



Town of Simsbury

933 Hopmeadow Street Simsbury, Connecticut 06070

Board of Finance Agenda Submission

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January 15, 2021

Ericka Butler
Town Clerk
Simsbury, CT 06070

Dear Ms. Butler:

A **Regular Meeting** of the Board of Finance will be held at **5:45 PM on Tuesday, January 19, 2021**, and broadcast live and rebroadcast as noted above.

The Agenda is as follows:

1. Call to Order
2. Pledge of Allegiance
3. Presentation: Phoenix Advisors LLC
4. Approval of Minutes:
 - December 15, 2020
5. Finance Director's Report
6. Communications
 - Proposed Amended Purchasing Policy
 - 632 (640) Tax Abatement Supplemental Information and Agreement
 - November 2020 Building Department Report
7. Adjourn

Yours Truly,
Robert Pomeroy
Chairman

Board of Finance Regular Meeting Schedule:

2/16/21, 3/9/21, 3/16/21, 4/6/21, 4/7/21, 4/20/21, 4/21/21, 5/18/21, 6/15/21, 7/20/21, 8/17/21, 9/21/21, 10/19/21, 11/16/21, 12/21/21, 1/18/22

Town of Simsbury, Connecticut

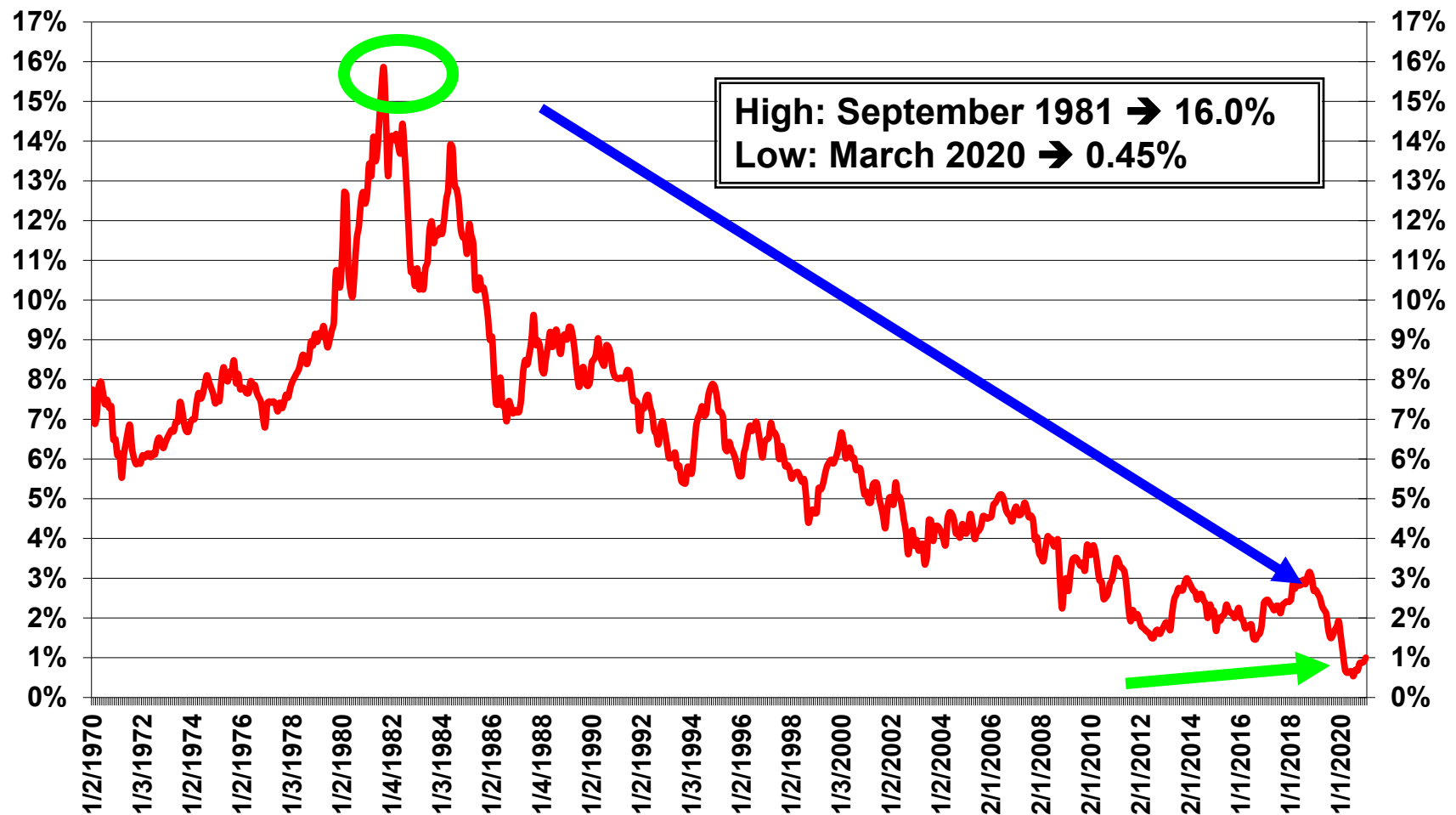
Credit Overview & Debt Analysis

January 2021


Barry Bernabe, Managing Director



Ten Year U.S. Treasury Yield - January 1968 to January 2021 (53 Years)



Standard & Poor's and Moody's Rating Categories

 <p>Highest</p>	<u>AAA</u>	Aaa
	<u>AA+</u>	Aa1
	<u>AA</u>	Aa2
	<u>AA-</u>	Aa3
	<u>A+</u>	A1
	<u>A</u>	A2
	<u>A-</u>	A3
	<u>BBB+</u>	Baa1
	<u>BBB</u>	Baa2
	<u>BBB-</u>	Baa3
Lowest		

Major Rating Assessment Categories

- 1) Management Practices – 25%
 - Fiscal Discipline and Ability to Plan, Monitor and Manage Government Finances
- 2) Economy & Demographics – 30%
 - Unemployment Rate, Housing Values
- 3) Financial Performance – 25%
 - Fund Balance Levels & Budgetary Discipline
- 4) Debt Management – 10%
 - Debt % of Budget, Debt % of Grand List
- 5) Long-term Liabilities – 10%
 - Pension & OPEB (Retirement Health Care)

Comparative Credit Overview

<i>CT - Peer Analysis</i>			
	Moody's	S&P	Fitch
AVON	Aaa	AAA	
BETHEL		AAA	
BRANFORD		AAA	
CHESHIRE	Aa1	AAA	AAA
CROMWELL		AAA	
EAST HAMPTON		AAA	
EASTON		AAA	
FAIRFIELD	Aaa	AAA	AAA
GLASTONBURY	Aaa	AAA	
GREENWICH	Aaa	AAA	AAA
HEBRON		AAA	
NEW FAIRFIELD		AAA	
NEWTOWN	Aaa	AAA	
NORTH HAVEN	Aa1	AAA	
NORWALK	Aaa	AAA	AAA
ORANGE		AAA	
REDDING	Aa1	AAA	
RIDGEFIELD	Aaa	AAA	AAA
SIMSBURY	Aaa	AAA	
STAMFORD	Aa1	AAA	AAA
TOLLAND		AAA	AAA
WEST HARTFORD	Aaa	AAA	
WINDSOR		AAA	

Comparative Credit Overview

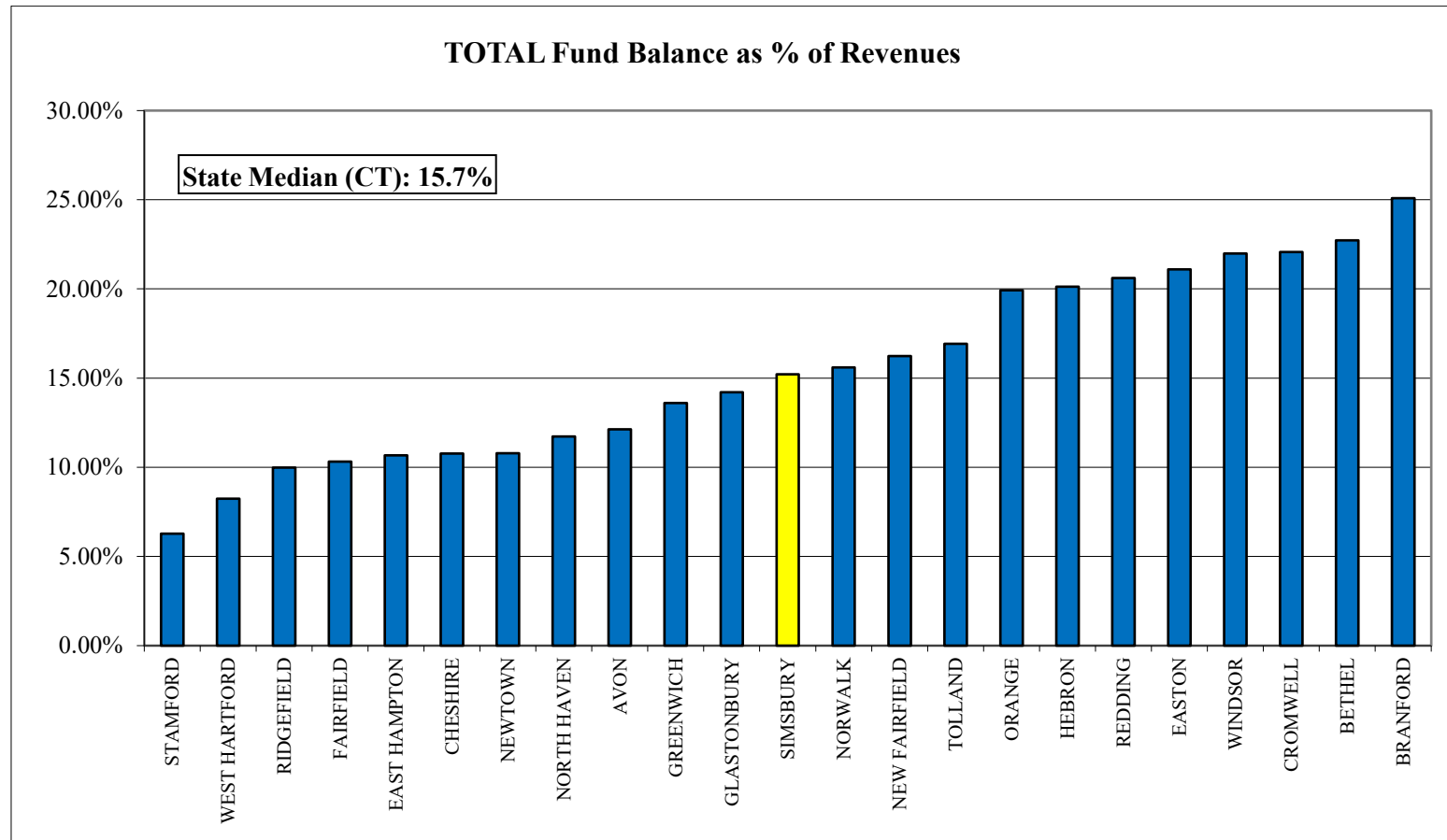
Town of Simsbury, CT

Summary of Peer Analysis Results

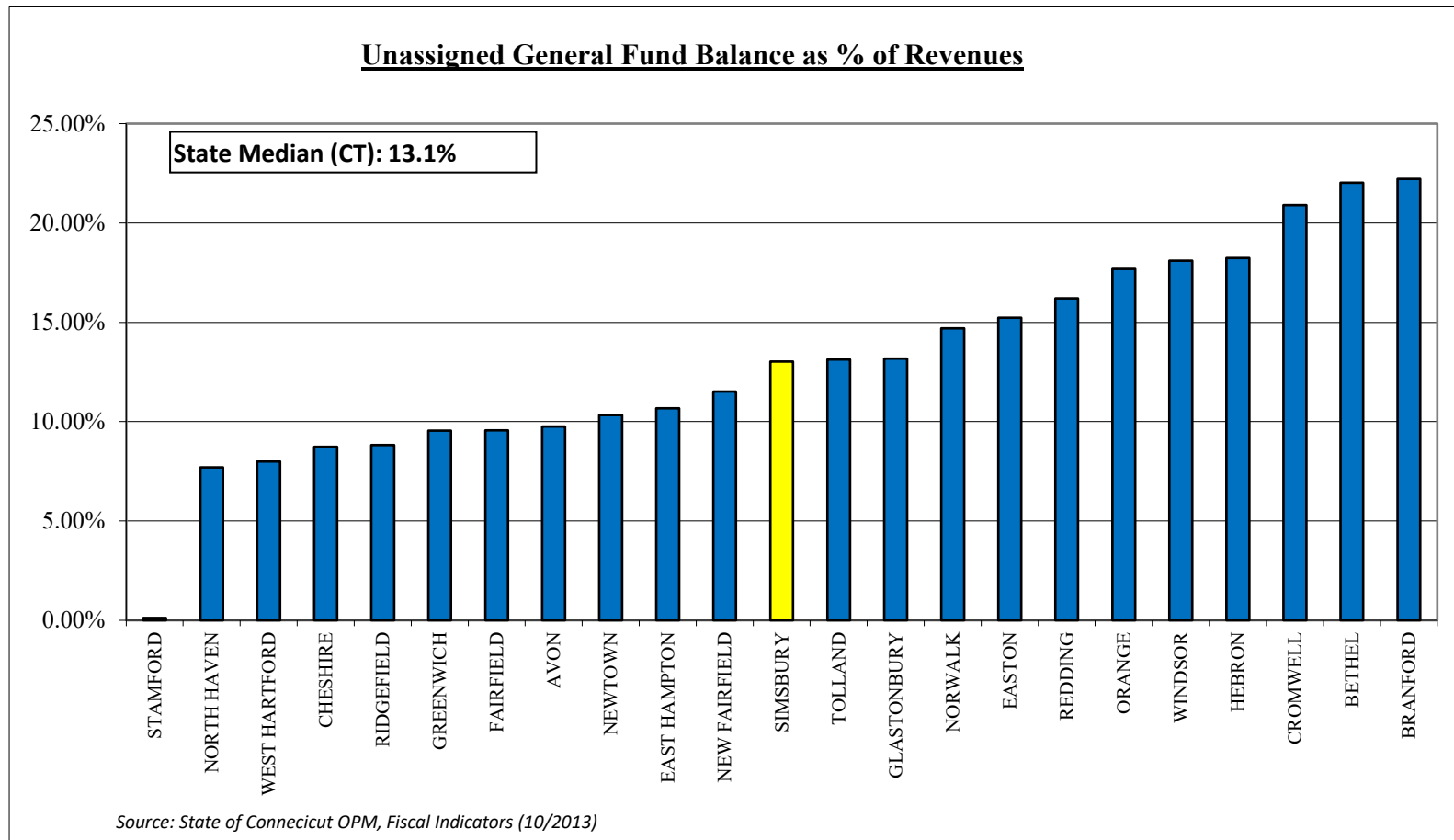
Category	SIMSBURY	Median	Variance to Median	Rank (of 23)
General Fund Balance as % of Revenues	15.21%	15.70%	-0.49%	12
Unassigned General Fund Balance as % of Revenues	13.03%	13.07%	-0.05%	12
Debt Burden (Overall Net Debt as % Full Value)	0.85%	1.16%	-0.31%	6
Overall Net Debt Per Capita (\$)	1,252	1,866	(614)	3
Debt Service as % of Expenditures	5.80%	5.61%	0.19%	7
Full Value Per Capita (\$)	146,925	139,451	7,474	18
Per Capita Income as % of U.S. (Census)	60,453	44,411	16,042	7
Tax Collection Rate	99.40%	98.86%	0.54%	4
Annual Unemployment Rate	2.83%	3.55%	-0.72%	2

