

From: SimsburyCT Postings May 19, 2010 3:29:40 PM
Subject: Board of Finance Minutes 05/18/2010
To: SimsburyCT_FinanceMin
Cc:

BOARD OF FINANCE
MAY 18, 2010
REGULAR MEETING

1. CALL TO ORDER

The Regular Meeting of the Board of Finance was called to order at 8:30 P.M. in the Henry James Middle School cafeteria. The following members were present: Paul Henault, Peter Askham, Candace Fitzpatrick, Nicholas Mason, Anita Mielert and Kevin North. Also present were Director of Finance Kevin Kane, Tax Collector Colleen O'Connor and other interested parties.

2. MINUTES

Ms. Fitzpatrick made a motion to approve the minutes of the March 16, 2010 Regular Meeting. Mr. Mason seconded the motion and it passed unanimously.

Mr. North made a motion to approve the minutes of the April 6, 2010 Public Hearing. Ms. Fitzpatrick seconded the motion and it passed unanimously.

Mr. Mason made a motion to approve the minutes of the April 6, 2010 Special Meeting. Ms. Fitzpatrick seconded the motion and it passed unanimously.

3. DISCUSS RESULTS OF REFERENDUM

Mr. Henault noted that there was a total voter turnout of approximately 1,660 (or 9%). Mr. North gave a summation of the results of the four ballot items:

No	% in Favor	Yes	
Board of Selectmen operating budget		1,245	349
	78%		

Board of Education operating budget 72%	1,154	449
Miscellaneous operating budgets 80%	1,273	321
Capital road improvements 84%	1,337	262

Mr. Henault stated that the referendum represented the conclusion of ten months of budget work by the Board of Education, the Board of Selectmen, the Board of Finance, and Town staff and thanked everyone for all their efforts.

4. MILL RATE CONSIDERATION

Mr. Henault noted that Mr. Kane had provided the Board with several projections with a tax increase range of 1.33% to 1.66%. He also noted that there has been recent State legislative activity regarding the conveyance tax in that the House voted in favor of extending the conveyance tax at a rate of .0025% for one year, but that the Senate had not taken any action on this proposal and was expected to address the issue at a Special Session on June 30th. However, Mr. Kane felt that any change would not have a significant impact on the Town and could be absorbed. Therefore, the .0025% rate was left in his projections.

Mr. Henault asked for comments from the other Board members. Mr. Askham stated that he was in favor of keeping the mill rate at 30.50, as was originally projected. He noted that the grand list has been a moving target and wondered if there would be any future fluctuations. Mr. Kane stated that the current number is a final figure. He added that the 1.33% tax increase assumption assumed the grand list would increase at a slightly higher rate and, since the actual number is now lower, in order to achieve a 1.33% tax increase, some other assumption, such as use of reserves or the projected tax collection rate, would need to be modified. He did not recommend altering the projected interest rate.

Mr. Henault asked what effect a 1.5% tax hike would have on the mill rate. Mr. Kane stated that it would increase it from 30.50 to 30.55. Mr. Henault asked about the effect of using a 98.1% collection rate. Mr. Kane stated that it would drop the mill rate.

Mr. North stated that, as the budgets get larger and larger, he would be in favor of adopting a two-decimal point mill rate as it would more closely

match revenues to actual expenses. When using such large numbers, rounding issues can result in over- or under-collections and a two-decimal rate would be more precise. Ms. Fitzpatrick asked what level of reserves would be needed if a 30.50 mill rate was used. Mr. Kane stated that \$125,000 of reserves would be needed. Ms. Mielert asked, if the goal is to stick to the original projections, what is the mill rate that would be needed if no reserves were used. Mr. Kane stated that it would need to be 30.55.

Mr. Mason asked about the current collection rate. Ms. O'Connor stated that it was 98.8% after April and that it was 99.1% at the same time last year.

Mr. North made a motion to set the mill rate for the 2010/11 fiscal year at 30.55. Ms. Fitzpatrick seconded the motion and it passed unanimously.

Mr. North noted that the Fire District voted to reduce their mill rate from 1.05 to 1.03 (a 2% reduction) at their Annual Meeting, so that the total aggregate mill rate would now be 31.58.

5. OTHER BUSINESS

Mr. Henault noted that Ms. Fitzpatrick has resigned from the Board effective May 19, 2010 and that the Board of Selectmen had voted to appoint Barbara Petitjean as her replacement. He thanked Ms. Fitzpatrick for her years of service and contributions to both the Board of Finance and the Board of Selectmen. He welcomed Ms. Petitjean, who was in attendance, and noted that she has previously served on the Board of Finance and looked forward to her future contributions. Ms. Fitzpatrick thanked her fellow Board members and said that it was a pleasure to work with them and that she respected all their efforts and encouraged them to keep up the good work.

6. ADJOURNMENT

Mr. North made a motion to adjourn the meeting at 8:55 P.M. Ms. Fitzpatrick seconded the motion and it passed unanimously.

Paul Henault, Chairman

Debra L. Sweeney, Clerk