

From: SimsburyCT Postings November 22, 2010 9:34:33 AM
Subject: Board of Finance Minutes 11/16/2010
To: SimsburyCT_FinanceMin
Cc:

BOARD OF FINANCE
NOVEMBER 16, 2010
REGULAR MEETING

1. CALL TO ORDER

The Regular Meeting of the Board of Finance was called to order at 6:00 P.M. in the Main Meeting Room of the Simsbury Town Offices. The following members were present: Paul Henault, Peter Askham, Nicholas Mason, Anita Mielert, and Barbara Petitjean. Also present were Director of Finance Kevin Kane, Board of Education Business Manager David Holden, Town Engineer Richard Sawitzke, First Selectman Mary Glassman and other interested parties.

2. MINUTES

Mr. Mason made a motion to approve the minutes of the October 19, 2010 Regular Meeting. Mr. Askham seconded the motion.

Ms. Mielert asked for a clarifying correction on page 2.

The motion to approve the minutes as amended passed 4-0 (Mr. Henault abstained).

3. SPECIAL REVENUE FUND – SIMSBURY REGIONAL PROBATE COURT

Mr. Henault noted that there is a request from Mr. Kane to establish a Special Revenue Fund for the Regional Probate Court. Mr. Kane stated that there will be annual budget and that Simsbury's operating budget will show a transfer out to this fund. He added that the other towns have agreed to share the first \$10,800 of operational expenses on a pro rata basis based on population. Simsbury's share is expected to be about 38%. Ms. Mielert asked if Simsbury would receive any rental costs from other towns since heat and light would be paid by Simsbury taxpayers. Mr. Sawitzke was not aware of any provisions for straight square footage rent and thought that the shared expenses were all hard cash dollars.

Mr. Mason made a motion to authorize the establishment of a Special Revenue Fund called the "Simsbury Regional Probate District" as requested by the Finance Director. Ms. Mielert seconded the motion and it passed 5-0.

4. TRANSFERS FROM RESERVES

a) Simsbury Meadows Red Barn

Mr. Henault noted that there is a request from Director of Administrative Services, Tom Cooke, to transfer \$180,000 from reserves to reconstruct the Simsbury Meadows Red Barn, which was destroyed by fire. Mr. Sawitzke stated that costs to reconstruct the 1,100 square foot building will be covered by insurance, less a \$10,000 deductible. The detailed cost estimate is about \$176,000, which was increased to \$180,000 to cover any undiscovered contingencies. Expenses will be paid by the Town and sent to the insurance company for reimbursement. Mr. Kane estimated that the net cost to the Town will be approximately \$14,000.

Vice Chairman of the Performing Arts Center Board, Greg Piecuch, stated that, after vetting it by the Hartford Symphony, the PAC Board voted unanimously to rebuild the structure and the Board of Selectmen also unanimously supported this decision. Mr. Piecuch added that the PAC Board is also currently discussing the feasibility of reimbursing the Town for the deductible expenses out of their Special Revenue Fund.

Ms. Mielert made a motion to authorize the transfer of \$180,000 from reserves for the reconstruction of the Simsbury Meadows Red Barn pursuant to section 909(c) of the Town Charter. Ms. Petitjean seconded the motion and it passed 5-0.

b) Energy Efficiency & Conservation Block Grant

Mr. Henault noted that there is a request from Director of Administrative Services, Tom Cooke, to transfer \$93,507 from reserves in connection with an Energy Efficiency & Conservation Block Grant. Mr. Sawitzke stated that the grant is a pass-through from the Federal Government's ARRA program through the State's Office of Policy & Management for energy improvement projects and will be used to replace the outside lighting at Town Hall (which is original low pressure sodium lighting) and interior lighting in the upper area with energy efficient systems.