SIMSBURY Average Rank 8

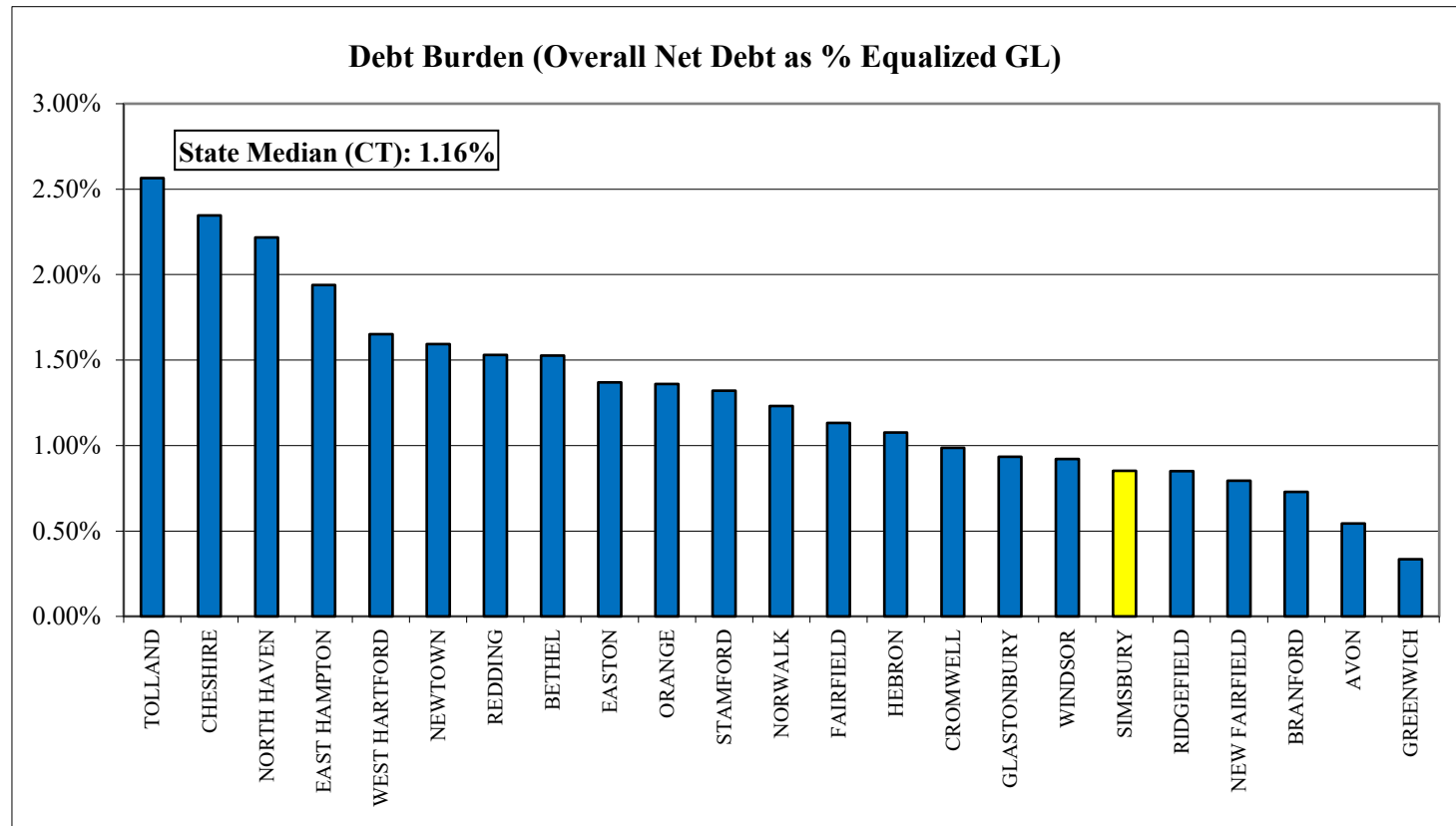
Total Fund Balance As a % of Revenues



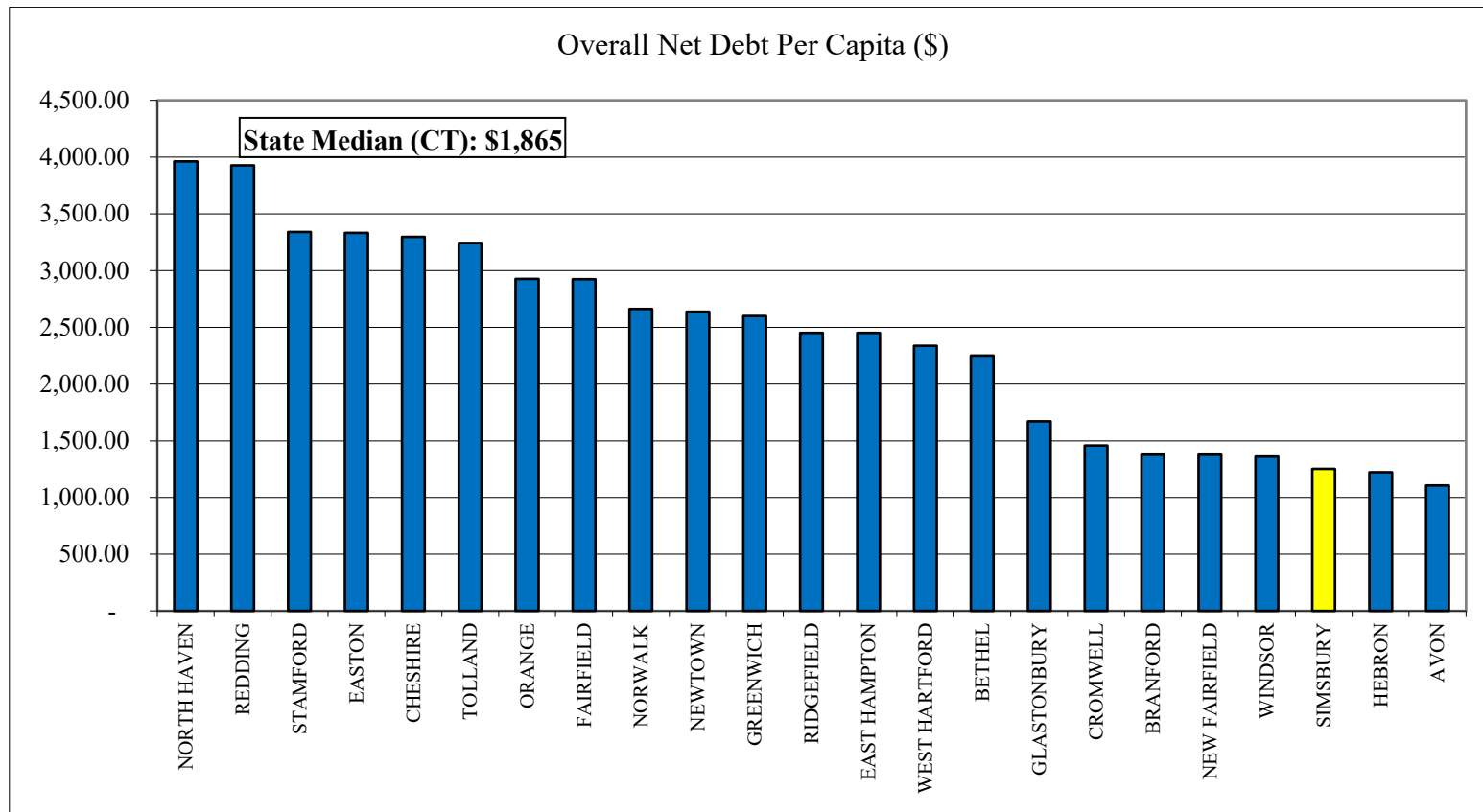
Unassigned Fund Balance As a % of Revenues



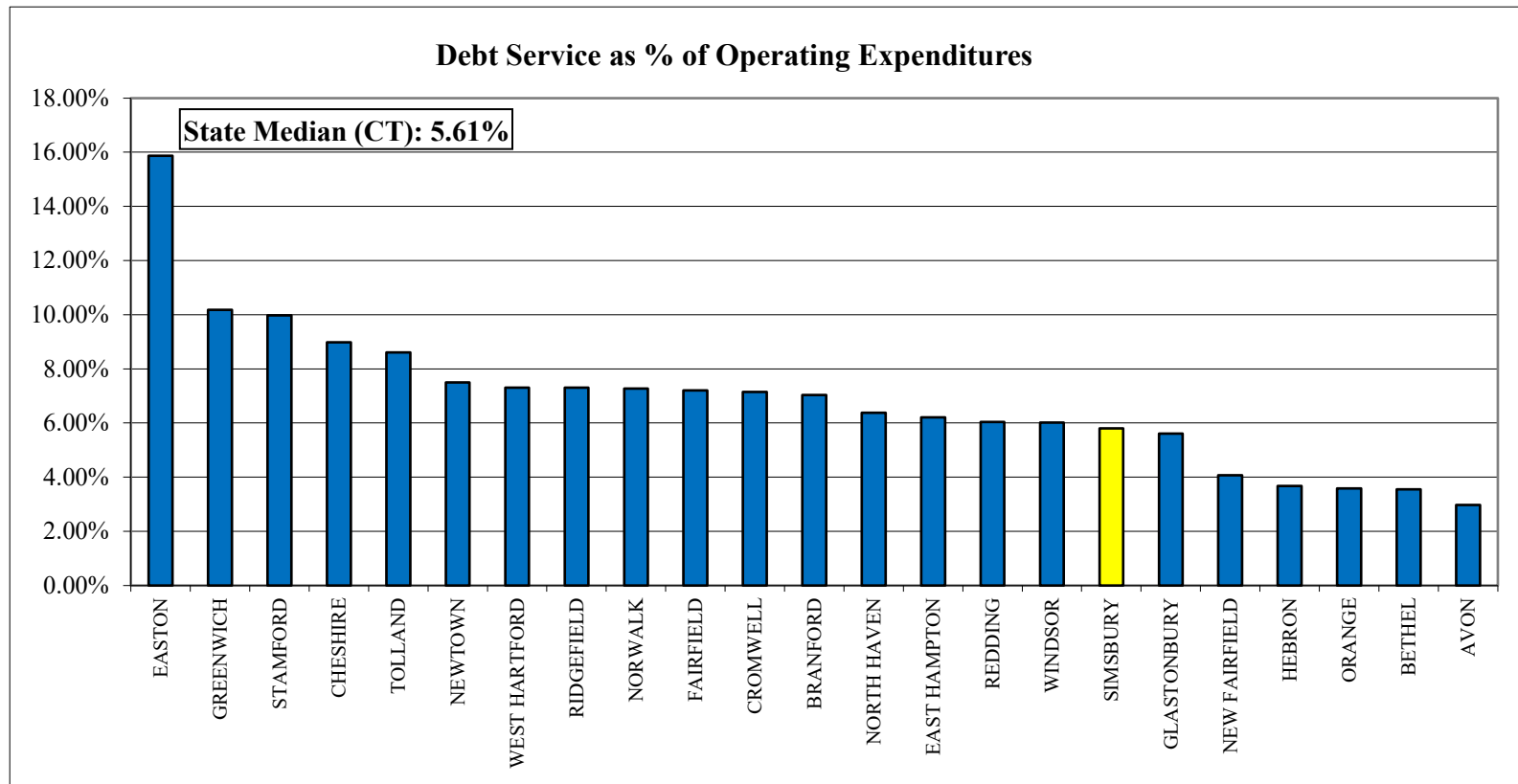
Debt Burden (Overall New Net as % of Equalized Grand List)



