

**Board of Finance
TOWN OF SIMSBURY, CONNECTICUT
REGULAR MEETING MINUTES
Tuesday, September 21, 2021 at 5:45 P.M.
Zoom Meeting/Simsbury Community Television Live Stream**

PRESENT: Lisa Heavner, Arthur House, Robert Pomeroy, Linda Schofield, Derek Peterson and Kevin Prell.

ALSO PRESENT:

Melissa Appleby, Deputy Town Manager; Sean Askham, Deputy First Selectman; Jackie Battos, Selectman; Maria Capriola, Town Manager; Bob DeCrescenzo, Town Attorney; Mike Glidden, Director of Planning and Community Development; Chris Kachmar, Fiducient Advisors; Wendy Mackstutis, Selectman; Amy Meriwether, Director of Finance; Henry Miga, Building Official; Tyler Polk, Fiducient Advisors; and Eric Wellman, First Selectman;

1. Call to Order - Establish Quorum

Mr. Pomeroy called the meeting to order at 5:47 P.M.

2. Pledge of Allegiance

All present stood for the Pledge of Allegiance.

3. Presentation: Fiducient Advisors

Mr. Kachmar provided an overview on the pension performance summary for the second quarter 2021. He reported that the investment policy for the pension plan is in good working order and they do not have any recommendations for changes. He mentioned from a governance perspective the town is doing everything they would recommend should be done as good fiduciaries. He said all three pension portfolios are relatively close to target and are in good order at they move into year end. Mr. Prell asked about the net contribution number as it appeared to be large in comparison to the number reported since inception, and Mr. Kachmar advised he would review and get back to the board. Ms. Heavner asked for a report over time indicating the investments versus expenses and what they are paying out for retirements. Mr. Kachmar said they can work with Ms. Meriweather and the Millman group to help create this. He reviewed the OPEB portfolio as of the end of June with about \$22M of invested assets and had no further recommendations for the group. Mr. Polk spoke on the defined contribution plans and noted the right types of funds are being offered to the town employees with no recommended changes. He continued the presentation and talked about stable value and went through the balance in each fund. Mr. Pomeroy asked about the transition to ICMA and Mr. Polk stated it went smooth and the fees are lower.

4. Presentation: American Rescue Plan Act (ARPA) Workgroup

Ms. Meriwether provided an overview on the ARPA funding stating Simsbury will be receiving around \$7.5M. They have already received \$3.7M as of June 2021 and the rest is expected in June of 2022. The funds have to be incurred by December 31, 2024 and expended by the end of December 2026. The board has already approved a special revenue fund to put the money into which will include any investment interest. Appropriations will be approved by the Board of Selectmen once the projects are identified by the work group, and then will come to the Board of Finance. Ms. Meriwether gave an overview of guidelines provided by the Department of

Treasury on what the money can and cannot be used for, and once allocated the town is responsible for auditing the use of the funds. Ms. Heavner pointed this out as a risk and asked if the recipients would have the capacity to report and managed sufficiently. Mr. Peterson asked if the money received already has been allocated and Ms. Meriwether said it was not but it is making investment income. Ms. Mackstutis provided a status update of the work group, which was formed on June 14th. They are working closely with Ms. Meriwether to document a list of eligible projects from capital items and items removed during the budget process that may be eligible for the funds. Ms. Heavner recommended a dashboard on the website to give transparency and accountability into the process, and suggested the town adopt the GFOA guiding principles. Ms. Mackstutis reviewed the next steps and a list of stakeholders they would like to get input from. She stated there is not a need to hurry to spend it at the moment as they have until 2024 to allocate it or lose it. Ms. Heavner added that they may need to expand the reach out to groups and get input from a broader audience whose voices haven't been heard before.

5. Supplemental Appropriation Request for Building Division

Mr. Miga provided an overview of the request stating that in the last 3 and a half years the number of permits issued has increased by 44% from 2,033 permits to 2,942 permits and the number of inspections has increased by 36% from 2,131 to 2,914 inspections. He said that the Building Division will need additional contracted services temporary support for the remainder of the fiscal year due to such increase. Mr. Pomeroy asked why the need arose mid-year and what had changed to make it timely and not wait until next year. He also asked would more revenue be generated as a result of a hire, or would it mainly be for workload distribution. Mr. Miga said it costs the town money when inspections are put off or not done in a timely manner. He mentioned the increase in number of permits was somewhat unexpected and the contracted services allocation in their budget was diverted. Mr. Glidden talked about the increase in residential activity due to COVID and said it's continuing to grow as people are home more and working on their houses and selling them. Mr. Pomeroy said he's preferred the hire to be on a contracted bases as opposed to a full-time employee and the money to come out of year end savings. He said as a result he expected the revenue from the department to increase over what was budgeted. Mr. Glidden confirmed they would rather hire a contracted service as opposed to an employee. Ms. Capriola said it's possible they may need to hire a part-time employee, but not a full-time permanent employee, which has to be worked through with the union. Mr. Peterson voiced concerns around hiring a temporary employee and would prefer it to be a contracted person if possible. He also asked if this spend could qualify for the ARPA fund, and Mr. Pomeroy said that this should be explored. The Board of Finance had consensus that this position should not be built into next year's budget and it would be an addition for next year.

MOTION: Ms. Schofield made a motion, effective September 21, 2021 to approve a supplemental appropriation for the Building Division in the amount of \$40,000 and funded out of year end savings. Mr. House seconded the motion. It was discussed. All were in favor and the motion passed unanimously.

6. Supplemental Appropriation Request for Meadowood Acquisition

Ms. Capriola provided a summary of the appropriations made towards the acquisition of Meadowood and the additional funds which need to be accepted and appropriated. Mr. DeCrescenzo added the closing should be ready in the coming week with the deadline being September 30th. Mr. Pomeroy added that TPL was the applicant for the grants, and then transferred them to the town. Ms. Heavner added there will be no change in what taxpayers are contributing. In addition, there is an opportunity going forward to be more transparent in the narrative given for purchases, and to present the total cost including grants.

MOTION: Mr. Prell made a motion, effective September 21, 2021 to approve a supplemental appropriation in the amount of \$2,566,500 for the Meadowood purchase as presented. The total Town appropriation will be \$5,466,500. Ms. Heavner seconded the motion. All were in favor and the motion passed unanimously.

7. Proposed Draft Policy for Budgetary Transfers and Supplemental Appropriations

Mr. Pomeroy said everyone received a copy of the policy since last month's meeting and it's good to outline the process and circumstances for amending the budget via supplemental appropriation or transfers within and between departments during the fiscal year.

MOTION: Ms. Heavner made a motion, effective September 21, 2021 to approve and adopt the Policy for Budgetary Transfers and Supplemental Appropriations. Mr. Prell seconded the motion. All were in favor and the motion passed unanimously.

8. Policy Review

Mr. Pomeroy thanked Ms. Meriwether for researching and documenting the policies and said some will need attention in the intermediate term.

9. Approval of Minutes - August 17, 2021

The minutes from the August 17, 2021, Regular Finance Meeting were approved as submitted.

MOTION: Mr. House made a motion to adopt the minutes from the August 17, 2021, Regular Finance Meeting as submitted. Mr. Prell seconded the motion. All were in favor and the motion passed unanimously.

10. Communications

July 2021 Building Department Report & August 2021 Building Department Report

11. Adjourn

MOTION: Ms. Schofield made a motion to adjourn the meeting at 7:26 P.M. Mr. Prell seconded the motion. All were in favor and the motion passed unanimously.

Respectfully submitted,
Marion Lynott
Commission Clerk