

**Town of Simsbury Board of Finance
REGULAR MEETING MINUTES
Tuesday, March 8, 2016 at 5:45PM
Simsbury Town Offices – Main Meeting Room
933 Hopmeadow Street, Simsbury, Connecticut**

PRESENT: Linda Schofield, Moira Wertheimer, Robert Pomeroy, Jr., Kevin Prell, Jeff Blumenthal and Barbara Petitjean (via phone).

ABSENT: None.

1. CALL TO ORDER:

Vice Chairman Linda Schofield called the meeting to order at 5:45PM.

2. PLEDGE OF ALLEGIANCE:

All present stood for the Pledge of Allegiance.

3. APPROVAL OF MINUTES – FEBRUARY 16, 2016 REGULAR MEETING:

MOTION: Mr. Jeff Blumenthal, Mr. Robert Pomeroy second, **to table the approval of the February 16, 2016 Regular Meeting Minutes until the next regularly scheduled meeting; unanimously approved.**

4. BOARD OF EDUCATION 2016/2017 BUDGET PRESENTATION (PURSUANT TO SECTION 806 OF THE TOWN CHARTER):

Board of Education Chairman Tara Donohue Willerup began her board's budget presentation by reviewing the areas the 2016/2017 budget strives to support. In the interest of time and to allow all questions to be put forth by the Board of Finance, Superintendent of Schools Matthew Curtis provided a very abbreviated version of the prepared power point presentation on the Board of Education's 2016-2017 Budget, as it was noted that a full presentation may be viewed online via SCTV (Simsbury Community Television).

Mr. Curtis reviewed the summary of the major drivers of the proposed 2.2% (\$1,464,957.) net increase to the Simsbury Public Schools budget. He noted that the significant decline in enrollment over the last ten years has allowed the board to reduce over time, explaining that the district has cut out close to forty-five (45) positions since 2008-2009 while at the same time still created program enhancements. Mr. Curtis explained that the negotiated teachers' contract increase of \$989,101, the negotiated administrators' contract increase of \$54,879, and negotiated contracts for SFEP (the clerical bargaining unit) and nurses increase of \$137,001 are essentially rollovers of the organization. He reported that a placeholder of \$216,062 has been added as negotiations will be commencing with the custodial bargaining unit as well as the district's unaffiliated group. Mr. Curtis reported that another addition to next year's budget is that of 5.1 FTE certified staff, with two being designated for Special Education positions, noting that Simsbury High School is going to be up twenty-nine (29) Special Education students. In response to inquiries from board members, Mr. Curtis opined that these Special Education positions are likely to be needed beyond the 2016-2017 school year despite enhancements to their in-house programming. Mr. Curtis reported a \$38K increase for textbooks. He also explained the \$50K request for Professional Development, noting that \$25K of this would be earmarked for training in a program, Responsive Classroom. He explained that the other half of that line, \$25K, is planned for the NEASC (New England Association of Schools and Colleges)

accreditation process, a practice that occurs every ten years. Mr. Curtis noted that the second largest driver, the insurance, is budgeted with a \$470K increase, explaining that in the last few years this has either remained flat or decreased.

Mr. Curtis then reviewed what the Board of Education can undertake to mitigate the increases in costs. He noted that the district has six certified staff retirements confirmed, explaining that as these positions are replaced, savings are being projected at \$150K. A projected loss of 112 students will result in four sections cut at the K-6 level and two sections cut at the secondary level, according to Mr. Curtis. He also noted savings of \$150K in fuel pricing and \$100K in equipment requests. Mr. Curtis acknowledged the savings of \$92K that will be derived from the copier contract and other operational savings.