Mr. Mason made a motion to authorize the transfer of \$93,507 from reserves for an Energy Efficiency & Conservation Block Grant for a municipal building retrofit pursuant to section 909(a) of the Town Charter. Ms. Mielert seconded the motion and it passed 5-0.

c) Simsbury Regional Probate District Court Improvements

Mr. Henault noted that there is a request from Director of Administrative Services, Tom Cooke, to transfer \$38,000 from reserves for the Simsbury Regional Probate Court. Costs will be shared and reimbursed to Simsbury by Avon, Canton and Granby based upon population. Mr. Kane stated that there will be an appropriation to the General Fund and reimbursements will go right to the General Fund. The \$38,000 is a one-time expense for capital improvements. He estimated that Simsbury's portion would be approximately \$15,000.

Ms. Mielert made a motion to authorize the transfer of \$38,000 from reserves for building improvements to Town offices for the Simsbury Regional Probate District Court pursuant to section 909(c) of the Town Charter. Ms. Petitjean seconded the motion and it passed 5-0.

d) Emergency Management Performance Grants

Mr. Henault noted that there is a request from Police Chief, Peter Ingvertsen, to transfer \$23,122 from reserves for Emergency Management Performance Grants. Ms. Glassman stated that the Town must apply for three federal grants in order to reimburse the Fire District. Mr. Kane added that costs are twice the requested amount (\$46,000) and the Town matches 50%.

Ms. Petitjean made a motion to authorize the transfer of \$23,122 from reserves for Emergency Management Performance Grants pursuant to section 909(a) of the Town Charter. Ms. Mielert seconded the motion and it passed 5-0.

5. FINANCIAL REPORTS

Mr. Kane provided the Board with a financial report for the first quarter of the fiscal year, noting that the main driver of additional costs as compared with the prior year was approximately \$250,000 of additional pension costs. He explained that the ARC payment, which is a one-time payment, is made annually in July. Mr. Mason stated that he was not happy with the format of the financial statements and wondered if the Town should be looking at a better financial reporting system. Mr. Kane stated that most of the municipal reporting systems available are canned and require additional dollars to fine tune their formats. Mr. Kane added that such an expenditure would have to be funded and he could not recommend such

additional funding during such tight fiscal times.

Mr. Holden projected a surplus of approximately \$19,600 at the end of the first quarter, noting that it is still very early in the year. While revenue projections are on target, they do not yet have any information relative to any State caps that might be imposed on transportation, health services, adult education and Excess Cost Sharing grants. He said the Special Education Excess Cost Sharing grants are the largest and most volatile. He estimated that they will receive approximately 84% of the eligible expenditures. He added that just over \$765,000 of the ECS funds are Federal Stabilization funds that will run out at the end of this fiscal year.

Mr. Holden also noted that there are two more tuition-paying students than were originally projected, resulting in approximately \$25,000 in additional revenue. Three expenditure accounts are showing variances, the most significant of which are unemployment compensation costs due to 19 fewer staff than last year and extended unemployment periods. While \$10,000 was budgeted, he projected a \$30,000 deficit in that account. Student enrollment has decreased by 107 students, or 2.2%.

6. 2011 CALENDAR OF MEETING DATES

Two edits were made to the draft calendar of 2011 meeting dates: the BOE/BOS Capital Projects Presentation to the BOF was moved from February 22nd to February 15th and the November 15th meeting date was amended to include a Regular Meeting at 6:00 and Public Audience at 7:00.

Ms. Mielert made a motion to approve the draft calendar of meeting dates as amended for the Board of Finance for 2011. Mr. Mason seconded the motion and it passed 5-0.

7. 2011/2012 OPERATING AND CAPITAL BUDGET DISCUSSION

To be addressed at the Public Audience immediately following.

8. OTHER BUSINESS

Mr. Henault noted that the Board of Selectmen had provided them with a proposed RFP for the selection of an Investment Consultant for the Town of Simsbury Pension Plan Assets and were asking them to review it and provide any recommendations or changes. Ms. Glassman added that, once the proposals are received, they will be reviewed by a subcommittee consisting of members of the three boards. The Board had no immediate comments.

9. ADJOURNMENT

Ms. Petitjean made a motion to adjourn the meeting at 6:55 P.M. Mr.
Mason seconded the motion and it passed 5-0.

Paul Henault, Chairman

Debra L. Sweeney, Clerk