

From: Susan Mazurski March 3, 2010 2:05:53 PM  
Subject: Board of Selectmen Minutes 01/25/2010 BUDGET WORKSHOP  
APPROVED  
To: SimsburyCT\_SelectMin  
Cc:

TOWN OF SIMSBURY  
BOARD OF SELECTMEN  
BUDGET WORKSHOP MINUTES  
January 25, 2010

#### CALL TO ORDER

The Budget Workshop was called to order at 5 pm in the Main Meeting Room of the Simsbury Town Offices. Present were: First Selectman Mary Glassman; Board members John Hampton, Lisa Heavner. Tom Herlihy arrived at 5:06 pm and Robert Hensley at 5:50 pm.

The Pledge of Allegiance was said.

1st Selectman Glassman asked if there were any public comments. Seeing none, she moved on with the Budget Workshop agenda.

1st Selectman Glassman gave a framework of the budget issues and what this could mean for the community. She explained that the Selectmen and Board of Finance wants to keep the tax rate as low as possible, yet keep level services, but this may not be possible.

Kevin Kane, Finance Director, gave an overview of the deficits predicted for next year in revenues, including lower fees, lower State funding, and lower investment returns. Also there are increased expenses due to a rise in pension contributions, health insurance increases and long term benefit costs. He explained that the Board of Finance sets the tax collection rate. The Board has voted to set a spending guideline increase of no more than 1.33%, so this would mean a mill rate increase of  $\frac{1}{2}$  mill or \$112.50 per household on an average assessed home of \$250,000. In order to have taxes stay the same, there would have to be a spending decrease of .25%.

Selectman Herlihy asked how much in general fund reserves are in the budget. Mr. Kane said \$8 million, slightly over 9%. 1st Selectman Glassman said that we are preparing for a bond sale, so we must be very careful with the use of reserves as the bond rating agencies are looking for closer to 10% or more in reserves. A discussion ensued about what is going on with

bond ratings throughout the State of CT.

Selectman Herlihy said he had spoken with the Tax Collector, Colleen O'Connor, and the Town budgets a 98.4% tax collection rate, but she actually collects closer to 99%. He asked if the tax collection rate can be moved closer to the 99% amount. Mr. Kane explained that for each 1% that is increased or decreased, it equals out to \$800,000, but it is up to the Board of Finance, not the Selectmen, to set the collection rate. He also said that the estimated revenues he has in place right now will change before the budget is adopted.

1st Selectman Glassman said that she would hate to move the tax collection rate, when there is such an unknown about State funding for next year. .

Selectman Herlihy said that he is receiving lots of calls to keep the tax rate at the same level, so everyone needs to look at all options, including increasing the tax collection rate. He asked that different scenarios be put forward to show the budget impact of the collection rate was raised to offset expenditures and also asked for the tax collection rate for the last 10 years.

1st Selectman Glassman said that the Department Head requests came in at a 5.33 % increase.

Selectman Herlihy asked what direction was given to the Department Heads when putting together their budget. 1st Selectman Glassman said the direction was to bring their budgets in 5% lower. She is hoping these early budget workshops will help bring consensus of what the tax rate should be, and then she can go back to the Department Heads to have them further refine their budgets.

Main Street Program Sara Nielsen, Executive Director of the Main Street program, and Melissa Brett (VP and owner of Welden Hardware) went over a presentation on The Main Street program and how important it is to the Town. They reviewed how important their program is to the Town and the return on investment given back to the town . Main Street said the return on public money is more than \$4 to every \$1, and that is being ultra-conservative. This is an investment that pays off, not a donation. Also, Ms. Nielsen pointed out that the state Main Street program started in Simsbury 15 years ago.

1st Selectman Glassman asked Ms. Nielsen to go over the budget. Ms. Nielsen said that the group is coming in with an increase in funding, as they are being asked to do more for less money. They are going from a \$41,800 Town contribution to a request for \$72,000. They realize times are

very hard, but they feel this number is necessary to have the group keep up the same programming level. They also pointed out that one Economic Development Director (Cheshire and Farmington were cited as examples) has a salary of between \$75,000-\$100,000 plus benefits, and they do not only economic development but marketing, design, and more. This is a cost-savings to the Town. Ms. Nielsen also stressed that focusing on economic development is always important in good times, but critically important in bad ones like the year we are facing.

