



# Town of Simsbury

933 Hopmeadow Street Simsbury, Connecticut 06070

## Board of Finance Agenda Submission

July 13, 2023

Trish Munroe  
Town Clerk  
Simsbury, CT 06070

Dear Ms. Munroe:

A **Regular Meeting** of the Board of Finance will be held at **5:45 PM**, on **Tuesday, July 18, 2023**, in the Main Meeting Room of Simsbury Town Hall, 933 Hopmeadow Street, Simsbury, Connecticut.

The Agenda is as follows:

1. Call to Order
2. Pledge of Allegiance
3. Finance Director's Report (Pages 1-8)
4. Financial Planning Discussion (Pages 9-15)
5. Approval of Minutes
  - May 16, 2023 (Pages 16-18)
  - June 20, 2023 (Pages 19-21)
6. Communications
  - Moody's Profile Report for Simsbury (Pages 22-28)
7. Executive Session
  - Pursuant to General Statutes section 1-200(6)(B) and (E), pending claim: 442 Hopmeadow Street
8. Adjourn

Lisa Heavner  
Chair

***Board of Finance Meeting Schedule:***

*8/22/23, 9/19/23, 10/17/23, 11/17/23, 12/19/23, 1/16/24*



# Town of Simsbury

933 HOPMEADOW STREET ~ SIMSBURY, CONNECTICUT 06070

**To:** Board of Finance  
**From:** Amy Meriwether, Finance Director/Treasurer  
**CC:** Lee Erdmann, Interim Town Manager  
**Date:** July 18, 2023  
**Re:** Finance Director's Report

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## **Fiscal Year 2022/2023 Approved Supplemental Appropriations**

Below is a listing of supplemental appropriations approved by the Board of Selectmen and the Board of Finance as of June 30, 2023:

- 56 Wolcott Road Purchase - \$175,000
- Planning & Architectural Services for Meadowood Barns - \$40,000
- Worker's Compensation Claim Settlement - \$185,000
- Local Transportation Capital Improvement Grant (LOTICIP) & Connecticut Community Connectivity Grant (CCCGP) Firetown Road Sidewalk Gap Closure - \$35,000
- Retroactive Wage Increases - \$798,665
- Fiscal Year 2021/2022 Encumbrances into fiscal year 2022/2023 - \$280,096
- Farmington Valley Health District - \$100,056
- Diversity, Equity & Inclusion Data Project - \$22,000
- Finance Department Temp Staffing - \$12,500
- Parks & Recreation Temp Staffing - \$10,000
- Social Services Temp Staffing - \$8,000

Total Supplemental Appropriations - \$1,666,317 or 1.45% of the FY22/23 Adopted Budget

**Grants and Donations**

Below is a chart of all grant applications and their current status as of June 30, 2023:

<b>Grant Application</b>	<b>Amount</b>	<b>Status</b>
CRCOG LOTCIP Grant - Climax Road Bridge Replacement	3,735,000	Awarded
State Historic Preservation Office Historic Fund Grant - Meadowood Barns	200,000	Awarded
STEAP - Station Street One-Way to Two-Way Conversion	160,000	Awarded
CT DOT Enhanced Dial-A-Ride Grant	34,050	Awarded
Library PEGPETIA	26,864	Awarded
Secretary of State Absentee Ballot Prep	10,710	Awarded
Historic Document Preservation Grant (FY24)	8,000	Awarded
Greater Hartford Transit Dial A Ride	6,660	Awarded
AARP CT Livable Communities - Simsbury Stories Café	5,000	Awarded
Healthy Living Collective Grant - Tai Ji Quan Better Balance	2,800	Awarded
CT State Library for the Creative Aging Arts Education PILOT Program Grant	2,500	Awarded
CT Humanities in Support of the Simsbury History of Culinary Storytelling Program Grant	1,385	Awarded
Communities Challenge Grant - PAC	740,000	Denied
CT Indoor Air Quality Grant @Squadron Line	180,000	Denied
2023 COPS Hiring Program Application	125,000	Pending
Police Department Congressionally Directed Spending	112,000	Pending
Hartford Foundation for Public Giving Human Needs Grant	6,000	Pending

### **Assessor's Office Performance Audit**

The request for proposal for the Assessor's Office Performance Audit has been completed and anticipated to be posted for bid on July 14<sup>th</sup> as of the writing of this document. The submission deadline for bidders is August 4<sup>th</sup>.

### **Personal Property Audits**

The Assessor's Office has recently contracted with a vendor to complete 12 personal property audits. The selected businesses have received notification. Once the 12 audits have been completed, and work of the vendor deemed accurate and reliable, an additional 12 audits are anticipated to be conducted thru the end of FY23/24.

### **Financial Summary as of June 30, 2023 (not final)**

Attached for review is the General Fund revenue and expenditure budget status report as of June 30, 2023.