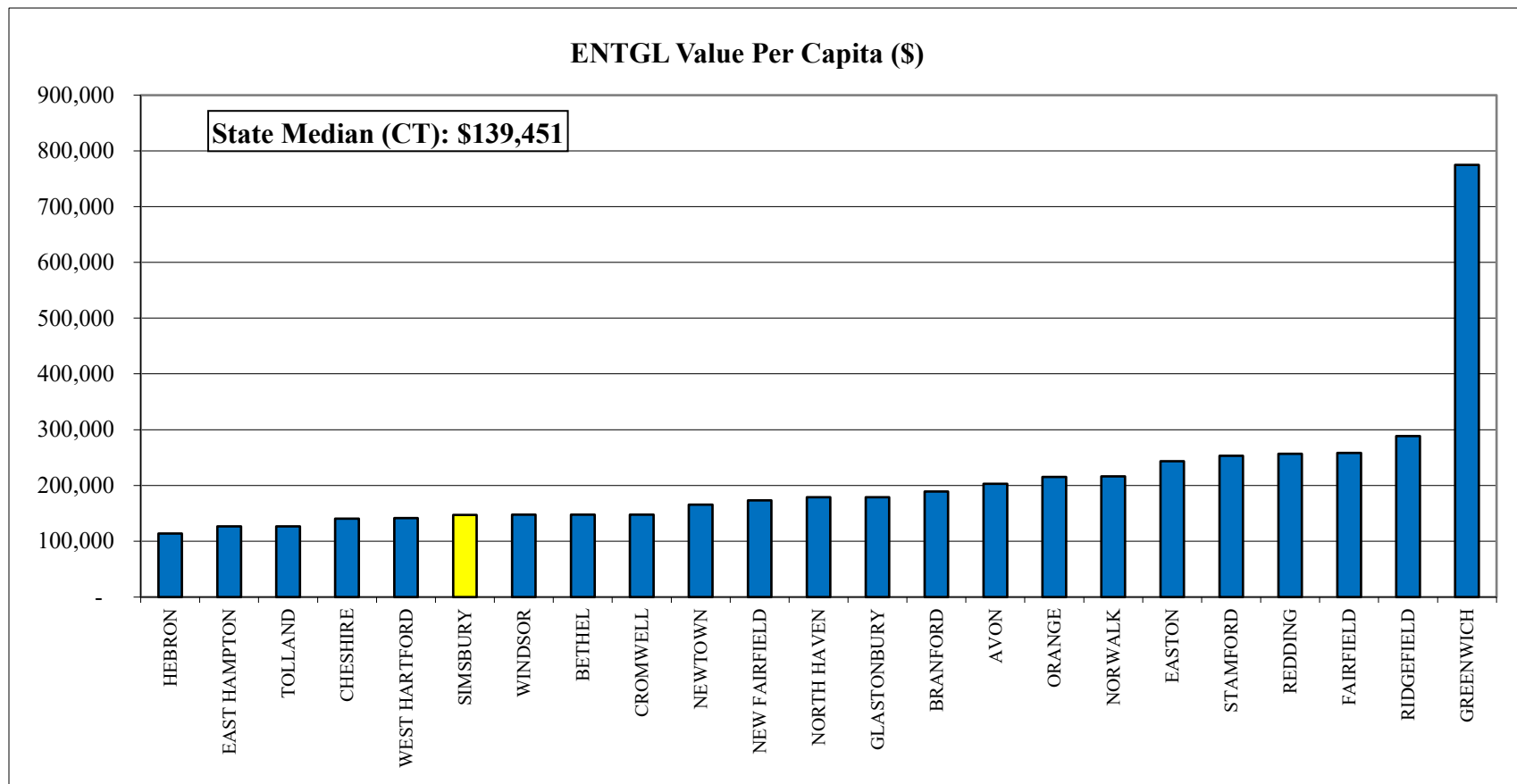
Overall Net Debt Per Capita



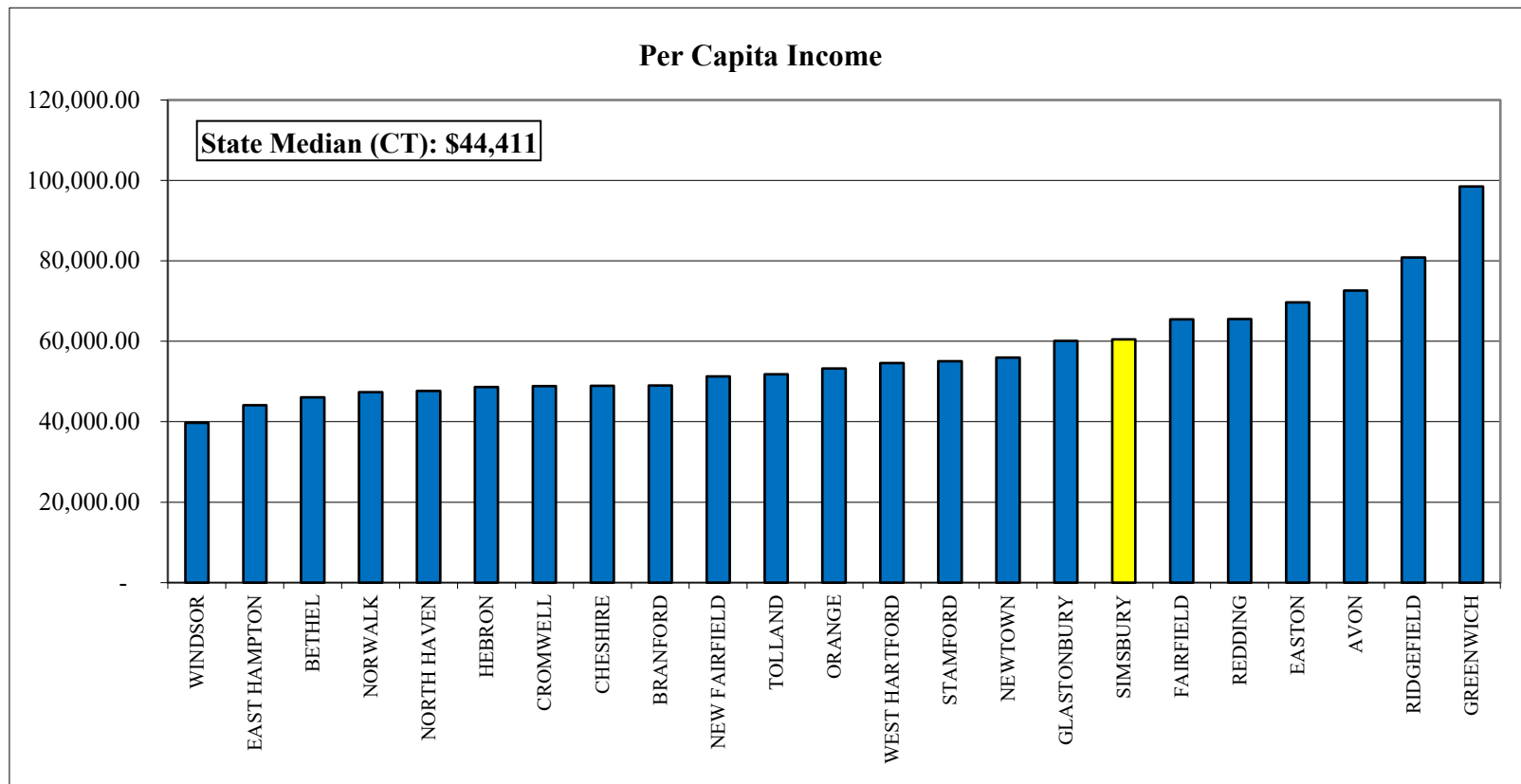
Debt Service as % of Operating Expenditures



Equalized Grand List per Capita (\$)



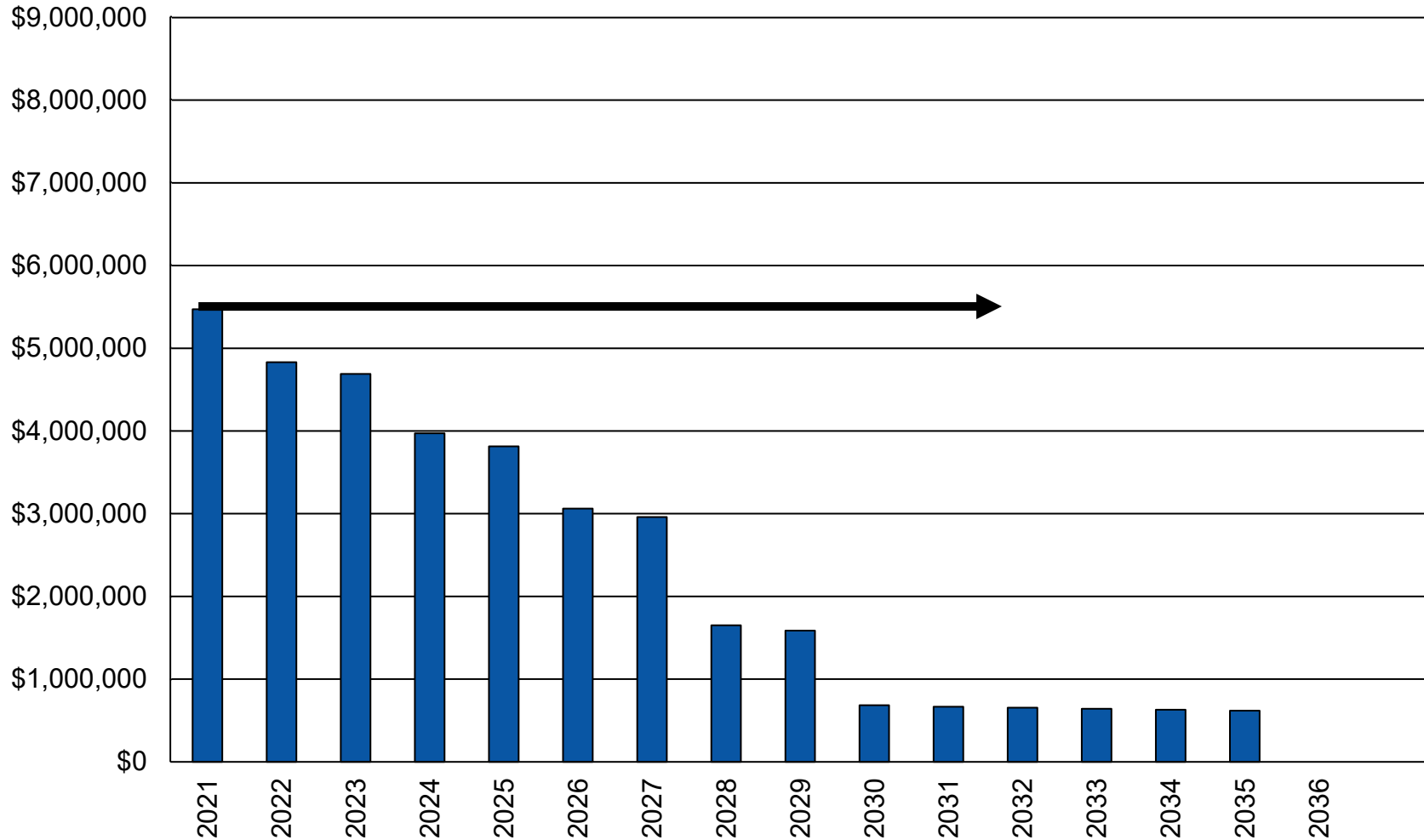
Per Capita Income



Existing Annual Debt Service

(A)	(B)	(C)	(D)	(E)
	<u>Existing Debt Service</u>			
Fiscal			Total	Annual
Year	Principal	Interest	Existing	Change
2021	4,315,000	1,156,465	5,471,465	
2022	3,835,000	996,100	4,831,100	(640,365)
2023	3,860,000	829,950	4,689,950	(141,150)
2024	3,310,000	662,550	3,972,550	(717,400)
2025	3,310,000	503,400	3,813,400	(159,150)
2026	2,680,000	381,250	3,061,250	(752,150)
2027	2,675,000	283,850	2,958,850	(102,400)
2028	1,455,000	195,050	1,650,050	(1,308,800)
2029	1,455,000	130,800	1,585,800	(64,250)
2030	605,000	78,650	683,650	(902,150)
2031	605,000	60,500	665,500	(18,150)
2032	605,000	48,400	653,400	(12,100)
2033	605,000	36,300	641,300	(12,100)
2034	605,000	24,200	629,200	(12,100)
2035	605,000	12,100	617,100	(12,100)
2036	-	-	-	(617,100)
2037	-	-	-	-
Totals	30,525,000	5,399,565	35,924,565	

Existing Annual Debt Service



Town & BOE Capital Improvement Plan

- CIP with BOE totals about \$157.6 Million
- CIP without BOE totals about \$112.9 Million

