

**Board of Finance
TOWN OF SIMSBURY, CONNECTICUT
REGULAR MEETING MINUTES
Tuesday, January 18, 2022, at 5:45 P.M.
Simsbury Community Television Live Stream**

PRESENT:

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

ALSO PRESENT:

Amy Meriwether, Finance Director; Kelsey Chamberlain, Deputy Finance Director; Wendy Mackstutis, First Selectman; and Eric Wellman, Selectman.

1. Call to Order - Establish Quorum

Ms. Heavner called the meeting to order at 5:49 P.M.

2. Pledge of Allegiance

All present stood for the Pledge of Allegiance.

3. Finance Director's Report

Ms. Meriwether provided an overview of the Finance Director's report which included an updated listing of grants and donations, an update on the American Rescue Plan Act funds, status of the Fiscal Year 2020/2021 Audit Report, and Monthly Financial Summary.

Ms. Meriwether highlighted major variances in the Monthly Financial Summary from last year compared to this year and provided some insight into the balances. Ms. Heavner was grateful for the new format and summary of the variances. She provided feedback on the revenues column and asked about the large unassigned fund balance which Ms. Meriwether confirmed was just snapshot in time and not was not likely to end the year with that high a reserve balance.

4. Special Revenue Fund Close Out

Ms. Meriwether provided an overview of the three Special Revenue funds (Police Vehicles, Incentive Housing and D.A.R.E Program funds) being proposed for close out.

MOTION: Mr. House made a motion effective January 18, 2022, to close out the Police Vehicles, Incentive Housing, and D.A.R.E Program funds in accordance with the recommendations outlined by staff. Mr. Helfand seconded the motion. All were in favor and the motion carried.

5. Draft Fiscal Year 2022-2023 Budget Decision Points, Goals, and Information

Ms. Heavner provided an overview of a draft document she submitted outlining the Board of Finance 2022-2023 decision points during the budget process, goals of the Board of Finance, and requests for information. She asked for input or updates from the Board, and everyone agreed with the goals overall.

Ms. Heavner provided a more detailed overview of the requests for information and asked if anyone had anything else to add. Mr. House inquired if the number of vacancies and fill rate could be included. Ms. Meriwether stated she would follow up on this request.

Mr. Helfand asked if it's possible to include how capital projects are linked to long term capital plans and if it is possible to get input on the effect the federal reserve interest rates might have on the cost of bonding. Ms. Meriwether stated she will reach out to the Town's bond adviser to get insight.

Mr. Peterson asked a question on the long-term planning improvements of the schools, specifically the Latimer Lane project, and the implications of inflation on labor and supplies. He asked if they will be getting a refresher on where costs are coming in. Ms. Meriwether said they will be looking into this during the budget process but haven't received all of the bids yet which will take time.

Ms. Heavner spoke about the pension investment assumption rate which is targeted at 6.25% and suggested that the board review the actuary report which is interesting and gives insight into the recommendation. Ms. Schofield and Mr. House provided feedback on the report and raised concerns around difficult years ahead and they should act now. Ms. Meriwether reviewed last year's changes and provided an overview on this year's recommended changes. A discussion followed on the report. Ms. Heavner asked for an estimate to do an Experience Study which digs down into making sure the most accurate assumptions are being utilized. The last study was complete in 2012 and recommended every 5 years. Ms. Meriwether said she had reached out for Milliman on this request and will have an estimate back within a week. A conversation on the assumption rates followed and the conclusion was to follow the guidance of the actuaries and consultants as much as possible.

6. Capital Review

Ms. Heavner spoke about the Capital Budget and the budget modeling was reviewed and discussed. Mr. Peterson asked for clarification that the capital reserve fund is not allocated or earmarked for any specific capital project and is similar to an extension of the general fund reserve. Ms. Meriwether confirmed it is intended to be used for capital but can be used for anything else if needed.

Mr. Peterson expressed a concern around timing of the budget process and asked for an additional meeting to be put on the calendar to give and receive feedback from the other Boards on their proposed budgets before being sent to referendum. Ms. Meriweather said she will look into putting some tentative dates on the calendar.

7. Approval of Minutes

A correction to the minutes was submitted, and they were updated to note that Mr. House made the motion to elect Mr. Peterson and Mr. Helfand as representatives on the Retirement Plan subcommittee.

MOTION: Mr. House made a motion to approve the December 21 2021, Regular Finance Meeting minutes as amended. Ms. Schofield seconded the motion. All were in favor and the motion carried.

8. Adjourn

MOTION: Ms. Schofield made a motion to adjourn the meeting at 7:16 P.M. Mr. Helfand seconded the motion. All were in favor and the motion passed unanimously.

Respectfully submitted,
Marion Lynott
Commission Clerk