

**Board of Finance**  
**TOWN OF SIMSBURY, CONNECTICUT**  
**REGULAR MEETING MINUTES**  
**Tuesday, March 16, 2021 at 5:45 P.M.**  
**Zoom Meeting/Simsbury Community Television Live Stream**

**PRESENT:** Lisa Heavner, Arthur House, Robert Pomeroy and Linda Schofield.

**ALSO PRESENT:**

Melissa Appleby, Deputy Town Manager; Sean Askham, Deputy First Selectman; Jackie Battos, Selectman; Nick Boulter, Chief of Police; Maria Capriola, Town Manager; Orlando Casiano, Parks Superintendent; Lisa Karim, Library Director; Wendy Mackstutis, Selectman; Amy Meriwether, Director of Finance; Chris Peterson, Selectman; Tom Roy, Director of Public Works; Jeff Shea, Town Engineer; Tom Tyburski, Director of Culture, Parks and Recreation; and Eric Wellman, First Selectman.

**1. Call to Order - Establish Quorum**

Mr. Pomeroy called the meeting to order at 5:48 P.M.

**2. Pledge of Allegiance**

All present stood for the Pledge of Allegiance.

Mr. Pomeroy opened the meeting by stating the primary goal of the meeting is to hear the presentation of the Board of Selectmen's FY21/22 budget.

**3. Presentation: Board of Selectman FY2021/2022 Budget**

Mr. Wellman and Mr. Askham reviewed the Board of Selectmen priorities which were the basis behind the town budget.

Mr. Wellman noted that the Town of Simsbury has experienced 8% cumulative growth in the population over the past 9 years, which has impacted their town's ability to deliver services as they have more residents to serve. He stated the grand list increased over the past year by 2.93% or \$73,457,208 generating approx. \$2.7M in new revenue, which comes from a mix of real estate, motor vehicle, and personal property. Mr. Wellman pointed out the top 20 taxpayers, and how different they are from 3-5 years ago, which speaks to how the new growth is not only reflected in the grand list but also in who the largest taxpayers are.

An overview of the budget was provided which reflected a total operating budget of \$24,887,734, an increase of \$783,097 or 3.25%. Mr. Wellman added that this equates to a 0.67%, or \$54 yearly increase impact on a median valued single-family home. Budget drivers included contractual salary increases, debt service and pension/OPEB contributions. He also mentioned some service improvements which included a temporary assessor position (\$55,603), a parks facility maintenance technician (\$96,982 including benefits), professional development for Parks & Rec Staff (\$2,500), police de-escalation training (\$8,612), library materials (\$8,000), SPIRIT Council data collection (\$22,000), and Meals on Wheels funding (\$2,000 funded by Darling Trust). He noted the Board of Selectmen budget reflects pension assumptions of

updated mortality tables with an amortization period of 20 years, to be review by the Board of Finance.

Mr. Askham provided an overview of the Capital projects. He summarized the two largest projects, which were the Latimer Renovation from the Board of Education side, and the Meadowood Acquisition from the town side. He stated the 6-year capital plan was revised extensively in the out years, which was a new exercise for the Board on the advice given by the Board of Finance. He noted the capital plan was revisited in the out years so that the 8% debt service target guideline was met, which resulted in some projects being removed from the list, including the Henry James 6<sup>th</sup> grade addition, the Community Center, and Drake Hill repairs. He added that these projects are still a priority however the numbers need to be discussed further and they will be revisited, and reprioritized next year.

Ms. Heavner asked about the approved grant for the North End and whether staff had capacity to complete that work and the proposed routine sidewalk maintenance. Ms. Capriola confirmed that both projects can be managed; Mr. Roy added that an outside consultant is designing and managing the North End sidewalk construction and agreed that in-house staff would not have been able to handle both projects.

Mr. Askham explained how the Board of Selectmen and Board of Education reprioritized the Capital Improvement plan to make it fit within the 8% debt service guideline of the Board of Finance. Changes included moving out the Henry James 6<sup>th</sup> grade, the Senior Center and other large capital projects like Drake Hill. The Board of Selectmen will continue discussing those projects and will be revisiting, reprioritizing and restructuring projects in the future years with more substance around the numbers being proposed.

Mr. Askham then reviewed the proposed CNR projects and the various ways of funding. Mr. Pomeroy asked for the balance in the Capital Reserve Fund. Ms. Meriwether confirmed the Capital Reserve Fund total is \$3,934,820. Approximately \$1,929,000 of the balance is bond premium, resulting in \$1,979,000 available for capital. If everything proposed in the Board of Selectmen's budget for Capital Reserve funding was taken out, the balance would be \$1,600,102. Mr. Pomeroy asked how the CNR project numbers compare to prior years. Ms. Meriwether said they are around the same as last year. Ms. Meriwether noted this is the first year using the Capital Reserve Fund..

Mr. Pomeroy noted that while the Board of Finance has traditionally focused on the current year budget, we will be taking a longer view and look at how capital projects, some of which have large price tags, impact out capacity to pay, taxpayers, and the policies of the town. Ms. Meriwether reviewed a visual on debt service budget modeling for years FY22- FY27. A conversation followed on the priority of projects. Ms. Meriwether confirmed the Latimer project would be bonded for a 20-year term and all other projects would be bonded for 10-year terms.