**GENERAL FUND REVENUE FINANCIAL COMPARISON**

Description	FY2023	FY2023	\$ Variance	% Spent	Notes
	BUDGETED	ACTUAL			
	REVENUES	As of 6/30/23 not final)			
<b>GENERAL GOVERNMENT</b>					
TAX DEPARTMENT	100,624,738	99,970,387	(654,351)	99.35%	Budgeted conservative tax collection rate resulting in tax collections coming in in excess of budget by the end of the fiscal year. Current year tax collection budgeted to come in at \$500K in excess of budget, however, supplemental auto bills are coming in lower than anticipated. Projected current year tax collections to come in at \$200K in excess of budget. State funding for motor vehicle reimbursement was budgeted at 29 mill reimbursement (\$2,006,464), however State approved mill rate of 31.49 reducing funding to \$1,180,975.
BUILDING DEPARTMENT	738,500	771,486	32,986	104.47%	
FINANCE DEPARTMENT	333,631	1,333,035	999,404	399.55%	Increased interest income resulting from rising interest rates
TOWN CLERK	888,590	836,023	(52,567)	94.08%	
TOWN MANAGER'S OFFICE	345,202	846,572	501,370	245.24%	PILOT payment was budgeted at \$99,702 but received \$651,183. Additional funding from Municipal Revenue Sharing grant program that was modified for 2022 and 2023
INFORMATION TECHNOLOGY	171,752	171,752	-	100.00%	
LAND USE COMMISSION	20,000	32,065	12,065	160.32%	
INSURANCE REFUNDS	47,500	66,852	19,352	140.74%	Conservative budget
ASSESSOR'S OFFICE	5,800	5,009	(791)	86.36%	
<b>TOTAL GENERAL GOVERNMENT</b>	<b>103,175,713</b>	<b>104,033,181</b>	<b>857,468</b>	<b>100.83%</b>	
<b>PUBLIC SAFETY</b>					
POLICE DEPARTMENT	210,600	168,979	(41,622)	80.24%	
ANIMAL CONTROL	500	150	(350)	30.00%	
<b>TOTAL PUBLIC SAFETY</b>	<b>211,100</b>	<b>169,129</b>	<b>(41,972)</b>	<b>80.12%</b>	
<b>PUBLIC WORKS</b>					
ENGINEERING	25,050	26,252	1,202	104.80%	
ENO MEMORAL HALL	1,000	4,830	3,830	483.00%	
HIGHWAY DEPARTMENT	3,250	5,290	2,040	162.75%	
LANDFILL	-	-	-	#DIV/0!	
<b>TOTAL PUBLIC WORKS</b>	<b>29,300</b>	<b>36,372</b>	<b>7,072</b>	<b>124.13%</b>	
<b>HEALTH &amp; WELFARE</b>					
ELDERLY/HANDICAPPED TRANSPORT	40,720	-	(40,720)	0.00%	Timing, payments will be received in June
<b>TOTAL HEALTH &amp; WELFARE</b>	<b>40,720</b>	<b>-</b>	<b>(40,720)</b>	<b>0.00%</b>	
<b>CULTURE, PARKS &amp; RECREATION</b>					
PARKS & RECREATION	232,651	232,651	-	100.00%	
LIBRARY	9,700	14,486	4,786	149.34%	
COMMUNITY GARDENS	4,400	5,319	919	120.89%	

Description	FY2023	FY2023	\$ Variance	% Spent	Notes
	BUDGETED	ACTUAL			
	REVENUES	As of 6/30/23 not final)			
MEMORAL POOLS & FIELDS	2,800	24,017	21,217	857.75%	Increased pool revenue from prior year
<b>TOTAL CULTURE, PARKS &amp; RECREATION</b>	<b>249,551</b>	<b>276,473</b>	<b>26,922</b>	<b>110.79%</b>	
<b>EDUCATION</b>					
BOARD OF EDUCATION	7,139,378	7,399,733	260,355	103.65%	Unanticipated tuition revenue
<b>TOTAL EDUCATION</b>	<b>7,139,378</b>	<b>7,399,733</b>	<b>260,355</b>	<b>103.65%</b>	
<b>INTERGOVERNMENTAL</b>					
TRANSFER IN - BELDEN TRUST	26,960	26,960	-	100.00%	
TRANSFER IN - CAPITAL PROJECT FUNDS	430,717	430,717	-	100.00%	
TRANSFER IN - ARPA FUND	3,757,833	3,757,833	-	100.00%	
<b>TOTAL INTERGOVERNMENTAL</b>	<b>4,215,510</b>	<b>4,215,510</b>	<b>-</b>	<b>100.00%</b>	
<b>TOTAL GENERAL FUND REVENUES</b>	<b>115,061,272</b>	<b>116,130,397</b>	<b>1,069,125</b>	<b>100.93%</b>	

**GENERAL FUND EXPENDITURE FINANCIAL COMPARISON**

Description	FY2023 BUDGETED EXPENDITURES	FY2023 ACTUAL As of 6/30/23 not final)	\$ Variance	% Spent	Notes
<b>GENERAL GOVERNMENT</b>					
TOWN MANAGER'S OFFICE	495,579	524,414	(28,835)	105.82%	Overage relates to outgoing Town Manager vacation payout. There is enough savings in other departmental budgets where no supplement appropriation is needed. Department transfer requests will be prepared as part of the year end close to put the budget in line with actuals.
PLANNING DEPARTMENT	376,670	362,784	13,886	96.31%	
FINANCE DEPARTMENT	475,689	535,011	(59,322)	112.47%	**See below note
INFORMATION TECHNOLOGY	494,378	439,430	54,948	88.89%	
BUILDING DEPARTMENT	306,404	313,885	(7,481)	102.44%	**See below note
ASSESSOR'S OFFICE	381,919	420,868	(38,949)	110.20%	**See below note
TOWN CLERK	250,045	302,094	(52,049)	120.82%	**See below note
TAX DEPARTMENT	199,496	224,846	(25,350)	112.71%	**See below note
LEGAL SERVICES	151,000	181,502	(30,502)	120.20%	Increased legal services during the year are due to tax appeal settlements. It was noted during the quarterly reporting that this budget was going to go over by the end of the year. There is enough savings in other departmental budgets where no supplement appropriation is needed. Department transfer requests will be prepared as part of the year end close to put the budget in line with actuals.
ELECTION ADMINISTRATION	157,035	142,516	14,519	90.75%	
COMMUNITY SERVICES	403,427	324,612	78,815	80.46%	
GENERAL GOVERNMENT	126,716	115,745	10,971	91.34%	
BOARD OF FINANCE	48,295	51,707	(3,412)	107.06%	Increased cost of audit fee associated with additional standards implementation in the FY22 audit. There is enough savings in other departmental budgets where no supplemental appropriation is needed. Department transfer requests will be prepared as part of the year end close to put the budget in line with actuals.
ECONOMIC DEVELOPMENT COMMISSION	50,650	63,500	(12,850)	125.37%	As noted during the quarterly reporting, there was a purchase order in FY21 was not rolled forward into FY22 or FY23 during the Munis conversion. Project was completed in FY23 and final payment made. Anticipated savings as the year goes will offset overage. Transfer requests will be prepared to put the budget in line with actuals. No supplemental appropriation needed.
LAND USE COMMISSION	19,200	15,871	3,329	82.66%	
REGIONAL PROBATE COURT	9,548	9,548	-	100.00%	