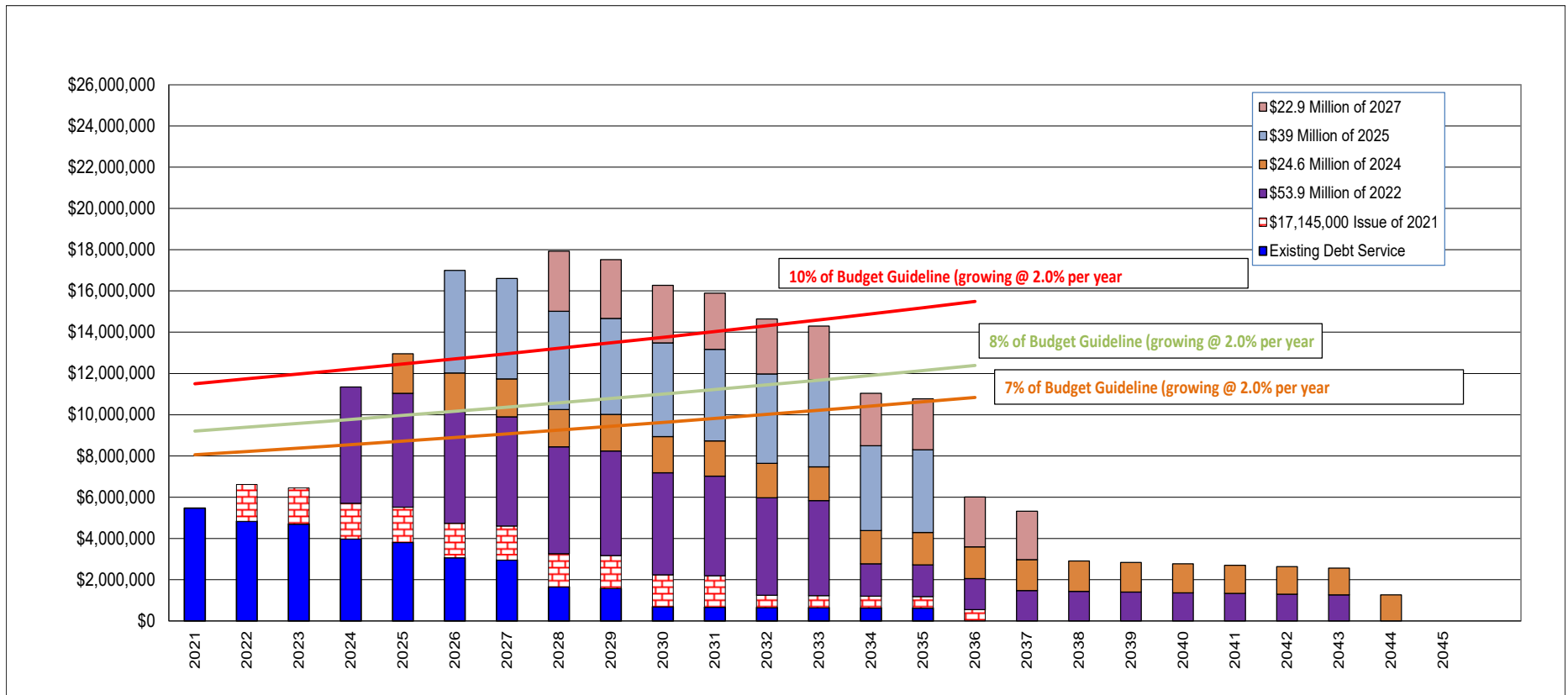
Debt Limitation

The Town's indebtedness does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

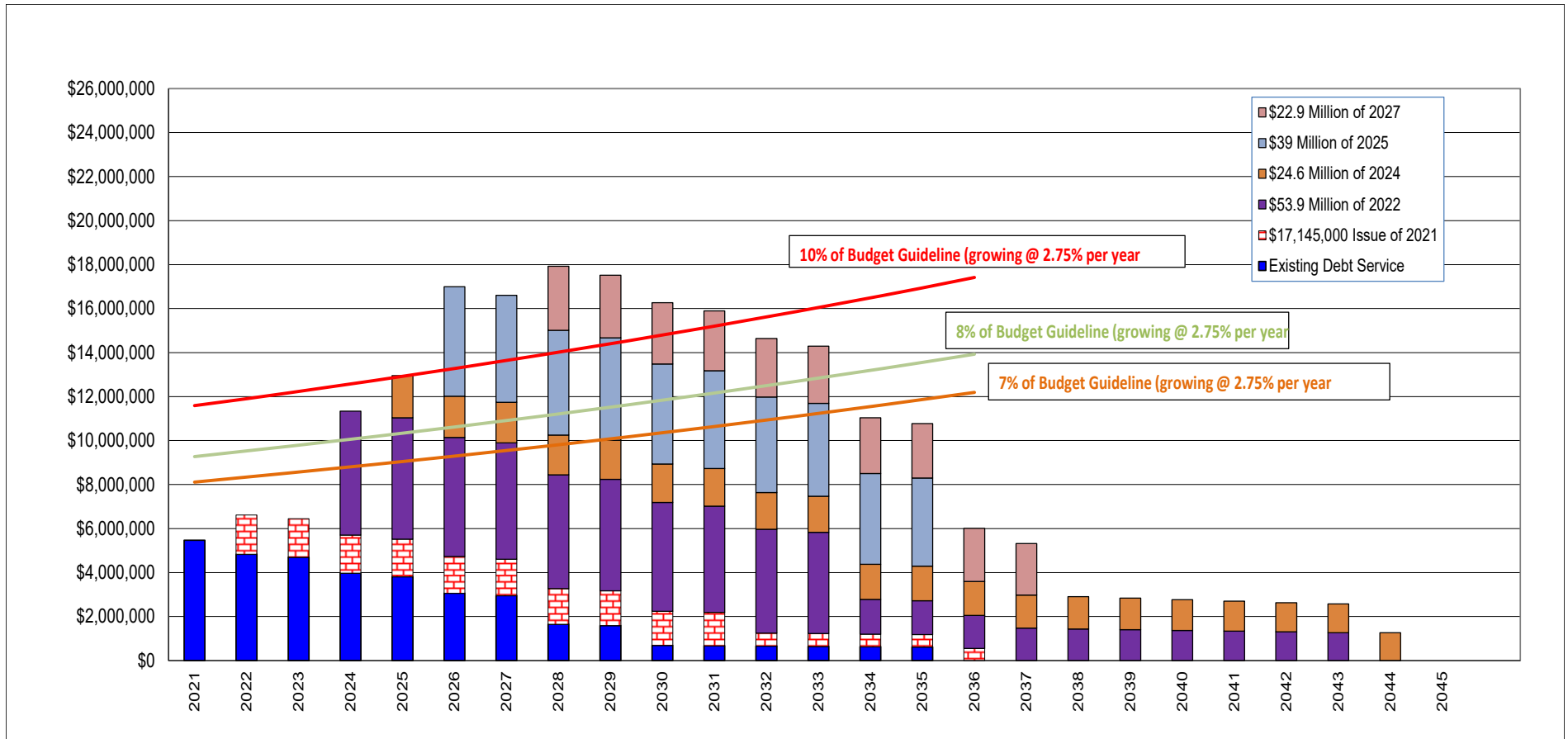
Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 199,869,410	\$ 18,509,980	\$ 181,359,430
Schools	399,738,821	36,188,119	363,550,702
Sewers	333,115,684	8,532,134	324,583,550
Urban Renewal	288,700,259		288,700,259

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$621,815,943.

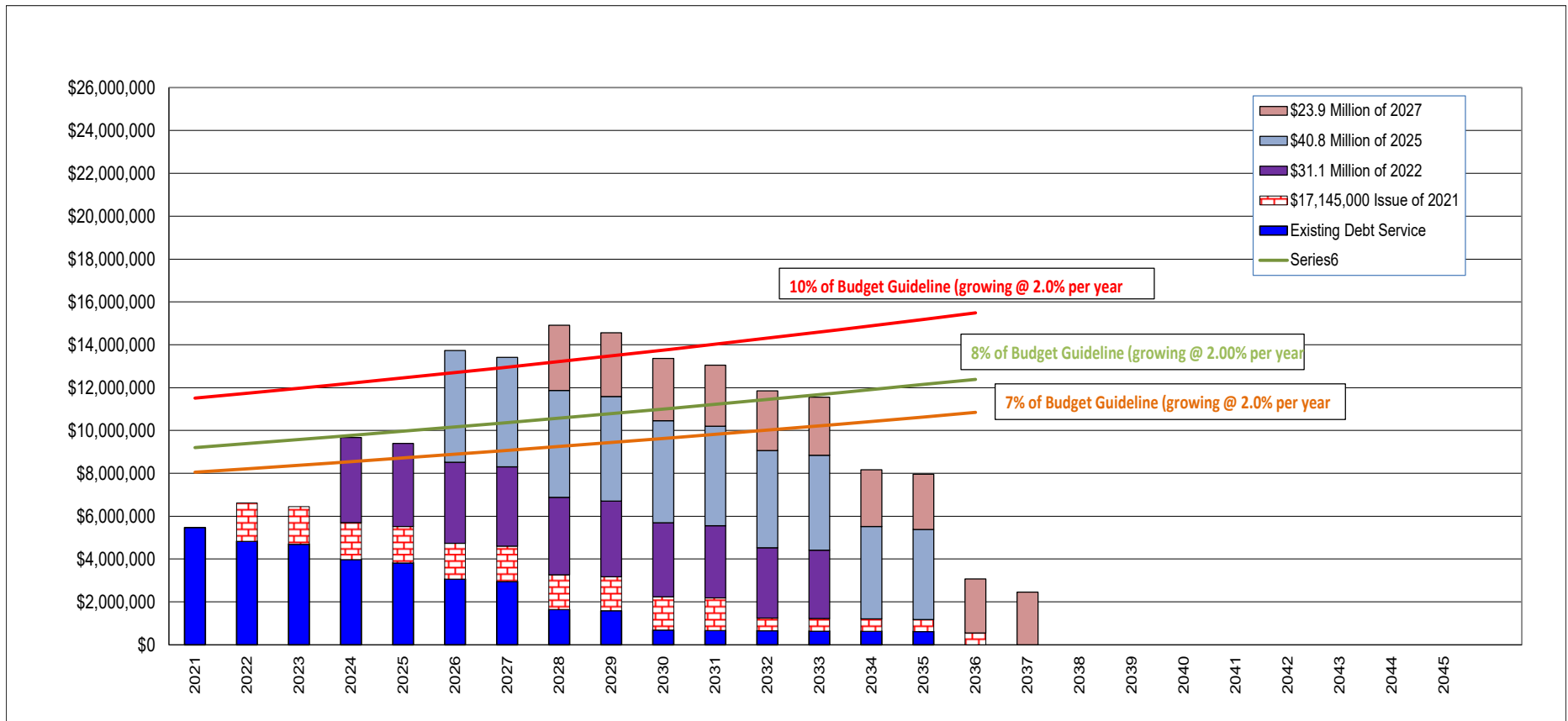
Existing & Proposed Debt Service – Includes BOE Projects Budget Growing at 2.0% per Year



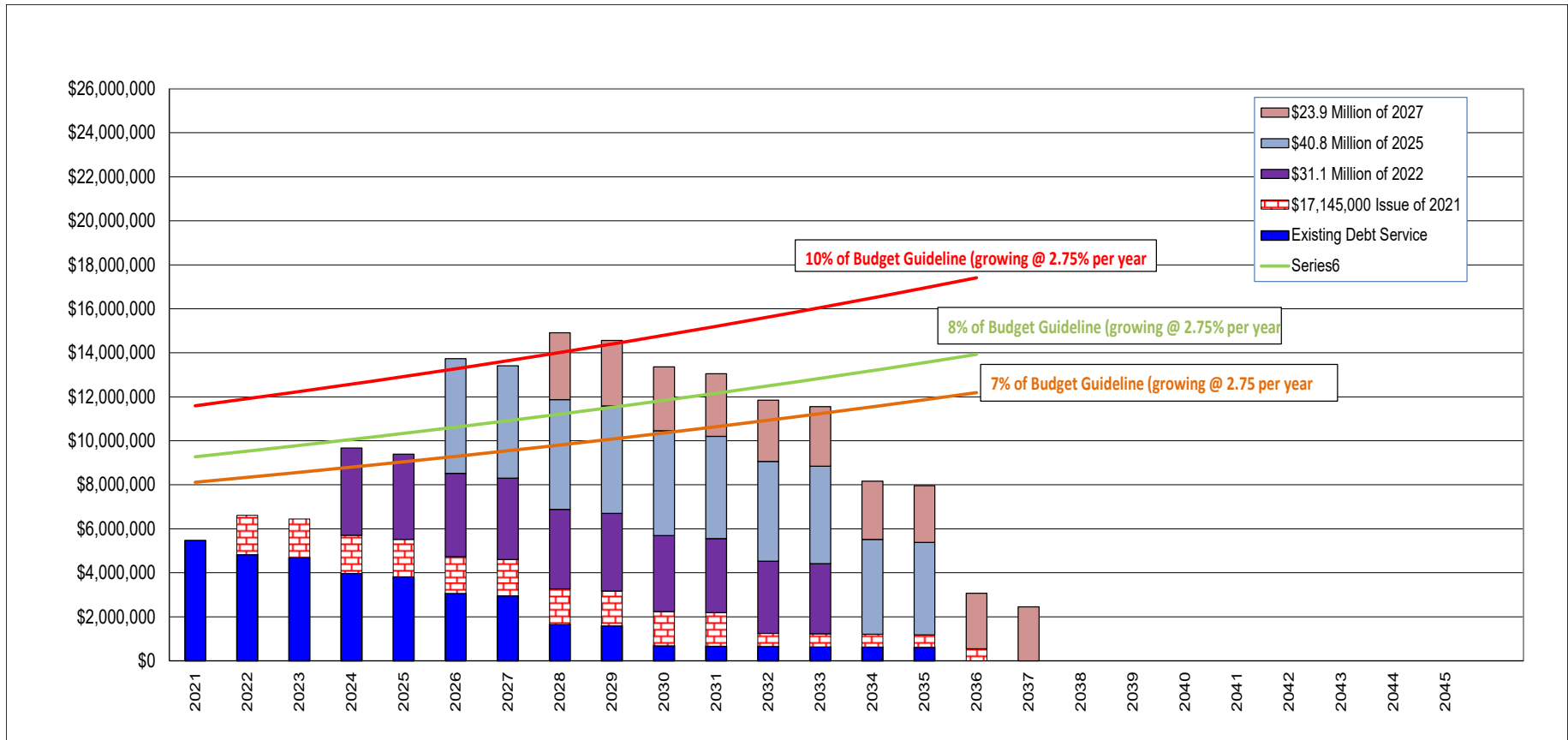
Existing & Proposed Debt Service – Includes BOE Projects Budget Growing at 2.75% per Year



Existing & Proposed Debt Service – No BOE Projects Budget Growing at 2.0% per Year



Existing & Proposed Debt Service – No BOE Projects Budget Growing at 2.75% per Year



Bonding Constraints to Stay Under Budget Guidelines

- Assuming Budget Grows at 2.0% each Year
 - Town can issue about \$45 million over the next 5-years and stay under 7.0% of Budget
 - Town can issue about \$55 million over the next 5-years and stay under 8.0% of Budget
 - Town can issue about \$75 million over the next 5-years and stay under 10.0% of Budget
- Assuming Budget Grows at 2.75% each Year
 - Town can issue about \$52 million over the next 5-years and stay under 7.0% of Budget
 - Town can issue about \$62 million over the next 5-years and stay under 8.0% of Budget
 - Town can issue about \$82 million over the next 5-years and stay under 10.0% of Budget

Other Considerations that Could Impact the Town's Ability to Issue Bonds and Stay Under Budget Guidelines

- We assumed interest rates of 2.75% for School Bonds and 2.25% for Town Bonds, which are is very conservative. Bloomfield (rated AA+) recently issued 20-year bonds at 1.35%.
- More debt could be issued if some of it was delayed. Town could issue short-term BANs for some of the projects which would delay the final Bond issue.
- School debt is legally allowed to be amortized for up to 30-years. If Town extends the amortization – then more debt could be issued.

