

Board of Finance
TOWN OF SIMSBURY, CONNECTICUT
REGULAR MEETING MINUTES
Tuesday, September 19, 2023, at 5:45 P.M.
In Person Meeting /Simsbury Community Media Live Stream

PRESENT:

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

ALSO PRESENT:

Amy Meriwether, Director of Finance; Lee Erdmann, Interim Town Manager; Wendy Mackstutis, First Selectman, Heather Goetz, Selectman, Chris Kachmar, Fiducient Advisors; and Paige Thompson, Fiducient Advisors

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. Presentation: Fiducient Advisors

Ms. Heavner introduced the speakers from Fiducient Advisors who provided an overview of the presentation on the Town of Simsbury's Retirement Plans. The Board confirmed that they had all read the report and the consultants Mr. Kachmar and Ms. Thompson reviewed some of the highlights. Mr. Kachmar mentioned the pension plans are up approximately 7% through June 2023 and confirmed there are no actions for the Board from an overall allocation standpoint. He reviewed the Investment Policy Statement and said it is in good working order and had no changes. Ms. Heavner said the Board confirmed they had no questions or changes to the Policy Statement and their recommendation is to affirm the current policy from their advisor. Mr. Kachmar reviewed the Board's best practices stating all is good and confirmed the Town's programs from their standpoint are very effective and competitively priced. Mr. Kachmar answered questions from the Board and mentioned that for the next meeting they may have a slightly differed allocation recommendation.

MOTION: Mr. Peterson made a motion, effective September 19, 2023, to affirm the current Defined Benefit Pension Investment Policy as presented. Mr. Helfand seconded the motion. All were in favor and the motion passed unanimously.

4. Finance Director's Report

Mr. Erdmann reported on a meeting held with the Executive Director of the Simsbury Volunteer Ambulance Association and summarized the take aways.

Ms. Meriwether reported on the Assessor's Office Performance Audit RFP results noting they received two bids and interviews of both firms were conducted. Ultimately, Tyler Technologies was awarded the contract and they are currently in the process of drafting a contract.

Ms. Meriwether also reported on the 2023 Bond Issuance noting they are currently in the final stages of issuing bonds in the amount of \$22,165,000. The Town's credit rating was affirmed by S&P and their final report included in the "Communications" section of the packet.

The bond sale took place on September 13th with 17 underwriting firms bidding. The bond sale was ultimately awarded to Raymond James & Associates with an interest rate of 3.47%. She added the offering generated a premium of \$970,000 (after fees) and said that the Town will also save an additional \$801,755 of interest costs over the life of the bond for a total savings of \$1,771,755. Ms. Meriwether said they had budgeted \$7,806,810 in the FY23/24 and based on the final results of the sale, the updated debt service projections are anticipated to be \$7,550,217 which is a savings of \$256,593.

Ms. Meriwether reported on the tax collections for July 2023 noting they were up slightly from the same time last year.

Mr. Erdmann spoke about a potential for using year-end savings for a salary classification total compensation study in anticipation of the upcoming budget season and the union negotiations. He mentioned they have received estimates and are they should be able to come in with a request for \$75K. He mentioned the information they have currently is outdated and misaligned and believes the study will be very helpful with upcoming negotiations. Ms. Heavner added that total compensation incorporates everything including health, pension, vacation, and sick days off. A discussion followed on the details of the study and the benefit of it.

5. Draft Policy for Amending the Budget, Budgetary Transfers and Supplemental Appropriations

Ms. Heavner provided an overview stating that each summer the Board reviews the financial policies of the Town. The draft policy tonight regarding budgetary transfers and supplemental appropriations had been a source of confusion. She said the goal is to capture and record everything in one document which will be publicly reviewed and then see if there are any further comments before approving or editing at the next meeting. Ms. Heavner confirmed that they went with the bottom line that all spending should be budgeted and appropriated when possible unless specifically excluded by Law. She said another rule they went with is that even if spending doesn't require an appropriation or budget all spending should be reported through quarterly reports. Ms. Heavner mentioned other guidelines and exceptions around reporting, and mentioned they are still waiting for guidance around grants. She asked the Board to give some thoughts into the outstanding items and confirmed the document will change over time.

6. Draft Budget Process Preview

Ms. Heavner presented on the 2024 Budget process. Mr. Helfand added that the presentation is a review on how the Board of Finance can give guidance to the other Boards as they go into the upcoming budget process. Ms. Heavner said the Board of Finance gives guidance on the information they have, and reviewed the details and timeline of the budget process. Ms. Meriwether went through the modeling and reviewed various scenarios. Ms. Heavner said the process includes feedback from the public, the Boards and staff. Mr. Helfand agreed that an early Tri-Board meeting in December would be important. A discussion followed on the need to get everyone together and Ms. Heavner said there will be a lot of new members on each Board, and it will be good to explain the process to all.

Mr. Erdmann mentioned the dates of the development of the Capital budget and the CNR. Departments are in the process of preparing their requests. He said they have expanded the Capital Improvement Plan to look out 12 – 13 years, as opposed to 6, which will place a lot of work on the departments. For the CNR, they will stay with a 6 year look this year and move to a

12-year next year. He said they have implemented an internal Capital improvements advisement committee to judge priorities and asked the Board of Finance to think about how they will react to those preliminary plans. Mr. Erdmann said there will also be a new Town Manager sometime in the process, and added they are down to one candidate, from a pool of 36, who is available to meet with the public next Tuesday at the main fire house. He recommended using the first Tri-Board meeting to have a discussion around the Capital projects and the CNR specifically. The discussion continued on the budget process and the Board addressed questions as raised.

7. Approval of Minutes, August 22, 2023

Tabled pending further review.

8. Communications

- **Simsbury S&P Rating Report**
- **State of CT Pension Information Request**

Ms. Meriwether reviewed the communications on the S&P Rating report stating they have a stable outlook and reviewed the main factors.

Ms. Heavner spoke about the State of CT request for information and the importance of it.

MOTION: Mr. Helfand made a motion, effective September 19, 2023, to adjourn the meeting at 8:00PM. Mr. Doyle seconded the motion. All were in favor and the motion passed unanimously.

Respectfully submitted,
Marion Lynott
Commission Clerk