Description	FY2023	FY2023	\$ Variance	% Spent	Notes
	BUDGETED	ACTUAL			
	EXPENDITURES	As of 6/30/23 not final)			
PUBLIC BUILDING COMMISSION	2,000	1,319	681	65.95%	
<b>TOTAL GENERAL GOVERNMENT</b>	<b>3,948,051</b>	<b>4,029,651</b>	<b>(81,600)</b>	<b>102.07%</b>	
<b>PUBLIC SAFETY</b>					
POLICE DEPARTMENT	5,542,887	5,337,699	205,188	96.30%	
DISPATCH	592,210	542,181	50,029	91.55%	
ANIMAL CONTROL	75,217	52,532	22,685	69.84%	
POLICE COMMISSION	750	15	735	2.00%	
EMERGENCY MANAGEMENT	26,800	15,330	11,470	57.20%	
<b>TOTAL PUBLIC SAFETY</b>	<b>6,237,864</b>	<b>5,947,757</b>	<b>290,107</b>	<b>95.35%</b>	
<b>PUBLIC WORKS</b>					
HIGHWAY DEPARTMENT	3,173,377	3,077,078	96,299	96.97%	
BUILDINGS & MAINTENANCE	537,636	512,344	25,292	95.30%	
ENGINEERING	307,479	313,789	(6,310)	102.05%	**See below note
PUBLIC WORKS ADMINISTRATION	334,726	377,369	(42,643)	112.74%	**See below note
TOWN OFFICE BUILDINGS	151,172	163,633	(12,461)	108.24%	Savings in other facility building department budgets utilized to cover overage. Department transfer requests will be prepared as part of the year end close to put the budget in line with actuals.
LIBRARY	154,527	140,001	14,526	90.60%	
ENO MEMORAL HALL	74,609	95,640	(21,031)	128.19%	Savings in other facility building department budgets utilized to cover overage. Department transfer requests will be prepared as part of the year end close to put the budget in line with actuals.
OTHER BUILDINGS	33,810	31,405	2,405	92.89%	
LANDFILL	78,000	44,013	33,987	56.43%	
<b>TOTAL PUBLIC WORKS</b>	<b>4,845,336</b>	<b>4,755,271</b>	<b>90,065</b>	<b>98.14%</b>	
<b>HEALTH &amp; WELFARE</b>					
SOCIAL SERVICES ADMINISTRATION	408,666	439,119	(30,453)	107.45%	**See below note
SENIOR CENTER SERVICES	160,687	170,875	(10,188)	106.34%	**See below note
TRANSPORTATION SERVICES	167,870	122,783	45,087	73.14%	
HEALTH DEPARTMENT	283,926	283,926	-	100.00%	
AGING & DISABILITY COMMISSION	1,500	866	634	57.73%	
<b>TOTAL HEALTH &amp; WELFARE</b>	<b>1,022,649</b>	<b>1,017,569</b>	<b>5,080</b>	<b>99.50%</b>	
<b>CULTURE, PARKS &amp; RECREATION</b>					
LIBRARY	1,646,557	1,722,007	(75,450)	104.58%	**See below note
PARKS & OPEN SPACE	1,016,874	1,042,895	(26,021)	102.56%	**See below note
MEMORIAL POOL	81,097	69,370	11,727	85.54%	
RECREATION ADMINISTRATION	74,560	80,748	(6,188)	108.30%	**See below note

Description	FY2023	FY2023	\$ Variance	% Spent	Notes
	BUDGETED	ACTUAL			
	EXPENDITURES	As of 6/30/23 not final)			
MEMORIAL FIELD	37,714	27,883	9,831	73.93%	
BEAUTIFICATION COMMITTEE	6,000	3,057	2,943	50.95%	
<b>TOTAL CULTURE, PARKS &amp; RECREATION</b>	<b>2,862,802</b>	<b>2,945,960</b>	<b>(83,158)</b>	<b>102.90%</b>	
<b>EDUCATION</b>					
BOARD OF EDUCATION	77,030,819	77,030,819	-	100.00%	
<b>TOTAL EDUCATION</b>	<b>77,030,819</b>	<b>77,030,819</b>	<b>-</b>	<b>100.00%</b>	
<b>INTERGOVERNMENTAL</b>					
EMPLOYEE BENEFITS	6,741,777	5,988,157	753,620	88.82%	
LIABILITY INSURANCE	672,949	672,949	-	100.00%	
TRANSFER OUT - SIMSBURY FARMS	151,715	151,715	-	100.00%	
TRANSFER OUT - MSP SENIOR FUND	10,480	10,480	-	100.00%	
TRANSFER OUT - YOUTH SERVICE BUREAU	8,000	8,000	-	100.00%	
TRANSFER OUT - ATHLETICS FIELDS	2,250	2,250	-	100.00%	
CONTINGENCY RESERVE	184,953	-	184,953	0.00%	
CONTINGENCY VACANCY	(200,000)	-	(200,000)	0.00%	
NEGOTIATED CONTRACT PAYOUTS	798,665	-	798,665	0.00%	
TRANSFER OUT - CNR 2019	83,250	83,250	-	100.00%	
TRANSFER OUT - CNR 2020	83,250	83,250	-	100.00%	
TRANSFER OUT - CNR 2021	83,250	83,250	-	100.00%	
TRANSFER OUT - CNR 2022	83,250	83,250	-	100.00%	
TRANSFER OUT - CNR 2023	393,250	393,250	-	100.00%	
TRANSFER OUT - CAPITAL PROJECTS	1,298,574	1,298,574	-	100.00%	
TRANSFER OUT - CAPITAL RESERVE	3,632,833	3,632,833	-	100.00%	
<b>TOTAL INTERGOVERNMENTAL</b>	<b>14,028,446</b>	<b>12,491,208</b>	<b>1,537,238</b>	<b>89.04%</b>	
<b>DEBT SERVICE</b>					
PRINCIPAL	5,090,000	5,090,000	-	100.00%	
INTEREST	1,281,525	1,281,525	-	100.00%	
<b>TOTAL DEBT SERVICE</b>	<b>6,371,525</b>	<b>6,371,525</b>	<b>-</b>	<b>100.00%</b>	
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>116,347,492</b>	<b>114,589,761</b>	<b>1,757,731</b>	<b>98.49%</b>	

\*\*This line item is currently showing over budget due to the settlement of the CSEA contract. A budget line item of the contingency payouts had been added within the Intergovernmental department to offset the overage. Transfer requests will be prepared as part of the year end close to put the budget in line with actuals. No supplemental appropriations are needed.