**Board of Finance
TOWN OF SIMSBURY, CONNECTICUT
REGULAR MEETING MINUTES
Tuesday, December 15th, 2020 at 5:45 P.M.
Zoom Meeting/Simsbury Community Television Live Stream**

I. CALL TO ORDER - Chairman Pomeroy called the meeting to order at 5:48pm.

1. Pledge of Allegiance

Present: Robert Pomeroy, Amy Meriwether, Kevin Prell, Arthur House, Lisa Heavner, Linda Schofield and Derek Peterson

Also Present: Tom Fitzgerald, Chris Kachmar and Tyler Polk

Chairman Pomeroy provided comments on the Triboard meeting. He explained feeling the meeting went well overall, respected the dialogue and encouraged the Board to remain civil and recognize everyone's role as volunteers. Chairman Pomeroy acknowledged this is a tough budget year and a tough climate. Mr. House asked Chairman Pomeroy if there was any concerns reported from the meeting that prompted this discussion in which Chairman Pomeroy denied. He stated there are many feelings that arose in the meeting and again restated that this is a tough year and a tough climate but provided understanding in that the Board's role is often a tough role.

II. Presentation: DiMeo Schneider & Associates

Mr. Kachmar and Mr. Polk presented to the Board. This information was also presented before the retirement plan subcommittee meeting, which some Board members attended. Mr. Kachmar began the presentation by sharing his screen and presented the PowerPoint titled: Town of Simsbury retirement plans. He explained the environment around the capital markets is a constructive one since the onset of the crisis in March and noted that what is working in the capital market today is much broader than what they had post crisis. There is a broadening in the capital market which is encouraging to them. He explained the hope around the COVID vaccines and possibility of a second stimulus providing decent returns on a go forward basis. Mr. Kachmar discussed equity returns and explained there is a lot of stability in the market with a broadening of returns. Mr. Kachmar discussed the pension plans; Board of Ed 75% funded, town plan similarly and the police plan is funded around 82%. The statewide average is about 75%. He explained to the Board that the expected rates of return targets have diminished through time with the largest cohort being an expected return from assets in the 6.75% - 7.25% range. Ms. Heavner inquired if what was presented at the subcommittee continues to be accurate; that rates are more likely to return at 6.2%. Mr. Kachmar explained he doesn't think they will land at 6.75% feeling overtime it will be pressured lower. In their next cycle of reporting they will be delivering to the subcommittee the formal asset allocation work with the latest capital market inputs. He presented the statewide investment returns, the portfolios and informed the Board that from an allocations perspective they are in good working order. He showed the individual plans and the target rates. Mr. Kachmar noted the due diligence notes are in the presentation for the Board to read at their own will.

52 The next group of slides in the presentation was titled Simsbury OPEB. Mr. Kachmar went over
53 the portfolio; there is 19 million dollars in the OPEB trust in October. He reminded that using the
54 index ETF's is the expression of the allocation. He noted that over time the portfolio will provide
55 a return that will align with targets. Mr. Kachmar asked the Board for any questions or thoughts.
56 There were none.

57
58 Mr. Kachmar turned it over to Mr. Polk to complete the presentation. He reminded the Board
59 they are in the transition stage from Mass mutual to ICMA; the mailings and education meetings
60 were done in late November, with a blackout period scheduled for 1/4/21 and the assets should
61 begin transitioning as of 1/12/21. He confirmed being on track as of now. He noted they will
62 maintain the funds that have merit and there are an additional 6 index funds to what they
63 already had; fidelity large value, mid value, small value, small growth, mid growth and large
64 growth index. The balances, as explained by Mr. Polk, are pretty good and in recovery since
65 March; back up to 13 million in the 457 and the 401A and the Board of Education plans shows
66 decent recovery as well. Mr. Polk reported that a questionnaire was completed on the town's
67 behalf in respect to cyber security with ICMA. Mr. Polk explained that the questionnaire was
68 done to ensure ICMA is up to times with data protection and data security. The summary was
69 presented. It was explained that ICMA is up to the times. The discussion was opened up to
70 questions and comments. Ms. Heavner commented the subcommittee asked that the Town
71 report on the same questions regarding cyber security and it will be discussed in February
72 during the cyber security agenda item. Chairman Pomeroy thanked Mr. Kachmar and Mr. Polk.

73 74 **III. Approval of Minutes of the Tuesday November 30th, 2020 regular meetings**

75
76 Chairman Pomeroy asked the Board for any comments or suggested edits from the November
77 30, 2020 Triboard meeting. No comments from the Board.

78
79 Mr. House made a motion to approve the November 30, 2020 regular scheduled minutes. Mr.
80 Prell seconded the motion.

81
82 **MOTION:** All in favor, no opposed, no abstentions. Motion passed unanimously.

83 84 **IV. Supplemental Appropriations**

85
86 Ms. Meriwether presented the two appropriations; first was road paving done by Aquarion
87 coordinated by the town. She explained the work was done by the town and reimbursed by
88 Aquarion for the work. There is an allotment of money for paving during the year, which
89 according to Ms. Meriwether is not over budget and can cover the expenditures. However, it
90 was noted that going into the spring they will need additional money that Aquarion provided.
91 Formal approval for the appropriation is needed.

92
93 The second appropriation was the bike and crossing grant dated back to 2018. According to Ms.
94 Meriwether, the grant award was received but they hadn't started work. They would like to start
95 it within this budget season. Formal approval for the appropriation is needed.

96
97 Ms. Heavner asked how the \$600,000 number came about as that is half of their paving budget.
98 Ms. Meriwether noted she will get more information for Ms. Heavner and will follow up with her.
99 It was also asked by Ms. Heavner if it is appropriate to take it out of capital reserve or general.
100 It was explained by Ms. Heavner that it is in the capital fund now.
101

Mr. Peterson made a motion to approve both appropriations. The motion was seconded by Ms. Heavner.

MOTION: All in favor, no opposed, no abstentions. Motion passed unanimously.

V. 2021 Agenda planning

Chairman Pomeroy reminded the Board they set the meeting dates for next year, looked at the guests they will be having and the topics that they will be discussing throughout the year. He asked for the Board to be aware of the schedule. He felt this allows for everyone to be prepared.

Ms. Heavner asked Chairman Pomeroy if he wants to discuss the debt modeling agenda item in January 2021. Chairman Pomeroy confirmed and noted that will be a big meeting. He explained they are working on some modeling and requested that resources be obtained in preparation of the meeting. Chairman Pomeroy noted they need to look out longer term and look at absolute debt and debt service, along with tax impact. Ms. Heavner added they want to ensure affordability for the taxpayer and explained as they take on more debt it increases the bond rating. She suggested considering what going over 7% will do to their ratings and the affect it will have on taxes. Ms. Meriwether has an updated summary report of debt compared to other Towns which she confirmed she will provide to the Board. Ms. Heavner requested that the Bond Advisor be at the next meeting in January 2021.

Ms. Heavner asked Chairman Pomeroy about the independent appraisal on Meadowood. Chairman Pomeroy will follow up. He explained the appraisal that Trust for Public Land completed is now available but the work that was asked to be done for an independent appraisal to show the value of the property in its to be used state, is still unresolved. Chairman Pomeroy informed the Board that the original appraiser feels it is a conflict to do another appraisal for the Board. Chairman Pomeroy will have further conversation with the Board of Selectman. Ms. Heavner explained she was told it may take some time, but she wanted Chairman Pomeroy to know she feels it is very important.

Mr. Prell asked if there are items Chairman Pomeroy wants the subcommittee to review on behalf of the Board of Finance. Chairman Pomeroy requested a recommendation of the assumed investment rate from the investment subcommittee.

VI. Communications

Chairman Pomeroy noted that the October 2020 building department report continues to be strong.

VII. ADJOURNMENT

Mr. Prell made a motion to adjourn. Chairman Pomeroy seconded the motion. The meeting adjourned at 6:24pm.

MOTION: All in favor, no opposed, no abstentions. Motion passed unanimously.

Respectfully Submitted,

153 Amanda Werboff
154 Commission Clerk



Town of Simsbury

933 HOPMEADOW STREET ~ SIMSBURY, CONNECTICUT 06070

To: Board of Finance
From: Amy Meriwether, Finance Director/Treasurer
CC: Maria Capriola, Town Manager
Date: January 19, 2021
Re: Finance Director's Report

Grants and Donations

Below is a listing of donations and grant applications approved by the Board of Selectmen their meetings from November 23, 2020 – January 11, 2021:

- Building Resilient Infrastructure and Communities Grant – If awarded, this grant would fund an update to the Capitol Region Natural Hazard Mitigation Plan. The current Capitol Region Natural Hazard Mitigation Plan is valid until November 2024, by which time an update must be approved by FEMA
- Garrity Asphalt Reclaiming Donation – \$5,000 to support Simsbury Community and Social Services Department programs that assist residents in need
- Trinity Episcopal Church Donation - \$2,381.21 to support Simsbury Community and Social Services Department Holiday Program that assists residents in need
- State Historic Preservation Office Planning and Survey Grant for Meadowood Barns – In the event that the Town proceeds with purchasing Meadowood, approximately \$500,000 from various sources has been committed to perform barn restoration work. This grant would provide \$20,000 to perform a structural analysis on the barns on the Meadowood property. The Town's Building Official has done a preliminary analysis of the structures but this grant would allow a more in depth look at the structures, such as services provided by the structural engineer. There are a total of 15 barns on the property and 1 on Town property.

Town COVID-19 Financial Update

The Town of Simsbury continues to monitor COVID-19 related expenditures for the current fiscal year. As of December 31, 2020 COVID-19 expenditures totaled \$87,611. Expenditures have included cleaning supplies, staff overtime, election supplies and workers, signage, personal protective supplies (PPE) and resident assistance. The Town has received the following funding to offset these costs:

- \$181,043 in State Funding for the reimbursement of eligible COVID-19 expenditures as well as public health and public safety expenditures
- \$26,803 in State Funding to reimburse for staff overtime, cleaning supplies and personal protective equipment
- \$13,748 in grant funding to support the November election from the Secretary of the State
- \$8,682 in grant funding to support the November election from the Center for Tech and Civic Life COVID-19 Response Safe Elections Grant

Town has also submitted COVID expenditures to FEMA for reimbursement. At this point it is unclear what expenditures will be reimbursed.

Board of Education COVID-19 Financial Update

The Simsbury Board of Education continues to monitor COVID-19 related expenditures for the current fiscal year. As of December 31, 2020 COVID-19 expenditures totaled \$845,448. Expenditures have included cleaning supplies, staff overtime, signage, personal protective supplies (PPE), technology, distance learning equipment and supplies, ventilation work, desk, desk shields, tents and portable sinks.

The Board has funding via the following sources to offset these costs:

- \$385,000 available via the Non-Lapsing Fund
- \$375,508 in State Funding for the reimbursement of eligible COVID-19 expenditures
- \$266,308 in FY19/20 year end savings
- \$60,000 in available capital funding to perform the ventilation work

On January 11, 2021 Superintendents were notified that there could be another wave of funding that could soon be coming available.

Staff will be evaluating COVID-19 expenditures over the next several weeks to provide an estimate of expected expenditures thru the end of the fiscal year. This analysis will be provided to the Board of Finance at their next meeting along with the formal additional appropriation request for these expenditures.

Proposed Amended Purchasing Policy

During the FY19/20 audit, management was notified that in order to be in compliance with the procurement requirements of federal grant awards, the Town's purchasing policy will need to be amended to include the following:

- a) A statement of responsibility for the settlement of issues
- b) A statement ensuring prequalified lists are current free and open competition
- c) A statement of affirmative action to assure that small and minority, and women's businesses are used when possible
- d) A statement identifying performing independent cost or price analysis, before bids

These requirements are part of the Federal Procurement Standards and need to be adhered to any time Federal grant dollars are being spent.

The approval of the purchasing policy falls under the purview of the Board of Selectmen and will be brought before them at their next meeting on January 25, 2021 for approval.

Approved Abatement

On January 11, 2021 the Board of Selectmen approved a tax abatement agreement for 632 (640) Hopmeadow Street and corresponding updated abatement schedule based on actual investments and valuation of the property:

Fiscal Year	Abatement Per Cent of Addition to Current Value	New Growth Amount	Abatement Amount	Net New Real Estate Tax	Net New Growth on Personal Property	Net New Growth Real and Personal Property Tax
21/22	100%	\$65,126	\$65,126	\$0	\$14,278	\$14,278
22/23	100%	\$65,908	\$65,908	\$0	\$28,242	\$28,242
23/24	95%	\$62,718	\$59,582	\$3,136	\$24,125	\$27,261
24/25	90%	\$63,470	\$57,123	\$6,347	\$20,873	\$27,220
25/26	85%	\$64,232	\$54,597	\$9,635	\$26,116	\$35,750
26/27	75%	\$65,003	\$48,752	\$16,251	\$22,024	\$38,275
27/28	75%	\$65,783	\$49,337	\$16,446	\$22,289	\$38,734
28/29	75%	\$66,572	\$49,929	\$16,643	\$19,372	\$36,015
29/30	75%	\$62,718	\$47,038	\$15,679	\$15,750	\$31,429
30/31	75%	\$63,470	\$47,603	\$15,868	\$14,927	\$30,795
TOTALS		\$645,001	\$544,996	\$100,004	\$207,994	\$307,999

Additional information on the abatement along with a copy of the approved agreement is included in the "Communications" section of the packet.