Ms. Barbara Petitjean questioned whether the report on Pension and OPEB (Other Postemployment Benefits) has been received, noting that the proposed budget reflects an estimate. Mr. Curtis indicated that the OPEB report has not been received and noted that this may be an area to review. Simsbury Public Schools Business Manager Burke LaClair reported that the actuary was to have them by the end of the month. Interim Director of Finance Sean Kimball noted that he will email the actuary to request this report earlier. Ms. Petitjean also questioned the figure being carried for Heating, noting that this year is seeing a savings of \$200K from what was budgeted while the proposed decrease for next year is \$150K. Mr. LaClair noted that the figure being proposed is based in large part on some of the fixed fuel pricing and some on estimated usage.

Ms. Schofield questioned whether the NEASC expenditure, as it occurs only once every ten years, could be paid for through this year's surplus. Mr. Blumenthal questioned the obligations for providing a certain level of professional development spending as part of the teachers' contract. Mr. LaClair explained that a portion of this line item is for advanced studies, and that in the event all the teachers that could be eligible actually put in to receive this reimbursement, it would work out to be \$145K. He reported that obviously this was not the assumption noting that this number has somewhat trended downward over the last four to five years with the allocation accordingly reduced. Mr. LaClair noted that this figure could be reviewed.

How estimates are calculated when calculating cost of new hires against the savings derived from retirements was explained by Mr. Curtis. Mrs. Petitjean questioned how many of the six sections planned for elimination are not retirements. Simsbury Public Schools Director of Personnel Neil Sullivan reported that one teaching position at the elementary school and a portion of one position at the high school level will not be the result of retirements. Ms. Petitjean then questioned whether the unused portion of line 08-02210, Insurance – Unemployment Compensation, with a current balance of ±\$45K, could be used. Discussion followed regarding how the positions that will no longer be part of next year's budget will be realized, noting that it will be a combination of retirements, attrition and possible lay-offs.

Ms. Petitjean noted that the Board still has concerns over some of the state money that has been assumed as part of the Education budget.

Ms. Schofield requested information regarding the \$639K non-lapsing account from last year, in terms of what savings have been created as a result of those expenditures. Mr. LaClair reminded the Board that \$370K was spent from this account on energy improvements made at Simsbury High School, Tootin Hills, and Henry James. Mr. LaClair also noted that \$19K has been earmarked for a solar project at the high school. He explained that the balance of this account, or \$250K, was intended to be spent on out of district tuition and transportation costs.

Mr. Sullivan explained that the checks for Line 10-01221 Stipends – Advisors do not get disbursed until late May. Mr. LaClair addressed the Electricity line, noting that he had also discussed the same with Ms. Petitjean and would be providing a follow up to that. In response to an inquiry from Ms. Schofield regarding the appropriation for textbooks, Mr. Curtis explained that this line used to be budgeted at \$500K but has recently been brought down to \$300K.

Ms. Petitjean questioned the long term capital, with substantially different state reimbursement rate assumptions, between the junior high and the Latimer Lane projects. Mr. LaClair noted that he was more conservative on the Henry James Phase II as maintenance work is generally not an eligible cost so there were intentional planned differences.

5. MILL RATE SPREADSHEET DISCUSSION:

Mr. Kimball provided a brief overview of the mill rate worksheet, explaining that it is the tool used at the conclusion of the budget referendum in order to set the mill rate. He noted that over the years, the Finance Department has attempted to use it as a real time tool as well by being able to plug in different assumptions.

Ms. Schofield noted the concerns she shares with other board members regarding the state's own budget issues they are facing and the fear that should the state's proposed sharing of the sales tax revenue be cut, it would result in a \$1M gap. She noted that all three boards will need to have a contingency plan in the event that this were to occur.

6. APPOINTMENT OF INTERIM FINANCE DIRECTOR SEAN KIMBALL AS TREASURER EFFECTIVE MARCH 1, 2016:

MOTION: Mr. Blumenthal, Mr. Pomeroy second, **to appoint Interim Finance Director Sean Kimball as Treasurer effective March 1, 2016; unanimously approved.**

7. ADJOURNMENT:

MOTION: Ms. Wertheimer, Mr. Blumenthal second, **to adjourn at 7:05PM; unanimously approved.**

Respectfully submitted,

**Pamela A. Colombie
Commission Clerk**