# Town of Simsbury

933 Hopmeadow Street Simsbury, Connecticut 06070

## Board of Finance Agenda Item Submission Form

1. **Title of Submission:** Financial Planning Discussion
2. **Date of Board Meeting:** July 18, 2023
3. **Individual or Entity Making the Submission:**  
Amy Meriwether, Director of Finance
4. **Action Requested of the Board of Finance:**  
No action is requested
5. **Summary of Submission:**

### **Budget Modeling**

At the Board of Finance meeting on June 20, 2023, staff was provided direction to review current budget modeling assumptions and see if we can better refine those estimates. As part of this process, staff reviewed contracts, enrollment projections, reserve levels, staff vacancies etc.

The updated model will be reviewed during the meeting with the Board of Finance for feedback.

### **Standard Budgeting Margin of Error (Year-end Savings Return)**

At the request of the Board of Finance, staff researched what the standard acceptable margin of error is for budgeting. Unfortunately, staff was unable to find guidance to answer this question. The majority of the information surrounding this topic relates to setting reserve levels or capital project budgets. GFOA's guidance in this area seems to focus on fund balance (as opposed to surplus amounts/percentages specifically). The guidance explicitly states that year end surpluses are an appropriate source for replenishing fund balance. It also notes that exposure to one-time outlays, such as capital needs, should be considered in determining an appropriate fund balance level. This can be reviewed as part of the Board of Finance's policy review and discussion.

The following is a history of the difference between budgeted and actual general fund revenues and expenditures:

Total Savings				
			Difference	
Year	Revenues	Expenditures	\$	% of Budget
FY19	2,071,292	140,893	2,212,185	2.27%
FY20	1,420,912	1,575,732	2,996,644	2.96%
FY21	1,878,402	1,071,376	2,949,778	2.82%
FY22	2,002,104	723,501	2,725,605	2.57%
Average			2,721,053	2.65%

Revenues				
			Difference	
Year	Budget	Actual	\$	% of Budget
FY19	97,537,869	99,609,161	2,071,292	2.12%
FY20	101,334,832	102,755,744	1,420,912	1.40%
FY21	102,436,546	104,314,948	1,878,402	1.83%
FY22	106,075,973	108,078,077	2,002,104	1.89%
Average			1,843,178	1.81%

Expenditures				
			Difference	
Year	Budget	Actual	\$	% of Budget
FY19	97,537,869	97,396,976	140,893	0.14%
FY20	101,334,832	99,759,100	1,575,732	1.55%
FY21	104,476,364	103,404,988	1,071,376	1.03%
FY22	106,140,970	105,417,469	723,501	0.68%
Average			877,876	0.85%

Revenue Detail Analysis

The below chart breakdowns the major categories of budget variances from FY18/19 thru FY21/22:

Revenue Source	FY19	FY20	FY21	FY22
Bond Premium	1,249,777	1,021,940	-	-
Building Permits	468,462	114,119	830,808	-
Conveyance Tax	(32,696)	98,078	158,035	227,320
Grants	862,424	78,183	460,094	608,710
Insurance Refunds	46,783	28,305	61,153	29,971
Investment Income	552,157	254,355	(340,043)	67,817
Land Use	-	-	-	37,202
Police Fees	-	-	40,313	-
Recording Fees	-	29,853	112,452	38,550
Recycling	-	35,818	-	-
Tax	830,426	580,527	463,406	858,113
Tax Interest	56,739	27,285	45,711	106,788
BOE Tuition	43,520	19,009	36,292	42,339
Use of Reserves	(2,000,000)	(850,000)	-	-
<b>Total Savings</b>	<b>2,077,592</b>	<b>1,437,472</b>	<b>1,868,221</b>	<b>2,016,810</b>

As you can see, there are several items included in the above chart that skew the percent error calculation as these overages were anticipated or non-recurring. The following revenue sources were removed from the percent error calculation:

- Bond Premium – These are one-time revenues that are contingent on going to out to bond and not recurring revenues
- Grants – These are all either increases to State grant funding, which the Town had no knowledge of at the time of budget as we utilize the adopted State budget, one-time smaller grants in individual departments or Federal grants such as FEMA reimbursements that we have no way of projecting when we will receive those grants as they are typically received years after the event.
- One Year Variance Revenue Sources – The Town is not consistently underbudgeting these revenue sources from year to year so removed from the analysis.
- Tax – Tax Payments were removed from the analysis as the Town is knowingly underbudgeting tax revenue utilizing a 98.5% collection rate

The next chart shows the *recurring unanticipated* major categories of budget variances from FY18/19 thru FY21/22.

Revenue Source	FY19	FY20	FY21	FY22
Building Permits	468,462	114,119	830,808	-
Conveyance Tax	(32,696)	98,078	158,035	227,320
Insurance Refunds	46,783	28,305	61,153	29,971
Investment Income	552,157	254,355	(340,043)	67,817
Recording Fees	-	29,853	112,452	38,550
Tax Interest	56,739	27,285	45,711	106,788
BOE Tuition	43,520	19,009	36,292	42,339
<b>Total Savings</b>	<b>1,134,965</b>	<b>571,004</b>	<b>904,407</b>	<b>512,785</b>

These are perhaps areas that could be reviewed more closely during the budget process. Some sources above have already been more closely reviewed and updated in subsequent budget years including building permits, conveyance taxes, recording fees and investment income. Staff will continue to re-evaluate these revenue sources in future budgets. Staff will look more closely at Tax Interest and BOE Tuition revenue during the next budget cycle.

The percent margin of error removing all one-time revenues, anticipated overages etc is as follows:

	FY19	FY20	FY21	FY22
<b>% of Budget</b>	<b>1.16%</b>	<b>0.56%</b>	<b>0.88%</b>	<b>0.48%</b>

*Expenditure Detail Analysis*

The below chart breakdowns the major categories of budget variances from FY18/19 thru FY21/22:

<b>Department</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
Animal Control	-	-	-	35,107
Assessor	-	13,399	31,349	90,430
BOS Community Services	-	10,303	17,292	26,772
Board of Education	-	266,308	-	(654,959)
Building	-	-	15,306	68,960
Buildings & Maintenance	-	31,770	10,765	-
Capital Transfers	(370,000)	-	-	-
Contingency	89,670	194,675	172,331	205,387
Debt - Interest	-	140,092	-	-
Dispatch	-	37,636	32,365	-
Elections	-	21,879	-	-
Employee Benefits	-	268,133	178,150	312,659
Engineering	-	65,188	14,578	33,716
Facilities - Eno	-	19,509	23,183	-
Facilities - Town Office	-	26,517	-	-
Finance	-	34,741	-	29,990
Health	-	-	-	100,056
Highway	284,262	68,339	-	40,040
Information Technology	-	22,673	17,985	47,286
Insurance	-	22,617	-	-
Land Use Commission	-	12,484	11,592	-
Landfill	-	11,375	-	-
Legal	-	(128,169)	(21,635)	(78,440)
Library	-	105,732	78,982	93,207
Memorial Field	-	-	12,694	20,688
Memorial Pool	-	-	-	22,721
Parks & Open Space	-	25,459	-	83,097
Planning	51,069	106,391	86,186	68,265
Police	68,155	174,900	320,894	102,178
Public Works Admin	23,650	-	-	-
Senior Center	-	-	26,934	25,167
Senior Transportation	-	11,381	26,934	-
Social Services	-	13,947	-	21,944
Town Manager	-	-	16,084	-
<b>Total Savings</b>	<b>146,806</b>	<b>1,577,279</b>	<b>1,071,969</b>	<b>694,271</b>

The next chart shows the **recurring unanticipated** major categories of budgets variances from FY18/19 thru FY21/22.

Department	FY19	FY20	FY21	FY22
Assessor	-	13,399	31,349	90,430
BOS Community Services	-	10,303	17,292	26,772
Board of Education	-	266,308	-	(654,959)
Building	-	-	15,306	68,960
Buildings & Maintenance	-	31,770	10,765	-
Dispatch	-	37,636	32,365	-
Employee Benefits	-	268,133	178,150	312,659
Engineering	-	65,188	14,578	33,716
Facilities - Eno	-	19,509	23,183	-
Finance	-	34,741	-	29,990
Highway	284,262	68,339	-	40,040
Information Technology	-	22,673	17,985	47,286
Land Use Commission	-	12,484	11,592	-
Legal	-	(128,169)	(21,635)	(78,440)
Library	-	105,732	78,982	93,207
Memorial Field	-	-	12,694	20,688
Parks & Open Space	-	25,459	-	83,097
Planning	51,069	106,391	86,186	68,265
Police	68,155	174,900	320,894	102,178
Senior Center	-	-	26,934	25,167
Senior Transportation	-	11,381	26,934	-
Social Services	-	13,947	-	21,944
<b>Total Savings</b>	<b>403,486</b>	<b>1,160,124</b>	<b>883,554</b>	<b>331,000</b>

The majority of these variances are related to staffing vacancies. Some items of note are identified below:

- Assessor Department – Office is fully staffed as of the end of FY22/23
- Finance Department – Office is fully staffed as of the end of FY22/23
- Legal – Should review more closely during the budget process as we are consistently underbudgeting this line item
- Planning Department – Office is fully staffed as of July 2023

Staff will review the remaining departments more closely as part of the vacancy rate analysis during the upcoming budget process.

The percent margin of error removing all one-year variances is as follows:

	FY19	FY20	FY21	FY22
<b>% of Budget</b>	<b>0.41%</b>	<b>1.14%</b>	<b>0.85%</b>	<b>0.31%</b>

## Projected Budget Enhancement Timeline

### FY25 Budget Cycle (FY23/24)

#### **Benchmarking Document**

- List of proposed communities and metrics (See Attachment)
- To be included in budget book

#### **Public Engagement**

- Proposal to change budget mailer from a SEEC-approved communication in advance of the referendum to a “budget in brief” to be sent in March
  - Use TM recommended or BOS proposed budget
  - Present major budget drivers and policy issues
  - Highlight upcoming meeting dates/opportunities for public input

#### **Budget Book**

- Make improvements to layout and content according to GFOA award criteria
  - Add an introduction: list of principal officials; town overview/history; org chart; description of budget process; budget calendar
  - Budget message to include more detailed description of policy issues, economic factors, legislative challenges, etc., and how those issues will be addressed
  - Insert more analytics/graphs/charts
  - Streamline narratives (for further discussion)
  - Begin implementing performance measures (select departments)
  - Add brief introductions to CNR and CIP (define what they are, how they are put together)
  - Capital form improvements
  - Appendices: summary of financial policies; community profile/key statistics (including major industries, top taxpayers); comparisons to other communities (benchmarking); FTE table; BOS and TM goals
- Four clean versions throughout process (to be posted online)
  - 1) TM recommended – include fiscal notes
  - 2) BOS proposed – include TM recommended column; fiscal notes
  - 3) BOF approved – include TM recommended, BOS proposed; take out notes
  - 4) Final adopted – adopted figures only

*\*Update FTE tables and levy calculation document as needed*

*\*Add (or replace) budget messages throughout process*

### FY26 Budget Cycle (FY24/25)

- Begin working in Munis budget module
- Explore budgeting software (to work in tandem with Munis)
- Finalize implementation of performance measures
- Explore new budgeting techniques (e.g. priority-based budgeting)
- Employee benefits – break out for each department
- LAP premium – break out for each department

#### **6. Financial Impact:**

None

#### **7. Description of Documents Included with Submission:**

- Benchmarking Datasets

		Simsbury	Avon	Bloomfield	Cheshire	Glastonbury	Granby	South Windsor	Average (excl. Simsbury)	Median (excl. Simsbury)	Average (incl. Simsbury)	Median (incl. Simsbury)	
<b>Statistics<sup>1</sup></b>	Population												
	Area (Square Miles)												
	Median Household Income												
	Median Home Value												
	% Poverty												
	% ALICE												
<b>FY24 Budget Information<sup>2</sup></b>	Mill Rate												
	Mill Rate (+ Fire District)												
	Unassigned Fund Balance as % of Budget (6/30/2022)												
	Grand List (10/1/2022)												
	General Fund Expenditures	Town											
		Education											
		Debt Service											
Total													
	Total per Capita												
<b>Long-Term Liabilities<sup>3</sup></b>	Total Outstanding Debt												
	Debt Service Per Capita												
	Debt as % of Operating												
	Pension Funded Ratio												
	OPEB Funded Ratio												

Sources:

- 1) Population estimates: CT Department of Health;  
OPM Municipal Fiscal Indicators FYE 2016-2020, published July 2022
- 2) Town budget documents

**Board of Finance**  
**TOWN OF SIMSBURY, CONNECTICUT**  
**REGULAR MEETING and POST BUDGET REFERENDUM MINUTES**  
**Tuesday, May 16, 2023, at 5:45 P.M.**  
**In Person Meeting /Simsbury Community Media Live Stream**

**PRESENT:**

Lisa Heavner, Mike Doyle, Robert Helfand, Arthur House and Derek. Peterson.

