

**Board of Finance
TOWN OF SIMSBURY, CONNECTICUT
REGULAR MEETING MINUTES
Tuesday, December 13, 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; Wendy Mackstutis, First Selectman.

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 overview of the Finance Director's report which included an updated listing of the approved supplemental appropriations, grants and donations. She also stated the referendum mailer which was approved by the Board of Selectmen and is currently being reviewed by the Town Attorney and SEEC.

Ms. Schofield questioned if the list of grant applications reflected all the pending grants. Ms. Meriwether stated this was a list of the new grant applications that were approved at the Board of Selectmen's meeting to be executed. Moving forward, there will be a spreadsheet to keep track of grants that have been applied for and if funding was awarded.

4. Town Quarterly Budget Status Report

Ms. Meriwether stated the town's revenues total \$60.8 million dollar as of September 30, 2022, approximately 52.88% of the budget. The town's expenditure total \$24.77 million as of September 30, 2022, 21.49% of the budget. She noted the CSEA Union Contracts were settled and employee payouts were made in July. Supplemental budget appropriations were only approved in October 2022. This is the main reason many departments are showing higher spend in the current year compared to the prior year unless otherwise noted.

Ms. Meriwether spoke about the Health Insurance Fund. The funds reserves totaled \$3,535,992, or 23% of expected claims; this is within the range of reserves recommended by the Town's health insurance consultants. Ms. Meriwether indicated that she would not recommend use of reserves to offset the FY 2024 budget.

Special revenue funds were reviewed. Ms. Heavner noted the Board has requested fund balance policies for Simsbury Farms and Sewer to review this summer. Ms. Schofield questioned the difference between the Sewer Use Fund and the Sewer Assessment Fund and why we needed both. Ms. Meriwether indicated they could be combined and said she would forward her summary on the difference between the two funds.

Ms. Schofield questioned the fund balances, generally, inquiring as to why the funds aren't being spent down or appropriated during the budget. Mr. Peterson indicated a preference that the first dollars spent during the budget come from these funds. He also requested fiscal notes be added to each fund indicating any budgeted or anticipated expenditures. Ms. Heavner was curious as to why money is being compartmentalized as opposed to being in capital reserves. Ms. Meriwether stated for certain special revenue funds it makes sense to keep the funds in separate account. She highlighted the Dial-A-Ride account; this account is used to track pass fees and to verify these fees are being used for the actual program.

For capital projects, Ms. Heavner asked for information on the Henry James Phase 3 project and why it was coming in \$4 million under budget. Ms. Meriwether indicated she would get additional information to the Board and further indicated that she didn't think the town had bonded the full amount, but would confirm.

5. Board of Education Quarterly Budget Status Report

Ms. Meriwether presented the grants that have been awarded for the Board of Education and highlighted expenditure trends. Ms. Heavner requested a year to year gross expenditure comparison. Ms. Meriwether indicated their accountant is working on that and she would get that information to the Board.

6. Pension Experience Study Assumptions

Ms. Heavner spoke about the pension experience study. During the Board of Finance meeting on November 15, 2022, the Board was presented with assumptions that were recommended by the Town's actuaries.

MOTION: Ms. Schofield made a motion effective December 13, 2022 to approve the utilization of the updated pension assumptions as outlined in the attached slide presentation. Mr. Helfand seconded the motion. All were in favor and the motion carried.

7. Tri-Board Prep/Budget Modeling

Ms. Meriwether explained the grand list growth and impact on taxes. In prior revaluation years, higher end homes saw a significant decrease in taxes while lower end homes had a significant increase in taxes; this year's revaluation had the opposite effect. The Board reviewed budget modeling scenarios assuming a Board of Education budget increase of 3.5% and a Board of Selectmen increase of 2.5%. Ms. Meriwether noted that for a \$350,000 dollar home we're seeing an average 30% increase in value which is an increase in taxes. Ms. Meriwether indicated that the median home value in Simsbury is now about \$400,000. Ms. Heavner requested the model be updated to show the new home value for FY 2023 and the % it increased. Mr. House requested the model show the median, a jumbo amount and some lower amount. Ms. Heavner observed that under these scenarios, this is not a year to be adding new programming or service enhancements unless offset by reductions elsewhere. Mr. Peterson requested a break-out of debt service by Selectmen and Education projects for the out years for the Tri-Board.

Mr. Helfand questioned how the mill rate on the model presented was calculated. Ms. Meriwether stated the calculation was based off the initial grand list numbers that were provided by the Assessor. Based on the grand list growth, the mill rate would naturally decrease based on

the current budget assumptions. Ms. Meriwether stated if the home values did not increase, there would have been a significant decrease in taxes.

Ms. Meriwether showed the debt service graph exceeding 8% of operating using the current CIP.

8. Fiscal Year 2023/2024 Budget Information Requests

Ms. Heavner provided an overview of the updates requested for the budget process. These improvements in the budgeting process creates clarity and transparency to the policy boards and the public. Some of the request included providing a narrative on the Cash for Capital and Transfer Tabs, ranking capital projects by priority and budgeting for reasonably anticipated grants.

MOTION: Mr. Helfand made a motion effective December 13, 2022 to approve the fiscal year 2023/2024 Budget Information Requests as presented. Mr. House seconded the motion. All were in favor and the motion carried.

9. Approval of Minutes

October 18, 2022

A few grammatical corrections were made to the drafted minutes from the October 18, 2022 Regular Finance Meeting, November 15, 2022 Regular Finance Meeting and November 29, 2022 Special Finance Meetings.

MOTION: Ms. Schofield made a motion to approve the October 18, 2022 Regular Finance Meeting, November 15, 2022 Regular Finance Meeting and November 29, 2022 Special Finance Meeting minutes as amended. Mr. House seconded the motion. All were in favor and the motion carried.

10. Communications

October 2022 Building Department Financial Report

No comments made

11. Adjourn

MOTION: Mr. Helfand made a motion to adjourn the meeting at 7:42 P.M. Mr. Doyle seconded the motion. All were in favor and the motion passed unanimously.

Respectfully submitted,
Kelsey Chamberlain
Deputy Finance Director