Mr. Pomeroy and Ms. Heavner spoke about funding Meadowood with bonds instead of using cash, to make cash available for other projects on the CNR. Ms. Heavner noted that using the Capital Reserve Fund cash for Meadowood would have impacted Culture, Parks and Recreation and Public Works projects. Ms. Meriwether said she consulted with the bond advisor who

created a manual amortization schedule which varied the payments per year to stay at or below an 8% debt service cap.

Ms. Schofield noted Meadowood is a nice to do project and had concerns around the Meadowood project being a priority over some of the other projects that did not make the list. Mr. Askham said he thinks the right choices were made overall, and hard decisions will need to be made in FY23/24 as needed.

Ms. Heavner stated debt service expenditures are a big increase this year because of the Henry James issuance and a conversation followed on debt planning. Ms. Heavner said she remains hesitant with a lot of policy changes at one time and expressed concerns over the effects on the S&P ratings. Ms. Meriwether stated she reviewed the potential changes with the bond advisor and he did not feel the proposed changes would impact the Town's bond rating. Ms. Meriwether noted that the rating agencies would have concerns if changes were made year over year.

Mr. Pomeroy discussed the pension fund and the recommended assumptions that they would like the Board of Selectmen and Board of Education to include in their budgets. He recommended using the new mortality tables and a 17-year amortization period. Mr. Pomeroy noted that Milliman is recommending the town be at 6.25% for the pension investment assumption instead of the 6.5% target we had anticipated. Mr. Pomeroy recommended we implement the pension investment change over a four-year period. He noted the consultant from Milliman advised this is a good approach to get the town on a good path to where we need to be. The floor was opened for discussion which followed.

**MOTION:** Ms. Heavner made a motion for the pension to go to 17-years amortization period, do 1/8 reduction in pension investment interest rate assumption, and adopt the new mortality tables. Ms. Schofield seconded the motion. It was discussed, all were in favor, and the motion carried unanimously.

#### **4. Amended Debt Policy Management**

Mr. Pomeroy stated the debt policy needs to be amended to be in compliance with the anticipated increased debt service. This Policy is a joint policy of the Board of Finance and Board of Selectmen. He noted the proposed policy was discussed with Ms. Meriwether and Ms. Heavner and it was designed to be within a range as opposed to a fixed number. Ms. Schofield asked if there was a way to articulate within the policy that the only time to get to 8% would be when doing a single large project as opposed to having it remain at the 8% in future years. A discussion followed on the levy calculation, the CNR projections, and the effect on the mill rate for future years.

**MOTION:** Ms. Heavner made a motion, effective March 16, 2021, to approve the amended debt management policy as presented to allow for a debt service range between 6-8%. The Board of Finance will review the debt service percent of operating on an annual basis and formally set the target debt as percent of operating during the budget process. Mr. House seconded the motion. Mr. Pomeroy, Ms. Heavner and Mr. House were in favor. Ms. Schofield was opposed. The motion passed 3-1.

Mr. Pomeroy reviewed the timeline to present the budget to the public hearing which is currently scheduled for April 6<sup>th</sup>. The recommended updates to the Board of Selectmen budget which included the changes discussed on the pension, the bonding of Meadowood and Ms. Heavner added a requirement to find 100K-150K in cuts. Ms. Heavner also asked to wait to approve the budget as there was an ask to see the appraisal on Meadowood. Ms. Capriola confirmed she did receive the appraisal and will be setting up a meeting to review it. There was also an option to share the results in Executive Session at the conclusion of this meeting. Ms. Schofield brought up a question on zoning of Meadowood which Mr. Askham said there should be no issues but will look into it. Discussion followed on the timing of the Executive Session and the finalization of the budget to send to public hearing. Mr. Pomeroy asked for a meeting to be set up with the appraiser and then a special meeting of the Board of Finance to make the motion to send the budgets to the public hearing, with the goal to stay on track for the April 6<sup>th</sup> public hearing.

**MOTION:** Ms. Heavner made a motion, effective March 16, 2021 to request the Board of Selectmen make reductions of \$100-\$150K in their operating budget, including revenues. Ms. Schofield seconded the motion. It was discussed, all were in favor, and the motion carried unanimously.

#### **5. Proposed Supplemental Appropriation Request**

Ms. Capriola spoke about Phase 2 of the lighting upgrade and improvements project for Simsbury Farms. Part of the project entailed installing lighting at the basketball courts at an estimated cost of \$49,000. She said Friends of Simsbury Farms and a private donor have offered \$36,000 to expedite the project, leaving a balance of \$13,000. Ms. Heavner asked how the project is being funded and Ms. Capriola confirmed it was an approved capital project and they are moving part of Phase 2 scope into Phase 1. She confirmed this spend will be taken out of the Capital Reserve fund which will decrease by \$13,000.

**MOTION:** Ms. Schofield made a motion, effective March 16, 2021 to approve a supplemental budget appropriation of up to \$13,000 from the capital reserve fund for the construction of outdoor basketball court lighting at Simsbury Farms. Mr. House seconded the motion. It was discussed, all were in favor, and the motion carried unanimously.

#### **6. Adjourn**

**MOTION:** Ms. Schofield made a motion to adjourn at 8:22 P.M. Mr. House seconded the motion. All were in favor and the motion passed unanimously.

Respectfully submitted,

Marion Lynott  
Commission Clerk