**ALSO PRESENT:**

Amy Meriwether, Director of Finance

**1. Call to Order - Establish Quorum**

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

**2. Pledge of Allegiance**

All present stood for the Pledge of Allegiance.

**3. Finance Director's Report**

Ms. Meriwether provided an update noting there were no significant changes since the last reporting. Ms. Heavner inquired about encumbrances and asked if future reports could be include any significant encumbrances.

Ms. Heavner asked for updates on items outstanding on the report and Ms. Meriwether addressed. The Board provided feedback on the report format stating they liked it better.

**4. Town Quarterly Financial Report – Capital Schedules**

Ms. Heavner explained that the Quarterly report was received in April but because the budget was the prime focus at that time the discussion on the reports was postponed. She reminded the public that the Board of Finance has a policy to permit overages in the Capital Non-Recurring fund by 10% but not to exceed \$5K as long as there's sufficient savings elsewhere in the fund, and explained that some of the projects may look over budget but will be corrected at year end. The capital projects in the Capital Improvement Plan are capped with the amount appropriated.

Ms. Meriwether highlighted a line item that was \$3,300 over and explained this was a coding error invoiced to this project in error and will be corrected. She mentioned the berm grant has not been approved and the project will be placed on hold until it is mandated by the State. Once mandated, funding will come out of the fund balance. Mr. Peterson asked about the process for uncommitted fund balances and completion dates that have already passed, and Ms. Meriwether provided an overview of that process.

Ms. Heavner has a question on a past project with no expenditure within 3 years. Ms. Meriwether said she had followed up and they will not be continuing with the project so it's ok to go back into fund balance.

Ms. Heavner thanked Ms. Meriwether for her work on cleaning and consolidating the Capital Non-Recurring projects and most of the report is from FY21 and beyond which is great. A conversation followed on the timing of planning for capital, spending it and the various break down.

### **5. Board of Education Quarterly Financial Report**

The board reviewed the report. Ms. Heavner inquired about the Health expenditures and why it is lower than last year at this time, and Ms. Meriwether explained it was due to an accounting change and the dollar value is roughly the same. Ms. Heavner also asked about the difference between this year and last year's numbers for maintenance of the plant and equipment and Ms. Meriwether stated it was due to timing and the spending freeze last year. A conversation followed on Community Services and the Board of Education not being allowed to receive revenue for renting their facility as it goes to the town.

### **6. Approval of the Tax Collector Suspense List**

Ms. Heaver went over why they publish names and addresses and referenced the State law. Ms. Meriwether provided an overview and noted most accounts in suspense are due to motor vehicles with a total amount being added to suspense of approximately \$47K.

**MOTION:** Mr. Peterson made a motion, effective May 16, 2023, to approve the Tax Collector Suspense List in the amount of \$46,775.37 and to authorize the tax collector, Ms. O'Connor, to transfer these accounts to the suspense tax book. Mr. Helfand seconded the motion. All were in favor and the motion passed unanimously.

### **7. Appointment of the Auditor for FY 2022/2023 Audit**

Ms. Heavner provided an overview stating this is the fifth year of awarding the contract to CliftonLarsonAllen LLP. She stated this is the second extension and they will need to go out to bid after this term. She noted the fee of \$67K has already been appropriated and is split between the Town and the Board of Education.

**MOTION:** Mr. Helfand made a motion, effective May 16, 2023, to appoint CliftonLarsonAllen LLP, as the Town of Simsbury's auditors for the fiscal year ending 2022/2023. Mr. Peterson seconded the motion. All were in favor and the motion passed unanimously.

### **8. Summer Capital Discussion**

Ms. Heavner provided an overview of the types of topics she had in mind for discussion. She asked to start with a review of the current Capital projects and their completion status and move on from there. She also mentioned the Squadron project and discussing a timeframe when they might think about doing that, initial estimates, possible funding options, and options on what can be done in the meantime to maintain the school.

**MOTION:** Mr. Helfand made a motion, effective May 16, 2023, to amend the agenda to approve the minutes before they recess. Mr. Doyle seconded the motion. All were in favor and the motion passed unanimously.

### **9. Approval of Minutes**

- March 21, 2023
- April 4, 2023
- April 18, 2023

**MOTION:** Mr. Helfand made a motion, effective May 16, 2023, to approve the minutes from March 21, 2023, April 4, 2023, and April 18, 2023. Mr. Doyle seconded the motion. All were in favor and the motion passed unanimously.

The Board of Finance took a brief recess.

**MOTION:** Mr. Peterson made a motion, effective May 16, 2023, to reconvene at 8:05 PM. Mr. Helfand seconded the motion. All were in favor and the motion passed unanimously.

Mr. House joined the meeting.

Following the recess Ms. Heavner confirmed the results of the referendum. She said that all three questions passed by a wide margin, and they went on to set the Mill rate for the Town only.

She reported the Operating budgets were passed as follows; \$31,679,397 for the Board of Selectman, \$81,576,437 for the Board of Education and \$17,149,930 for the Sewer Use Fund (Sewer Treatment Plant), Residential Rental Properties, Simsbury Farms, Non-Public Schools, Debt Retirement/Capital and Capital Non-Recurring Budgets.

#### **10. Setting of the FY 2023/2024 Mill Rate**

Ms. Meriwether confirmed there was no new revenue that could reduce the Mill rate before they went into recess. Ms. Heavner said they anticipate the passing of the mill rate to be 30.82 for the Town and 1.0 for the Fire District for a total of 31.82, pending the results of the budget vote.

**MOTION:** Mr. Helfand made a motion, effective May 16, 2023, to set the mill rate for Fiscal Year 2023/2024 at 30.82 mills. Mr. Peterson seconded the motion. All were in favor and the motion passed unanimously.

#### **11. Adjourn**

**MOTION:** Mr. House made a motion, effective May 16, 2023, to adjourn at 8:10 PM. Mr. Helfand seconded the motion. All were in favor and the motion passed unanimously.

Respectfully submitted,  
Marion Lynott  
Commission Clerk

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

**PRESENT:**

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

**ALSO PRESENT:**

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

**1. Call to Order - Establish Quorum**

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

**2. Pledge of Allegiance**

All present stood for the Pledge of Allegiance.

