more comprehensive budget message, earlier Capital budgeting, and use of benchmarks and performance indicators. She added that his commitment to transparency will be appreciated.

3. Finance Director's Report

Ms. Meriwether provide an overview of the Finance report for the third quarter. The reported the projections for revenue on the General Fund are well over budget by at least \$1M and she is estimating at year end an excess of \$1.2M - \$1.3M. On the Expenditure side she reported its close to her projections at the end of March at around \$1M in excess of budget. She said several vacancies and the Police Department had savings in their pension ARC payment is driving these savings. Ms. Meriwether went over the report in more detail followed by questions form the Board.

A discussion followed on an abatement approved for EBAD. Ms. Schofield said she hoped for the future that a meeting would take palace to discuss policy, the criteria for abatements, and the performance objectives. Mr. Erdmann said the Business Development Committee did recommend it to the Board of Selectman and added that going forward one improvement they will commit to implementing is to ensure the Board of Finance gets an opportunity to review and make any recommendations to the Board of Selectman. Ms. Heavner said in the transparency section of the policy it mentions that a portion of the Town website shall be dedicated to tax abatement information, which will include Awards and Abatement documents. She asked for assistance in finding this posting as she was unable to locate it. A conversation followed on policy for abatements and incentives.

Ms. Meriweather provided an update on the Assessor's Audit stating Francine has a draft of the RFP. She has reached out to other towns to see if they have done something similar in order to get feedback to include. This will be ready to be issued around the beginning of August. Ms. Schofield had some information on auditors and said she will connect with Francine.

Ms. Heavner had some follow up questions on the report numbers which Ms. Meriwether addressed and will get back with further information where needed.

4. Financial Planning Discussion

Ms. Heavner started off by giving some background information on the role of the Board of Finance in the financial planning process for the town. She added the goal for this planning discussion was to reach a consensus, methodologies, and standards which to evaluate needs, wants, and affordability standards for the town.

Ms. Meriwether and Mr. Erdmann are working on a one-page mill-rate calculator which will enable them to plug in numbers and manipulate the mill rate. This will enable them to see what the mill rate could be and how it will affect the taxpayers as they plug in numbers and make changes. Ms. Heavner said it will be great for the Board and a great transparency tool for the public. A conversation followed on how the Board can be more transparent to the public in the budget process and how important it is.

Mr. Erdmann provided his guidance on starting off with the big picture and then working down to the details during the budget making process.

Ms. Meriwether provided an overview of her thought process which starts off with discussions in July. She said having feedback from the Board on their priorities would be a good place to start and then update their current model to build it around this guidance to include the outyears.

Ms. Meriwether provided some examples as to what guidance she would like from the Board of Finance in terms of their priorities. She said would use this to start the budget modeling and they can work through more specifics as they move along the process. Mr. Helfand said he would like to review the assumptions around fixed costs based on the projections and the magnitude of the tax increases over the next three years. He added he would not like to assume any of them are necessary until they are put into the larger perspective.

Mr. Erdman explained the concept of zero-based budgeting, meaning not taking anything for granted and strategically looking into detail why they are doing things and is there another way. He mentioned a methodology of ranking initiatives in order of priorities and determining what they want to accomplish, which the board were in favor of.

Mr. Erdmann spoke about fine tuning revenues and expenditures, so they don't end up with a large operating surplus and asked the Board to consider over time increasing the property tax collection rate that they budget. A discussion followed and the board weighed in on the policy.

Ms. Heavner reviewed her notes for discussion which included 1) evaluating and recommending a reasonable inflationary increase in taxes 2) what data should the Board consider when evaluating citizen affordability and willingness to pay 3) confirmation on which towns they should compare with for economic competitiveness and what factors to evaluate, 4) determining their goals for next year 5) prioritizing needs 6) year-end contribution percentage 7) planning for financial stress 8) efficiency evaluations, and 9) indicators and comparisons.

Ms. Heavner mentioned over the Summer they do a policy review, where they agree on the assumptions they use in the budget, the tax collection assumption rate and the reserve level and provided an overview of the timeline and what steps in the budget process need to be accomplished throughout the year. She recommended a fiscal impact analysis tool for new development and said tying economic development and financial planning makes sense.

5. Policy Review

Ms. Heavner provided an overview of the policies and the Board agreed that the majority of the current policies are still good.

Ms. Heavner asked Ms. Meriwether to take a first pass at the Simsbury Farms fund and determine what is an appropriate level to target as a fund balance which is due in August.

Ms. Heavner opened the Year-End Spending policy to the Board for discussion who all agreed on the current policy.

The transfer policy will need to be reviewed.

6. Approval of Minutes – May 16, 2023

Mr. Helfand provided an amendment to include the full name and department of “Martin from the State”.

MOTION: Mr. Helfand made a motion, effective June 20, 2023, to approve the amended minutes from May 16, 2023. Mr. House seconded the motion. All were in favor and the motion passed unanimously.

7. Other

Mr. House spoke about the LEAN Policy and recommended hiring a LEAN instructor to work on one Department to start the process. Mr. Erdmann said he would look into it and asked if there were any LEAN experts in town that would donate their time to helping as opposed to hiring a consultant.

Mr. Erdmann spoke about the principles of Lean Government and streamlining steps involved in certain processes. This leaves the opportunity to redirect human resources resulting in job function changes as opposed to job loss.

Adjourn

MOTION: Mr. Helfand made a motion, effective June 20, 2023, to adjourn at 7:14PM. Mr. Doyle seconded the motion. All were in favor and the motion passed unanimously.

Respectfully submitted,
Marion Lynott
Commission Clerk