Town of Simsbury

933 HOPMEADOW STREET ~ SIMSBURY, CONNECTICUT 06070

TOWN OF SIMSBURY PURCHASING PROCEDURES AND GUIDELINES

I. Purpose

The purpose of this policy is to ensure that the Town of Simsbury obtains the highest quality of desired goods and services at the most competitive price. Further, this policy aims to streamline the procurement process while maintaining adequate internal controls.

II. Applicability

This policy applies to all staff, elected officials, and appointed officials involved in the procurement process.

III. Effective Date

This policy shall remain in effect until revised or rescinded. The Town reserves the right to amend this policy as necessary.

IV. Policy

A. Purchasing Agent

The Finance Director or his/her designee shall serve as the purchasing agent for the Town of Simsbury. He/she shall be responsible for the procurement of all goods and services as outlined in Chapter A161 of the Code of the Town of Simsbury. The Town Manager or his/her designee shall also be responsible for signing all contracts awarded to a vendor.

B. Competitive Quotes/Bid Thresholds

All purchases between \$10,000 - \$25,000 shall have quotes solicited from at least two (2) vendors. Vendor quotes can be written or verbal.

Bids shall be issued for purchases in excess of \$25,000 and require a formal written contract unless the Town can take advantage of a regional, state, local government or cooperative agency contract. This applies to annual orders (items purchased on volume basis) as well.

Bid bonds will be evaluated as part of the bid process. The department head, in conjunction with the Finance Director, will determine if the inclusion of a bid bond is in the best interest of the town.

A request for qualifications along with a request for proposal shall be issued for professional services (i.e. legal, engineering, architectural, etc.) contracts in excess of \$50,000 unless the Town can take advantage of a regional, State or cooperative agency contract.

Bid procedures outlined herein can be waived at any time if it is deemed to be in the best interest of the Town of Simsbury by the Finance Director and the Town Manager. All waivers shall be reported to the Board of Selectmen at the next regularly scheduled meeting for review.

Federal Grant Requirement: Bids shall be issued for purchases in excess of \$10,000 (or most recent update to the 2 CFR 200.318 – General Procurement Standards included in the Code of Federal Regulations)

Federal Grant Requirement: Statement of Responsibility – The Town is responsible, in accordance with good administrative practice and sound business judgement, for the settlement of all contractual and administrative issues arising out of procurements.

Federal Grant Requirement: If any prequalified list of persons, firms, or products are used in acquiring goods and services, they must be current and include enough qualified sources to ensure maximum open and free competition.

Federal Grant Requirement: All necessary affirmative steps must be taken to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

Federal Grant Requirement: An independent cost or price analysis must be performed in connection with every procurement action in excess of the Simplified Acquisition Threshold (currently set at \$3,000)

C. Contracts and Credit Applications

All credit applications shall be completed and signed by only the Finance Director or his/her designee. All vendor contracts shall be completed and signed by the Town Manager or his/her designee.

It is the responsibility of the department head and Finance Director to ensure that contractors perform in accordance with the terms, conditions and specifications in their contracts or purchase orders.

D. Conflicts of Interest

A conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

Any conflict of interest must be disclosed in writing to the Finance Director. The conflict statement will be reviewed by the Finance Director as well as the Town Manager and a determination will be made as to whether to proceed with the respective vendor and formalized in writing.

If the conflict of interest resides with the Finance Director or Town Manager, the Deputy Town Manager will assist in the review and final determination as to whether to proceed with respective vendor.

Federal Grant Requirement: No employee, officer, or agent must participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest (as defined above).

E. Vendor Selection

The following considerations shall be evaluated during the process of vendor selection:

- The Town is encouraged to take advantage of the lowest possible price while obtaining the highest quality products and services.
- The Town shall ensure the selected vendor is able to provide the products/services in a timely manner.
- The acquisition of unnecessary or duplicative items must be avoided. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
- The Town is encouraged to use refurbished, excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
- The Town is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions.
- Contracts shall only be awarded to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
- Local Vendor Benefit – If any Simsbury *based* vendor responds to a bid notice and comes within 5% of the lowest bidder, all qualifications considered equal, the local based vendor will be allowed the opportunity to adjust their bid to match that of the lowest bidder.
- *Federal Grant Requirement:* The Town may use time and material type contracts only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk.

F. Grant Funded Purchases

All purchases utilizing grant funds shall follow the Town purchasing policies and procedures as established in this policy.

G. Emergency Purchases

An emergency exists when the operation of a department would be seriously hampered; or in which life, limb or property may be endangered; or in which the health or welfare of the general public is seriously threatened; or a natural or man-made disaster has occurred.

If an emergency determination is made by the Town Manager or Finance Director it may be necessary to deviate from the formal purchasing process. Once the emergency situation has been rectified, all purchases made related to this emergency shall be formalized by the purchasing process as soon as possible.

If a contract is required as part of rectifying the emergency situation, consideration should be made to a short term contract with limited authority whenever possible.

V. Procedures

A. New Vendors/Change in Vendor Information

All new vendor requests or changes in vendor information shall be sent to the Finance-Specialist via email, with a copy ("cc") to the Finance Director. The body of the email should include, at a minimum, the vendor name and address or applicable change to current vendor information. Once the vendor is set up or modified in the accounting system, the Finance Specialist will email the requestor back with the vendor code.

If a new vendor is being requested, please attach a copy of the W9. This needs to be done in addition to including the vendor information in the body of the email, as the email will be saved electronically for audit purposes.

B. Purchase Orders

Department heads and their staff shall submit a purchase order for all purchases. All purchase orders will be approved by the respective department head as well as the Finance Director.

i. Purchase Order Descriptions

Purchase order descriptions should be clear and items/services being purchased easily identifiable.

Item numbers or serial numbers can be included within the description, but should not be provided in place of the description.

When utilizing the attachment feature within the purchase order system (discussed below), “see attached” should not be used as a description. Purchase order descriptions are transferred into the general ledger reporting and actual descriptions are necessary.

When making large orders with multiple items, a sample of what is being purchased as the description is acceptable. Requestors do not need to itemize every item that makes up the large order.

ii. Approval Thresholds

Purchases up to \$1,000 need to be entered as a purchase in the accounting system via purchase order within three (3) days of making the purchase.

Purchases over \$1,000 but less than \$10,000 shall be approved by the department head prior to making the purchase.

Purchases in excess of \$10,000 shall be approved by the department head and the Finance Director prior to making the purchase. Requestors must include within the “Notes” section of the purchase order whether quotes or bids were received. If they were not received, requestor must indicate the justification as to why quotes or bids were not obtained (i.e. use of State contract).

iii. Blanket Purchase Orders

Blanket purchase orders are encouraged for standard, re-occurring purchases during the year. This can include items such as utilities, maintenance/service contracts and open orders for supplies.

iv. Payment Processing

When creating a purchase order, requestors are able to add attachments to the purchase order that can be viewed by the Finance Department (e.g. quotes received, a copy of the order placed if multiple items are being ordered, etc.). Utilization of this feature is encouraged so all items related to the purchase order are maintained in one place.

Once the goods/services have been received, a copy of the purchase order should be forwarded to the Finance Specialist noting on the purchase order “partial payment” or “payment in full.” If a partial payment is requested, the amount requested will be paid and purchase order kept open for future payments. If payment in full is requested, the amount requested will be paid and purchase order closed. If there is a remaining balance on the purchase order after the payment in full is made, this remaining balance will be liquidated and “returned” to the department budget for use.

v. Invoices

If the invoice is received by the Finance Department directly, payment will be processed according to the instructions on the purchase order copy received by the Finance Specialist.

If the invoice is received by your department, please forward to the Finance Specialist.

If the invoice is received via email, the invoice and a copy of the email should be forwarded to the Finance Specialist.

Only **original, itemized receipts/invoices** will be accepted for payment processing.

vi. Purchase Order Cancellations (Liquidations)

If a purchase order is no longer needed, an email should be sent to the Finance Specialist indicating the purchase order number to be cancelled/liquidated. The email will be saved electronically for audit purposes.

C. Employee Reimbursements

Employees are eligible for reimbursement from the Town for a number of different expenditures as outlined in the Town of Simsbury Personnel Rules and Regulations and relevant collective bargaining agreements.

Employee reimbursement requests should be submitted utilizing the Employee Reimbursement Request Form. This form should be submitted with the original, itemized receipts to the Finance Specialist for processing.

Under no circumstances is an employee or Town official allowed to approve their own expenditure reimbursements.



Town of Simsbury

933 HOPMEADOW STREET

SIMSBURY, CONNECTICUT 06070

BOARD OF SELECTMEN MEETING AGENDA SUBMISSION FORM

1. **Title of Submission:** Proposed Tax Abatement Agreement for 632 (640) Hopmeadow Street

2. **Date of Board Meeting:** January 11, 2021

3. **Individual or Entity Making the Submission:**

Maria E. Capriola, Town Manager

Maria E. Capriola

4. **Action Requested of the Board of Selectmen:**

Should the Board of Selectmen approve the proposed Tax Abatement Agreement for 632 (640) Hopmeadow Street, the following motion is in order:

Move effective, January 11, 2021 to approve the Tax Abatement Agreement for 632 (640) Hopmeadow Street and authorize Town Manager Maria E. Capriola to execute the agreement subject to final review and approval of the Agreement by the Town Attorney.

Based on actual investments made by EBAD, we are also seeking for the Board to confirm the final proposed net new tax schedule presented under financial impact. If the Board is in support of the proposed net new tax schedule dated January 2021, the following motion is in order:

Further move that Section 2.2 of the agreement be updated to reflect changes proposed in the net new tax schedule.

5. **Summary of Submission:**

On April 2, 2019 the Town received an application for business development assistance from Ensign Bickford Aerospace and Defense (EBAD) for the property located at 632 (640) Hopmeadow Street. The application requested a 10-year tax abatement and waiver of permit fees related to their planned Phase I expansion.

The Board of Selectmen authorized the Town Manager and Town Attorney to negotiate an agreement that reflected the Board's resolution and intent from their May 10, 2019 meeting. EBAD does not own the real estate at 632 (640) Hopmeadow Street, but through a lease agreement pays for a portion of the property taxes to the building's owner, Dyno Nobel. Our legal counsel has confirmed that in order for a tax abatement on the real estate to be granted, Dyno Nobel will also need to be a signatory in the final agreement between the parties.

Phase I of the planned expansion at EBAD's Simsbury campus is estimated to create approximately 140 well-paying jobs; 112 jobs, many of which are starting at \$100,000+/year, have been added thus far with more forecasted by year-end. EBAD initially estimated renovating of 21,000 sq ft., but ultimately renovated 31,400 sq ft. (buildings 38-43). The below table shows the actual (October 2020) investments made by EBAD versus the estimated investments (May 2019) in both real estate and personal property, excluding manufacturing equipment eligible for exemption:

ACTUAL OR REVISED ESTIMATED Investment (As of Oct. 1, 2020)		ESTIMATED Investment (As of May 10, 2019)		Difference
Actual Real Estate @ 70% valuation	\$1.75M	Estimated Real Estate @ 70% valuation	\$1.54M	+\$210k
Actual Real Estate @ 100% valuation	\$2.5M	Estimated Real Estate @ 100% valuation	\$2.2M	+\$300k
Actual Personal Property excluding manufacturing equipment – Years 1-2 (100%)	\$600k	Estimated Personal Property excluding manufacturing equipment – Years 1-5	\$1.1M	-\$500k
Net Taxable Assessment from Personal Property New Growth as of 10/1/2020	\$385k /			
<i>Personal Property Years 1-2 FY2022 Add'l tax revenue</i>	<i>\$15,000+/-</i>			
Revised Estimated Investment in Personal Property excluding manufacturing equipment – Years 3-5	\$600k	Estimated Investment in Personal Property excluding manufacturing equipment – Years 1-5	\$1.1M	+\$100k
Revised Estimated Investment in Personal Property excluding manufacturing equipment – Years 5-7	\$500K	Estimated Investment in Personal Property excluding manufacturing equipment – Years 5-7	\$0	\$500K

Most of the estimated \$6M in manufacturing machinery and equipment may qualify for the statutory exemption provided for in CGS § 12-81(76). EBAD can apply for that exemption in the normal course of filing its annual declaration of personal property.

Pursuant to our policy, permit fees can be waived up to 50%. This would include permits for construction, HVAC, plumbing, electrical, fire sprinkler, and demolition. The Board authorized waiving permit fees in an amount not to exceed \$25,000. The total construction value was \$2,075,383 for Phase I. To date, \$29,077.78 in permitting fees have been received associated with the Phase I expansion; at 50%, \$14,552.78 can be waived.

The Business Development Incentive Committee recommended that any authorized agreement should have benchmarks tied back to the total estimated net real and personal property tax revenues stated below under “Financial Impact.” The Board of Selectmen concurred with this recommendation. If actual revenues received by the Town from EBAD fall below the estimated net real and personal property tax revenues stated below, the abatement will be adjusted accordingly in the Town’s favor in that tax year.

The Town Manager and Town Attorney negotiated the proposed draft agreement that is presented to the Board of Selectmen tonight. I believe this Agreement reflects the Board of Selectmen’s guidance and intent on the matter. The Town Attorney has recommended that the Board review and authorize the proposed agreement prior to me executing the document.

6. Financial Impact:

The property was valued at \$528,733 (full value). Following construction, the total anticipated full value will be about \$2.5M, or an increase of \$2M. The estimated total cost of investment into rehabilitating the property is \$3M.

The abatement and reduction in the tax bill should only apply to the real estate new growth. Based on actual investments, under the proposed scenario the 10-year estimated value of the real estate new growth property tax abatement is \$545,000¹. The estimated value of the personal property new growth tax revenue is \$208,000². The estimated total value of revenues received by the Town from EBAD on the net new real and personal property growth associated with the Phase I expansion is \$308,000³. We are estimating \$385,000 will be the net assessment from personal property new growth for the 2020GL. The estimated revenue for personal property received by the Town after the abatement has been applied for year one is \$15,000.