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

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

**3. Finance Director's Report**

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

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

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

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

#### **4. Financial Planning Discussion**

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

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

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

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

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

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

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

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

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

### **5. Policy Review**

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

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

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

The transfer policy will need to be reviewed.

### **6. Approval of Minutes – May 16, 2023**

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

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

### **7. Other**

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

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

### **Adjourn**

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

Respectfully submitted,  
Marion Lynott  
Commission Clerk

## ISSUER COMMENT

21 June 2023

### RATING

Issuer Rating <sup>1</sup>

Aaa No Outlook

### Analyst Contacts

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### CLIENT SERVICES

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Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

EMEA 44-20-7772-5454

## Town of Simsbury, CT

### Annual comment on Simsbury

#### Issuer profile

The Town of Simsbury is located in Hartford County in north central Connecticut, approximately 10 miles northwest of Hartford.

#### Key indicators

Exhibit 1

#### Simsbury (Town of) CT

	2019	2020	2021	2022	Aaa Medians
<b>Economy</b>					
Resident income ratio (%)	192.1%	191.0%	191.9%	N/A	173.2%
Full Value (\$000)	\$3,451,702	\$3,701,103	\$3,775,735	\$4,318,606	\$8,668,233
Population	24,799	25,025	24,467	N/A	36,139
Full value per capita (\$)	\$139,187	\$147,896	\$154,319	N/A	\$225,444
Economic growth metric (%)	N/A	-2.0%	-1.9%	N/A	-0.6%
<b>Financial Performance</b>					
Revenue (\$000)	\$118,535	\$131,936	\$135,044	\$142,889	\$101,271
Available fund balance (\$000)	\$35,393	\$35,184	\$49,198	\$41,897	\$60,284
Net unrestricted cash (\$000)	\$39,884	\$45,587	\$56,112	\$49,133	\$85,080
Available fund balance ratio (%)	29.9%	26.7%	36.4%	29.3%	62.5%
Liquidity ratio (%)	33.6%	34.6%	41.6%	34.4%	89.9%
<b>Leverage</b>					
Debt (\$000)	\$35,209	\$42,369	\$52,317	\$45,245	\$71,359
Adjusted net pension liabilities (\$000)	\$54,996	\$73,208	\$69,302	\$59,367	\$120,889
Adjusted net OPEB liabilities (\$000)	\$17,188	\$23,885	\$20,621	\$9,797	\$14,025
Other long-term liabilities (\$000)	\$2,118	\$1,741	\$2,390	\$2,113	\$3,650
Long-term liabilities ratio (%)	92.4%	107.0%	107.1%	81.5%	257.7%
<b>Fixed costs</b>					
Implied debt service (\$000)	\$2,305	\$2,567	\$3,034	\$3,669	\$4,843
Pension tread water contribution (\$000)	\$2,125	\$2,536	\$2,799	N/A	\$3,247
OPEB contributions (\$000)	\$1,157	\$1,351	\$1,360	\$954	\$517
Implied cost of other long-term liabilities (\$000)	\$235	\$154	\$125	\$168	\$244
Fixed-costs ratio (%)	4.9%	5.0%	5.4%	5.3%	11.3%

For definitions of the metrics in the table above please refer to the [US Cities and Counties Methodology](#) or see the Glossary in the Appendix below. Metrics represented as N/A indicate the data were not available at the time of publication. The medians come from our most recently published [US Cities and Counties Median Report](#).

The Economic Growth metric cited above compares the five-year CAGR of real GDP for Hartford-East Hartford-Middletown, CT Metropolitan Statistical Area to the five-year CAGR of real GDP for the US.

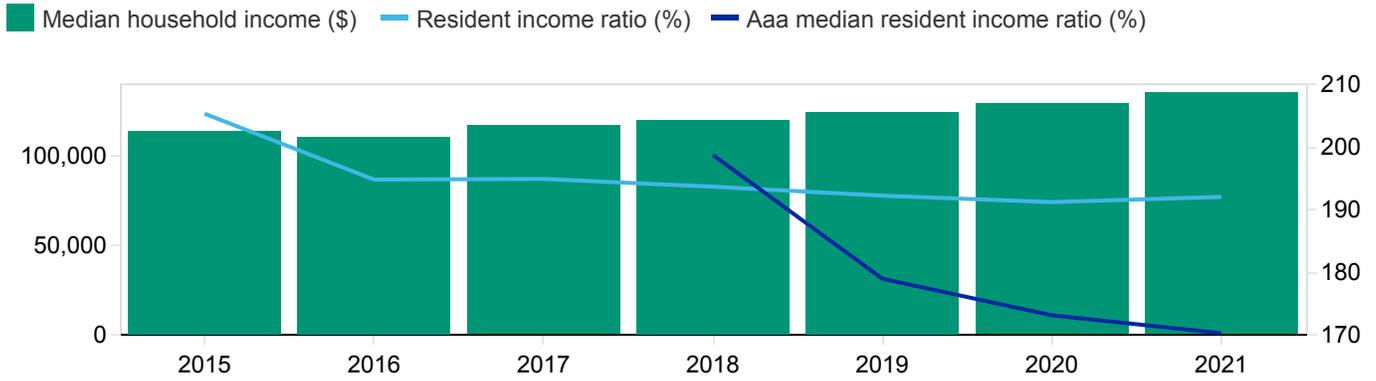
Sources: US Census Bureau, Simsbury (Town of) CT's financial statements and Moody's Investors Service, US Bureau of Economic Analysis