1st Selectman Glassman felt the presentation was excellent and Main Street does some great work, but the Town is having a lot of budget challenges.

Selectman Hampton asked for an itemized list of the budget request. 1st Selectman Glassman asked what percentage of their funding comes from the Town. Selectman

Hampton said that he is very concerned about the amount being asked for, from the Town, and he was surprised about the huge amount of increase in the funding request. He went on to say that last year, the Main Street group was told they would need to wear themselves off of the Town for funding. The Town may not be able to give any outside groups money for their budgets. He feels that the Selectmen need to take a fresh look at funding all outside groups.

Selectman Heavner asked how much funding other Towns give to their Main Street programs; what additional fundraising efforts are being made by our Main Street program; what projects are being considered for 2010-2011 for funding from other sources, other than the Town; and give detailed information on the revenues and expenditures for next year's budget.

Selectman Herlihy said that he is a member of the Rotary, Chamber and Main Street. He asked if Bonnie Therrien, Interim Director of Administrative Services, could research whether he can vote on their budget when he is a member of the group.

Jackson Eno said that he agrees with Selectman Herlihy's comments. What Main Street is doing is supporting current businesses, and the Town must invest in the community. Eno also said the Town needs to invest in economic development even more so that we don't end up in a worse financial situation next year.

Melissa Brett said that she does not recall the Selectmen saying that Main Street must move forward with less Town money. Main Street is very important and the Town needs to continue partnership with.

Bruce Cagenello, a resident and commercial broker, feels the Main Street

program is very important. The Town should be paying the full salary of the Executive Director and give more money to the program.

Nord Christensen, property owner of Simsmore Square, said that Rich and Sarah have been instrumental in taking over the Farmer's Market and the Market is very important to the Square.

Andy DiFatta, from Ensign Bickford Realty, said that East Hartford's Main Street program closed down due to no enthusiasm, but the Simsbury group still has a lot of energy and should be supported.

Rich Correia said that the Main Street program has helped the Town immensely and has been very instrumental in bringing in new businesses. As a commercial broker, what Main Street does helps directly helps with commercial tax base.

1st Selectman Glassman asked how broad of an area of Town does Main Street cover. Sarah Nielsen said that our Main Street district runs from Holloway's Plaza up north, all the way down to Abigail's, out to the High School on West Street, and includes all the side streets on Ironhorse. In addition, Sarah Nielsen said, Main Street markets and promotes the entire town, starting with the 2007 designation as a Preserve America community, and every brochure they have done (except downtown map) have covered the entire town.

Richard Bazzano, Data Processing Manager, reviewed his budget and went over the regional Building Inspections grants for regional software. Maintenance costs could mean his budget could go up \$8,000-\$10,000 in the future. Selectman Herlihy thanked Mr. Bazzano with his assistance in having his Town e-mail address work, as he can now check his e-mails off the Town website.

Jim Clifton, Superintendent of Water Pollution Control, reviewed his budget. Selectman Herlihy asked if we had captured all of the expenses associated with the other Towns that use this facility. Mr. Clifton said yes, except for the benefit they received from other Town Departments, such as Finance, although the Town does charge them a 5% administrative overhead cost. These in-house costs are hard to quantify. 1st Selectman Glassman asked that the Water Pollution Control Authority review this administrative fee and make sure this is the correct amount. Selectman Herlihy asked how long this cost has been in place. Mr. Clifton said the last 7-8 years. Selectman Heavner asked why the 5% was chosen. Mr. Clifton said that he would have the WPCA review this administrative charge.

Mr. Clifton reviewed his request to have an Assistant Superintendent position, in lieu of a Foreman. This will be addressed at the February 8th Personnel Committee meeting.

A motion was made by Selectman Herlihy; seconded by Selectman Heavner to adjourn. The vote was unanimous to adjourn at 6:27 pm.

Respectfully submitted,

Mary A. Glassman, First Selectman