The abatement percentages are 100% in the first two fiscal years of the agreement, 95% in year three, 90% in year four, 85% in year five and 75% in years six through ten. Based on actual investments, the total aggregate abatement value is greater than (\$170,656) what had been estimated in May 2019. However, as a result, the net new tax revenue received by the Town is also greater than (\$67,078) what had been estimated in May 2019. The below tables reflect the net new tax schedule as projected as of January 2021, and what was estimated in May 2019.

¹ Prior to actual work occurring, estimate in May 2019 was \$374,344

² Prior to actual work occurring, estimate in May 2019 was \$172,585

³ Prior to actual work occurring, estimate in May 2019 was \$240,922

JANUARY 2021 ESTIMATE

Fiscal Year	Abatement Per Cent of Addition to Current Value	New Growth Amount	Abatement Amount	Net New Real Estate Tax	Net New Growth on Personal Property	Net New Growth Real and Personal Property Tax
21/22	100%	\$65,126	\$65,126	\$0	\$14,278	\$14,278
22/23	100%	\$65,908	\$65,908	\$0	\$28,242	\$28,242
23/24	95%	\$62,718	\$59,582	\$3,136	\$24,125	\$27,261
24/25	90%	\$63,470	\$57,123	\$6,347	\$20,873	\$27,220
25/26	85%	\$64,232	\$54,597	\$9,635	\$26,116	\$35,750
26/27	75%	\$65,003	\$48,752	\$16,251	\$22,024	\$38,275
27/28	75%	\$65,783	\$49,337	\$16,446	\$22,289	\$38,734
28/29	75%	\$66,572	\$49,929	\$16,643	\$19,372	\$36,015
29/30	75%	\$62,718	\$47,038	\$15,679	\$15,750	\$31,429
30/31	75%	\$63,470	\$47,603	\$15,868	\$14,927	\$30,795
TOTALS		\$645,001	\$544,996	\$100,004	\$207,994	\$307,999

MAY 2019 ESTIMATE

Fiscal Year	Abatement Per Cent of Addition to Current Value	New Growth Amount	Abatement Amount	Net New Real Estate Tax	Net New Growth on Personal Property	Net New Real and Personal Property Tax
21/22	100%	\$45,463	\$45,463	\$0	\$24,252	\$24,252
22/23	100%	\$46,008	\$46,008	\$0	\$23,818	\$23,818
23/24	95%	\$42,857	\$40,714	\$2,143	\$19,283	\$21,426
24/25	90%	\$43,371	\$39,034	\$4,337	\$14,611	\$18,948
25/26	85%	\$43,892	\$37,308	\$6,584	\$16,443	\$23,027
26/27	75%	\$44,419	\$33,314	\$11,105	\$19,821	\$30,926
27/28	75%	\$44,952	\$33,714	\$11,238	\$17,647	\$28,885
28/29	75%	\$45,491	\$34,118	\$11,373	\$15,114	\$26,487
29/30	75%	\$42,857	\$32,143	\$10,714	\$11,534	\$22,248
30/31	75%	\$43,371	\$32,528	\$10,843	\$10,062	\$20,905
TOTALS		\$442,681	\$374,344	\$68,337	\$172,585	\$240,922

7. Description of Documents Included with Submission:

- a) Draft Tax Abatement Agreement, 632 (640) Hopmeadow Street

TOWN OF SIMSBURY
FIXED ASSESSMENT AGREEMENT

THIS AGREEMENT made effective as of January ___, 2021 (the “Effective Date”), by and among **Town of Simsbury**, Connecticut, a governmental body organized under the laws of the State of Connecticut, 933 Hopmeadow Street, Simsbury, Connecticut, 06070 (“**Town**”), **Dyno Nobel and its subsidiary, Simsbury Hopmeadow Street, LLC** (“**Owner**”), and **Ensign Bickford Aerospace and Defense (“EBAD”)** both having an address of 632 Hopmeadow Street, Simsbury, Connecticut 06070.

RECITALS

- A. Owner owns the property located at 632 (640) Hopmeadow Street, Simsbury, Connecticut known as the Ensign Bickford (“the Property”) and leases it to EBAD.
- B. Owner and EBAD have applied to the Town for a tax abatement and fee waiver to assist it in developing the Property in a manner that will result in job growth and capital investment in the Town of Simsbury.
- C. Town has adopted a Policy, in accordance with Section 12-65b of the Connecticut General Statutes, as amended, (the “Policy”), which provides for a written agreement fixing the assessment of real property and improvements thereon.
- D. Under the Policy, the assessed value of the real property and improvements thereon may be fixed for a period of up to ten (10) years if the cost of the new improvements is not less than Three Million Dollars (\$3,000,000).
- E. Owner and EBAD have provided Town information regarding the estimated value of a proposed building renovation and personal property investment totaling \$10.6 Million (“The Project Plan”). Of that amount, EBAD estimates \$7.6 Million in new personal property additions and a \$3 Million increase in real estate valuation based on the planned renovation to the real property. As of December 31, 2019, EBAD incurred investment of \$2.7 million in real property site renovations for the Project plan build-out and \$1.1 million of personal property in the form of new taxable equipment. For calendar year 2020 EBAD completed further investment of \$2.5 million in real property site renovations with an additional \$600,000 in personal property in the form of new taxable equipment. These investment amounts exclude other indirect expenses such as computers and work aids.
- F. The Simsbury Business Development Committee and Board of Selectmen have determined that the Property qualifies for a fixed assessment of up to ten (10)

years under the Policy and desires to offer a ten (10) year assessment schedule on the Property and a partial fee waiver as an inducement for Owner and EBAD to develop and renovate the Property within Town.

G. The Board of Selectmen of the Town has adopted a resolution authorizing Town to enter into this Agreement.

H. The parties now desire to enter into this Agreement to effect a Fixed Graduated Assessment of the Property Improvements resulting from the Project Plan.

NOW, THEREFORE, in consideration of the mutual promises contained herein, Town and Owner and EBAD hereby agree as follows:

ARTICLE 1 - DEFINITIONS

Capitalized terms used and not defined herein shall have the definitions ascribed to them as set forth below:

Section 1.1 - Commencement Date. The term "Commencement Date" shall mean the date the Grand List is executed and confirmed by Town Assessor immediately following the date when both the final certificate of occupancy for the Property has been issued and the Owner and EBAD have completed the conditions included in Sections 3.1 and 3.2 of this Agreement.

Section 1.2 - Property. The term "Property" shall mean the premises generally and collectively known as 632 (640) Hopmeadow Street, Simsbury, Connecticut (Assessor ID number 3056880), based on the Fixed Assessment and the Fixed Assessment Increase for the Property including the land, buildings, structures, foundations, fencing, curbing, light standards, walkways, access drives, landscaping, external facade and parking areas owned by the Owner, but otherwise exclusive of any personal property and motor vehicles of any Business located on the Property. The Property shall be renovated in conformity with the Town of Simsbury Zoning Regulations and Building Codes.

Section 1.3 - Fixed Assessment: The term "Fixed Assessment" shall refer to Town's authority, under Connecticut General Statutes section 12-65b and the Policy, to fix the assessment on the Property, which shall be equal to assessed value of the improvements to the Property as set forth in Section 2.1 below. The incremental increase in the fair market value and assessment of the Property shall be determined by the Assessor in accordance with law.

Section 1.4 - Fixed Assessment Period. The term "Fixed Assessment Period" shall refer to the earlier of (a) a full ten (10) assessment year period that shall begin on the first day (July 1) of the first tax year (expected to be 2021 based on the October 1, 2020 Grand List) following the Commencement Date and ending on the last day of the tenth tax year

following the Commencing Date (expected to be June 30, 2031), subject to the provisions of Section 2.1 hereof, or (b) At the completion of such ten (10) year period, the Fixed Assessment Period shall automatically expire.

Section 1.5 - Investment in Property. The term “Investment In Property” shall mean all costs incurred by Owner and EBAD in carrying out the Project Plan, including development, renovation and reconstruction of that portion of the Real Property which is to be developed including the cost of materials, labor, fixtures, and all other hard costs capitalized as part of the Property, excluding land cost.

ARTICLE 2 - TAX MATTERS

Section 2.1 - Assessment of the Property. Town and Owner agree that the incremental assessment of the Real Property resulting from the development of a portion of the Property according to the Project Plan shall be fixed during the Fixed Assessment Period. During the Fixed Assessment Period, the Town shall establish the Fixed Assessment of the Real Property at an amount equal to:

For the first two assessment dates of October 1, 2020 and October 1, 2021, the assessment at 70% of value shall be \$1,200,000, and thereafter it shall be the lesser of \$1,200,000 or the proportion that the Increment bears to the total value of the building in the first year of the Fixed Assessment Period, which is 76.4% of the total building value.

Subject to the provisions of Section 2.2 of the agreement, during the Fixed Assessment Period, Owner shall make or cause to be made and Town agree to accept as full payment:

- (i) zero percent (0%) of the incremental new tax normally due on the assessed value of the Property for year one of the Fixed Assessment Period,
- (ii) zero percent (0%) of the incremental new tax normally due on the assessed value of the Property for year two of the Fixed Assessment Period,
- (iii) five percent (5%) of the incremental new tax normally due on the assessed value of the Property for year three of the Fixed Assessment Period,
- (iv) ten percent (10%) of the incremental new tax normally due on the assessed value of the Property for year four of the Fixed Assessment Period, and
- (v) fifteen percent (15%) of the incremental new tax normally due on the assessed value of the Property for year five of the Fixed Assessment Period,
- (vi) twenty-five percent (25%) of the incremental new tax normally due on the assessed value of the Property for year six of the Fixed Assessment Period,
- (vii) twenty-five five (25%) of the incremental new tax normally due on the assessed value of the Property for year seven of the Fixed Assessment Period.

- (viii) twenty-five percent (25%) of the incremental new tax normally due on the assessed value of the Property for year eight of the Fixed Assessment Period,
- (ix) twenty-five percent (25%) of the incremental new tax normally due on the assessed value of the Property for year nine of the Fixed Assessment Period,
- (x) twenty-five five (25%) of the incremental new tax normally due on the assessed value of the Property for year ten of the Fixed Assessment Period.

This Agreement does not include any taxes levied by the fire district or other taxing entity. The assessment value of the Fixed Assessment as of the Effective Date, any personal property, and any motor vehicles shall be determined by the Assessor in the normal course pursuant to state and local laws.

Section 2.2 Minimum Incremental New Tax Payments. During the Fixed Assessment Period, Owner and EBAD agree to pay for each tax year the ad valorem real estate tax payment for the Property on the Fixed Assessment as set forth in Section 2.1 above. Owner and EBAD shall be responsible for the payment of these real estate taxes and shall make or shall cause such payment to be made no later than the applicable due dates of the tax billing or otherwise shall be subject to penalty interest for late payment. The minimum net new real estate and personal property tax payable based on the fixed assessment for each year of the Fixed Assessment Period shall be as follows:

Fiscal Year	Net New Real Estate Tax	Minimum Net Real and Personal Property Tax
21/22	\$0	\$24,252
22/23	\$0	\$23,818
23/24	\$2,143	\$21,426
24/25	\$4,337	\$18,948
25/26	\$6,584	\$23,027
26/27	\$11,105	\$30,926
27/28	\$11,238	\$28,885
28/29	\$11,373	\$26,486

29/30	\$10,714	\$22,248
30/31	\$10,843	\$20,905

If the actual Net Real and Personal Property Tax incremental revenues received by the Town from EBAD or the Owner resulting from the new development fall below the estimated Net Real and Personal Property Taxes stated herein, the real estate assessment percentages in Section 2.1 shall be adjusted accordingly to compensate for the tax shortfall. The assessed value of the Property is determined each year and is based on the assessed value of the property on the grand list on October first of the prior year. The Fixed Assessment of the Property may change during a revaluation year or if additions or modifications are made to the building.

ARTICLE 3 - OTHER TAXES, FFES, REVALUATION

Section 3.1 - Fire District Tax, Personal Property and Motor Vehicle Taxes. Owner and or EBAD agree to pay full taxes levied by the Simsbury Fire District and on all personal property and motor vehicles or leased motor vehicles of the Owner and/or EBAD by Town during the Fixed Assessment Period. Owner and/or EBAD shall make such payment no later than the applicable due dates of the tax billing or otherwise shall be subject to penalty interest for late payment.

Section 3.2 - Waiver of Fees. The Town agrees to waive fifty percent (50%) of the Town permit fees resulting from the renovation work, including, but not limited to, construction, HVAC equipment, plumbing, electrical, fire sprinkler, and demolition permits. The total of the fees to be waived under this section is not to exceed \$25,000.

Section 3.3 - Assessment and Revaluation. The Owner and/or EBAD shall have the right to appeal any increase in assessment due to a Town-wide property revaluation pursuant to Connecticut General Statutes, sections 12-117a and 12-119, as amended. The assessment of the Land for the period prior to the Commencement Date was determined in the normal course pursuant to state and local laws.

ARTICLE 4 - MINIMUM INVESTMENTS

~~Section 4.1~~ - Minimum Investment in The Property. Owner and EBAD have planned a renovation of Property as detailed in the Project Plan, in the agreed upon estimated and actual amounts as delineated above in Section E of the Recitals

Section 4.2 - Schedule. No later than October 1, 2020 or at the end of any approved extension period, Owner and EBAD shall furnish Town with a certificate confirming

Owner's and EBAD's satisfaction of the obligations contained in Sections 3.1 and 3.2 hereof. Owner and EBAD, at the request of Town, shall furnish Town with general information substantiating the expenditure of such investment. Town acknowledges that any certification from a third-party architect, managing contractor, engineer, general contractor, vendor or manufacturer, which certifies such investment will satisfy any request by Town for additional evidence verifying the expenditure of such investment. Owner and EBAD shall permit the town at reasonable times and upon reasonable notice during the term of this Agreement to inspect the Property for purposes of confirming that its use continues to comply with one or more of the uses set forth in Section 12-65b of the Connecticut General Statutes and the Ordinance.