## Credit overview

### Economy

Exhibit 2

#### Resident Income

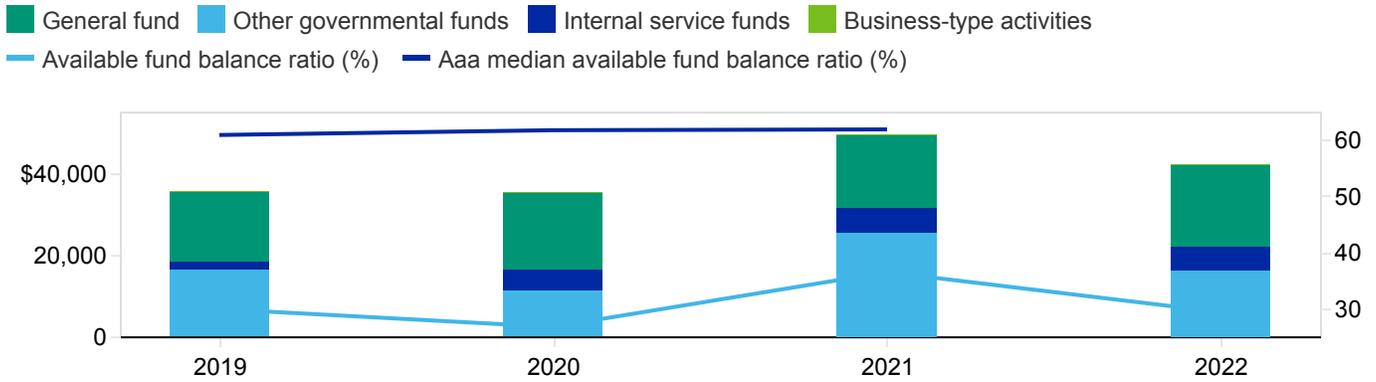


Source: Moody's Investors Service

### Financial performance

Exhibit 3

#### Fund Balance



Source: Moody's Investors Service

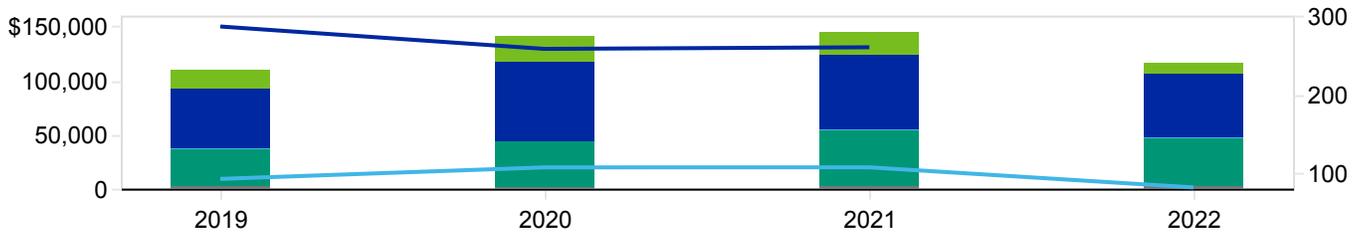
This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Leverage

Exhibit 4

Total Primary Government - Long Term Liabilities

- Governmental Debt
- Business-Type Activity Debt
- Adjusted net pension liabilities
- Adjusted net other post-employment liabilities
- Other long-term liabilities
- Long-term liabilities ratio (%)
- Aaa median long-term liabilities ratio (%)



Source: Moody's Investors Service

## Appendix

Exhibit 5

### Key Indicators Glossary

	Definition	Typical Source*
<b>Economy</b>		
Resident income ratio	Median Household Income (MHI) for the city or county, adjusted for Regional Price Parity (RPP), as a % of the US MHI	MHI: US Census Bureau - American Community Survey 5-Year Estimates RPP: US Bureau of Economic Analysis
Full value	Estimated market value of taxable property in the city or county	State repositories; audited financial statements; continuing disclosures
Population	Population of the city or county	US Census Bureau - American Community Survey 5-Year Estimates
Full value per capita	Full value / population	
Economic growth metric	Five year CAGR of real GDP for Metropolitan Statistical Area or county minus the five-year CAGR of real GDP for the US	Real GDP: US Bureau of Economic Analysis
<b>Financial performance</b>		
Revenue	Sum of revenue from total governmental funds, operating and non-operating revenue from total business-type activities, and non-operating revenue from internal services funds, excluding transfers and one-time revenue, e.g., bond proceeds or capital contributions	Audited financial statements
Available fund balance	Sum of all fund balances that are classified as unassigned, assigned or committed in the total governmental funds, plus unrestricted current assets minus current liabilities from the city's or county's business-type activities and internal services funds	Audited financial statements
Net unrestricted cash	Sum of unrestricted cash in governmental activities, business type activities and internal services fund, net of short-term debt	Audited financial statements
Available fund balance ratio	Available fund balance (including net current assets from business-type activities and internal services funds) / Revenue	
Liquidity ratio	Net unrestricted cash / Revenue	
<b>Leverage</b>		
Debt	Outstanding long-term bonds and all other forms of long-term debt across the governmental and business-type activities, including debt of another entity for which it has provided a guarantee disclosed in its financial statements	Audited financial statements; official statements
Adjusted net pension liabilities (ANPL)	Total primary government's pension liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Investors Service
Adjusted net OPEB liabilities (ANOL)	Total primary government's net other post-employment benefit (OPEB) liabilities adjusted by Moody's to standardize the discount rate used to compute the present value of accrued benefits	Audited financial statements; Moody's Investors Service
Other long-term liabilities (OLTL)	Miscellaneous long-term liabilities reported under the governmental and business-type activities entries	Audited financial statements
Long-term liabilities ratio	Debt + ANPL + ANOL + OLTL / Revenue	
<b>Fixed costs</b>		
Implied debt service	Annual cost to amortize city or county's long-term debt over 20 years with level payments	Audited financial statements; official statements; Moody's Investors Service
Pension tread water contribution	Pension contribution necessary to prevent reported unfunded pension liabilities from growing, year over year, in nominal dollars, if all actuarial assumptions are met	Audited financial statements; Moody's Investors Service
OPEB contribution	City or county's actual contribution in a given period	Audited financial statements
Implied cost of OLTL	Annual cost to amortize city or county's other long-term liabilities over 20 years with level payments	Audited financial statements; Moody's Investors Service
Fixed-costs ratio	Implied debt service + Pension tread water + OPEB contributions + Implied cost of OLTL / Revenue	

\*Note: If typical data source is not available then alternative sources or proxy data may be considered. For more detailed definitions of the metrics listed above please refer to the [US City and Counties Methodology](#).

Source: Moody's Investors Service

## Endnotes

- 1 Issuer Rating reflects the government's ability to repay debt and debt-like obligations without consideration of any pledge, security or structural features. In some circumstances, credit characteristics are sufficient to result in a GO bond rating that is higher than the Issuer Rating. Local governments with Moody's rated debt outstanding will have separate ratings detailed by security pledge on their Moody's.com issuer page and credit opinions explaining our credit view for each rating.

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