Section 4.3 - Failure to Comply. In the event the Owner or EBAD have not provided the anticipated Investment in the Property as set forth in Sections 3.1 and 3.2 above by October 1, 2020 or at the end of any extension periods as provided in Section 3.1 and Section 3.2, the Town shall be entitled to terminate this Agreement. In the event of such termination by Town, then Town and Owner and EBAD shall not have any further obligation under this Agreement and the assessment of the Property shall revert to 70% of its fair market value as determined by the Assessor retroactive to the Commencement Date and the Town shall thereafter have its rights defined in Section 7.2.

ARTICLE 5 - OPERATION OF PROPERTY

Section 5.1 - Operation. During the Fixed Assessment Period and for a period of two (2) consecutive years thereafter, the Owner and EBAD agree that it shall not:

- 5.1.1. Change, suffer or allow the use of the Property to be changed to a use that does not comply with one or more of the uses set forth in Section 12-65b of the Connecticut General Statutes and the Ordinance;
- 5.1.2. Fail to pay the taxes contemplated under this Agreement when due; or
- 5.1.3. Declare bankruptcy.

Section 5.2 - Remedies. In the event the Owner or EBAD is in default under Sections 3.1, 3.2, 3.4, 4.1 and 5.2.1 through 5.2.7, or in material default of any other obligation contained in this Agreement, the Town shall have the right to recover all tax benefits provided to the Owner or EBAD during the Fixed Assessment Period and terminate this Agreement and the Fixed Assessment. In the event that the Owner or EBAD has instituted appropriate administrative or legal proceedings challenging the amount of the statutory assessment of the Property and Land, payment of any and all taxes shall be in accordance with Connecticut General Statutes section 12-117 and other applicable law.

ARTICLE 6 - REPRESENTATIONS AND WARRANTIES

Section 6.1 - Town Representations and Warranties. Town hereby represents and warrants to the Owner and EBAD as follows:

- 6.1.1. This Agreement is in material compliance with Town Charter and with the Connecticut General Statutes, et seq.
- 6.1.2. Town is a municipality duly organized and operating under the laws of the State.
- 6.1.3. Town has the power to enter into this Agreement and to carry out its obligations hereunder.
- 6.1.4. The execution and delivery of this Agreement, the conferral of the Fixed Assessment to Owner and EBAD, the performance of its other obligations contained in this Agreement, the consummation of the other transactions contemplated hereby, and the fulfillment of the compliance with the terms and conditions of this Agreement, by Town are not prevented by or result in a breach of, the terms, conditions or provisions of Town Charter, any statute, law, ordinance or regulation by which Town is bound.
- 6.1.5. This Agreement has been duly authorized by Board of Selectmen, and is a valid and binding obligation of Town, and is enforceable in accordance with its terms against Town.
- 6.1.6. The representative of Town executing this Agreement is in good standing with Town, and is authorized to execute and deliver this Agreement, in such capacity.
- 6.1.7. There is no claim or litigation, or to the best of Town's knowledge, threat of any claim or litigation, against Town with respect to its execution and delivery of this Agreement or otherwise pertaining to the conferral of the Fixed Assessment or any other matter contained in this Agreement.

Section 6.2 - Owner and EBAD Representations and Warranties. Owner and EBAD hereby represent and warrants to Town as follows:

- 6.2.1. Owner and EBAD are qualified and licensed to transact business in the State of Connecticut.
- 6.2.2. Owner is the fee owner of the Property and has the power to enter into this Agreement and to carry out its obligations hereunder.
- 6.2.3. The execution and delivery of this Agreement, the performance of the obligations of Owner and EBAD contained in this Agreement, the

consummation of the other transactions contemplated hereby, and the fulfillment of the compliance with the terms and conditions of this Agreement by Owner and EBAD are not prevented by or result in a breach of, the terms, conditions or provisions of any statute, law, ordinance or regulation by which Owner or EBAD is bound, or any contractual restriction, financing, agreement or instrument of whatever nature to which Owner or EBAD is now a party by which it is bound, nor do they constitute default under any of the foregoing.

- 6.2.4. This Agreement has been duly authorized by Owner and EBAD and is a valid and binding obligation of Owner and EBAD and is enforceable in accordance with its terms against Owner and EBAD.
- 6.2.5. The officer of Owner and EBAD executing this Agreement is in good standing with Owner and EBAD and is authorized to execute and deliver this Agreement, in such capacity.
- 6.2.6. There is no claim or litigation, threat of any claim or litigation, against Owner or EBAD with respect to its execution and delivery of this Agreement, the conferral of the Fixed Assessment or any other matter contained in this Agreement.
- 6.2.7. There are no actions, suits or proceedings pending or, threatened against or affecting the Owner or EBAD or before any arbitrator or any governmental body in which there is a reasonable possibility of an adverse decision which could materially affect the ability of Owner or EBAD to perform its obligations under this Agreement.

ARTICLE 7 - DEFAULT

Section 7.1 - Town Default. In the event that Town fails to perform under Section 2.1 of this Agreement and Owner or EBAD furnishes notice to that effect to Town, and Town fails substantially to rectify the same within thirty (30) days after receipt of notice, and such an additional reasonable time period as is necessary to rectify the matter if the nature of such non-compliance cannot be reasonably cured within said thirty (30) day period so long as Town initiates the curing thereof within said thirty (30) day period and thereafter diligently prosecutes such curing, then Town shall be deemed to be in default of this Agreement. In the event of Town's default under this Agreement beyond applicable cure periods, Owner or EBAD shall be entitled to all rights and remedies at law or in equity.

Section 7.2 - Owner Default. In the event that Owner or EBAD fails to perform a covenant or agreement, or to observe a term or condition, contained in this Agreement

and Town furnishes notice to that effect to Owner or EBAD, and Owner or EBAD fails substantially to rectify the same within thirty (30) days after receipt of notice, and such an additional reasonable time period as is necessary to rectify the matter if the nature of such non-compliance cannot be reasonably cured within said thirty (30) day period so long as Owner or EBAD initiates the curing thereof within said thirty (30) day period and thereafter diligently prosecutes such curing, then Owner and EBAD shall be deemed to be in default of this Agreement. In the event of Owner's or EBAD default under this Agreement beyond applicable cure periods, this Agreement shall be null and void and the Owner and EBAD shall reimburse the Town for all tax relief provided to Owner or EBAD, its predecessors and/or its assigns and the Town shall be under no obligation to grant further tax relief hereunder. Further, the Town, in addition to any remedies provided herein, shall be entitled to all rights and remedies at law or in equity, including the right to assess all penalties and to exercise all rights accorded to it as a taxing authority under the Connecticut General Statutes for the non-payment of taxes and the payment of all legal fees and expenses incurred by the Town relating to the Owner's or EBAD default.

ARTICLE 8 - MISCELLANEOUS

Section 8.1 - Notices. All notices and requests required pursuant to this Agreement shall be sent by personal delivery, overnight courier, or certified mail as follows:

To Town: Town of Simsbury
 Simsbury Town Hall
 933 Hopmeadow Street
 Simsbury, CT 06070
 Attention: Town Manager

With a copy to:

Robert M. DeCrescenzo, Esq.
Updike, Kelly & Spellacy, P.C.
P.O. Box 231277, 100 Pearl Street
Hartford, CT 06123-1277

To Owner: Simsbury Hopmeadow Street, LLC
 c/o Dyno Nobel, Inc.
 2795 E. Cottonwood Pkwy
 Salt Lake City, Utah, 84121

With a copy to:

EBAD Ensign-Bickford Aerospace & Defense Company

P.O. Box 7
Simsbury, CT 06070

or at such other addresses as the parties may indicate in writing to the other by personal delivery, overnight courier, or registered mail, return receipt requested, with proof of delivery thereof. Notices and requirements shall be deemed delivered to the address set forth above (a) when delivered in person on a business day, or (b) on the same business day received if delivered by overnight courier or by registered mail, return receipt requested.

Section 8.2 Successors and Assigns; Assignment. EBAD and/or Owner shall not assign its rights and obligations under this Agreement except with the written consent of the Simsbury Board of Selectmen. All of the terms and provisions of this Agreement shall be binding on and inure to the benefit of all of the successors and assigns of the parties hereto.

Section 8.3 - Amendment. This Agreement sets forth all the promises, inducements, agreements, conditions, and understandings between Owner and EBAD and Town relative to fixing the assessments on the Property and there are no promises, agreements, conditions, or understandings, either oral or written, express or implied, between them related thereto, other than as herein set forth. No subsequent alteration, amendment, change, or addition to this Agreement shall be binding on the parties hereto unless authorized in accordance with law and reduced in writing and signed by them.

Section 8.4 - Counterparts. This Agreement (or any exhibit or addendum to it) may be executed by facsimile or using an e-signature format such as DocuSign, and in counterparts, each of which (including signature pages) will be deemed an original, but all of which together will constitute one and the same instrument.

Section 8.5 - No Admission as to Value. The parties acknowledge and agree that the values placed upon the Property, and/or the Improvements as a result of this Fixed Assessment Agreement shall not now or at any other time be construed as an admission by any party or as evidence of any kind as to the true fair market value of the Property and/or the Improvements.

Section 8.6 - No Further Abatement: Owner and EBAD acknowledge and agree that the Abatement offered pursuant to this Agreement is not binding upon the Town beyond the ten-year Abatement Term agreed to herein.

[NEXT PAGE IS SIGNATURE PAGE]

IN WITNESS WHEREOF, this Agreement has been executed by authorized representatives of the parties hereto and is effective as of the aforesaid date.

TOWN OF SIMSBURY

By: _____
Maria E. Capriola
Its Town Manager

Date: _____

OWNER, DYNOL NOBEL

By: _____
Its

Date: _____

**LESSEE, ENSIGN BICKFORD
AEROSPACE AND DEFENSE**

By: _____

Date: _____, 2019



State of Connecticut

Town of Simsbury

933 Hopmeadow Street, Simsbury, CT 06070 PH: (860) 658-3234 FAX: (860) 658-3217



Building Department

From: 11/1/2020

MONTHLY/ANNUAL REPORT

To: 11/30/2020

Building Permits

Type of Permit	Number of Permits	Fees Collected	Construction Cost
Decks	4	\$488.54	\$28,500.00
Alteration/Renovation	29	\$10,876.03	\$755,905.00
Radon Mitigation System	1	\$28.52	\$1,300.00
Chimney Liner/Rebuild	3	\$156.86	\$10,300.00
Roofing	22	\$3,807.42	\$261,302.00
Insulation	1	\$0.00	\$0.00
Windows	15	\$1,768.24	\$117,876.00
Other	1	\$14.26	\$300.00
Sheds	1	\$299.46	\$20,874.00
Vinyl Siding	4	\$1,311.92	\$90,790.00
Swimming Pools	2	\$467.06	\$30,240.00
Addition	1	\$951.90	\$65,000.00
Solar Panel Installation	1	\$99.82	\$6,232.00
Alteration/RenovationComm	2	\$727.26	\$51,000.00
New Construction	4	\$22,288.56	\$1,555,620.00
Demolition	1	\$242.42	\$16,640.00
	92	\$43,528.27	\$3,011,879.00

Issued Building & Mechanical Permits Summary November 2020

	Building		Mechanical		Totals				
	Permits Issued	Construction Value	Permits Issued	Construction Value	Total All Permits	Total All Construction Value	Total Actual Receipts	Total Insps	Total Zoning Compl
Commercial	4	\$67,640	9	\$472,195	13	539,835			
Residential	88	\$2,944,239	147	\$699,541	235	3,643,780			
Totals	92	\$3,011,879	156	\$1,171,736	248	\$4,183,615	\$73,478	254	57

FY2020-2021
Annual Report/Actual Receipts
Community Development/Land Use
12/9/2020

		Building	St Educ	Ret Ck	Planning	Zoning	ZBA	Wetlands	Engineer	LU State	TOT '20-'21	TOT '19-'20	TOT '18-'19
2020	JULY	56,707.00	1,052.39	0.00	0.00	1,325.00	728.00	264.00	0.00	348.00	60,424.39	54,897.28	30,793.39
	AUGUST	119,257.00	2,219.62	0.00	0.00	1,150.00	494.00	0.00	0.00	116.00	123,278.22	56,525.16	94,501.49
	SEPT	110,685.00	2,058.30	0.00	0.00	2,281.00	182.00	528.00	0.00	464.00	116,198.30	46,818.44	75,748.99
Subtotal		286,649.00	5,330.31	0.00	0.00	4,756.00	1,404.00	792.00	0.00	928.00	299,900.91	158,240.88	201,043.87
	OCT	431,902.00	8,127.20	0.00	0.00	1,307.00	0.00	264.00	0.00	174.00	441,774.20	52,034.64	30,525.87
	NOV	73,478.00	1,463.45	0.00	0.00	2,071.00	0.00	132.00	0.00	232.00	77,376.45	96,771.94	121,790.42
	DEC											44,714.21	30,838.28
Subtotal		505,380.00	9,590.65	0.00	0.00	3,378.00	0.00	396.00	0.00	406.00	519,150.65	193,520.79	183,154.57
2021	JAN											92,438.89	18,647.29
	FEB											54,180.41	16,282.37
	MARCH											39,419.86	29,907.91
Subtotal		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	186,039.16	64,837.57
	APRIL											40,390.92	654,907.57
	MAY											54,610.36	55,368.11
	JUNE											120,925.58	119,646.65
Subtotal		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	215,926.86	829,922.33
TOTALS		792,029.00	14,920.96	0.00	0.00	8,134.00	1,404.00	1,188.00	0.00	1,334.00	819,051.56	753,727.69	1,278,958.34
											*Aug '20 \$123,278.22 incl BOE internal pymt of \$41.60		
											*Oct '20 McLean new & Big Y addl fees		