

**Board of Finance
TOWN OF SIMSBURY, CONNECTICUT
REGULAR MEETING MINUTES
Tuesday, March 9, 2021 at 5:45 P.M.
Zoom Meeting/Simsbury Community Television Live Stream**

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

ALSO PRESENT:

Sean Askham, Deputy First Selectman; Jackie Battos, Selectman; Maria Capriola, Town Manager; Jason Casey, Director of Infrastructure & Technology; Matt Curtis, Superintendent of Schools; Tom Fitzgerald, Management Specialist; Wendy Mackstutis, Selectman; Amy Meriwether, Director of Finance; Chris Peterson, Selectman; Tom Roy, Director of Public Works; Neil Sullivan, Assistant Superintendent; Eric Wellman, First Selectman; Jennifer Batchelor, Board of Education; Todd Burrick, Board of Education; Susan Lemke, Assistant Superintendent of Teaching and Learning; Lydia Tedone, Board of Education; Jeff Tindall, Board of Education; Sharon Thomas, Board of Education; Brian Watson, Board of Education; Tara Willerup, Board of Education; Jenn Castelhana, Milliman; Jeff Wyszynski, Tecton Architects

1. Call to Order - Establish Quorum

Mr. Pomeroy called the meeting to order at 5:49 P.M.

2. Pledge of Allegiance

All present stood for the Pledge of Allegiance.

Mr. Pomeroy opened the meeting by welcoming guests from the Board of Selectmen and the Board of Education. He stated the primary goal was to hear the FY21/22 budget presentation from the Board of Education and a presentation from the pension consultants, Milliman.

3. Presentation: Board of Education 2021/2022 Budget

Mr. Curtis went through the Superintendents proposed operating budget of \$73,643,930, an increase of \$1,335,455 or 1.85%.

He noted enrollment projections are expected to increase by 60 students, and they are in a good position from a staffing and enrollment standpoint. In reviewing the current year, Mr. Curtis stated that they repurposed approximately 17 positions and added 5 positions to enable distant learning and to lower class sizes due to COVID. He mentioned one of the primary goals of the budget was to establish intervention and support systems for students impacted by distance learning.

Mr. Curtis went over the major drivers of the budget, outlining 80% is made up of salaries and benefits with a proposed increase of \$1,510,373 or 2.07% overall. Mr. Curtis provided details on the proposed operational efficiencies which included a reduction of \$300,000 for 5 non-certified positions, \$175,000 savings in staff retirements, \$119,139 in administration savings due to the central office restructure, \$30,000 reduction in instructional supplies, and \$223,696 in equipment

savings mainly due to the use of anticipated grant funding for technology. Lastly, he spoke to the one new proposed position for a Director of Equity. Questions followed from Ms. Schofield on student enrollment and increased insurance rates. Ms. Meriwether confirmed the insurance increase is due to the Henry James addition as well as the additional cyber security insurance.

Mr. Curtis noted they will need to utilize some of the non-lapsing and ESSER grants funds because of the \$900,000 COVID related deficit for the current year. COVID expenditures included expenditures for technology equipment, desks, cleaning supplies, dividers and staffing. Ms. Schofield asked if the new stimulus plan can be used to offset some or all of these costs and Mr. Curtis confirmed it's a possibility and there was more to come on this.

Ms. Heavner asked if there was new information on the status and amount of the federal money. Ms. Meriwether spoke to some potential uses and restrictions but noted official guidance from the State has not been provided as of yet. She noted that the money can be used for thru 2024 as well.

Mr. House asked about the competitiveness of the town in comparison to nearby towns with regards to teacher's salaries and inquired if teachers are lost to other districts who can offer a more competitive package. Mr. Curtis responded that the staffing is generally stable, however some of the local districts are more competitive in the mid-level staffing area, but overall, this is not a huge issue for the District.

Mr. Sullivan spoke in relation to the Latimer Lane Capital project with a cost to Simsbury of \$25,703,175. Total project costs estimated, before State reimbursements, is \$36,792,406. He gave an overview of the scope of the work and the items that would be addressed to bring greater efficiencies to the building over the long term. He mentioned the Henry James 6th grade addition was taken off the capital plan but is still an important project. Latimer Lane is their top priority. Squadron Line and Tootin' Hills were also part of the long-range plan. Mr. Pomeroy asked about operating savings longer term that would come from renovating these buildings and repurposing the distribution of grades and students to a more efficient level. Mr. Sullivan responded that the community was not supportive of closing a school. Mr. Curtis mentioned that putting sixth grade together in one building would gain some level of efficiency, but the savings would not be enormous. Mr. Curtis confirmed that major efficiencies cannot be accomplished with a neighborhood school model. A conversation followed on the necessity of all schools and the stacking/timing of each project. Ms. Schofield asked to include the increases in operational costs in the capital sheet. She also asked about the pre-K tuition fees and it was clarified that the fees cover the operational costs, but not the capital costs which will be a taxpayer funded expense.

Ms. Heavner asked about the methodology for determining the cost of the project and Mr. Wyszynski stated it is based on historical averages, and the constructions costs are at the mid-point of what they are seeing in the field. He said this will result in a good quality, energy efficient; building that will structurally last for 50 plus years and with building systems to last for 20-30 years. Ms. Heavner said she would be interested in seeing a net savings analysis, where if you spend a little more at the beginning you save a little more in operating costs over the life of the building. Mr. D. Peterson added that the costs that are projected now will increase dramatically over time and recommended taking a look at hard cost numbers on a regular basis to

avoid the potential of blowing the budget, even with the inclusions of current escalators and contingents.

Mr. Casey provided an overview on the stadium bleachers and press box replacement capital project. The request for \$600,000 is a reduction from last year's request due to a reduction in seating capacity. Mr. Casey also presented an additional project request of \$250,000 for security improvements covering multiple schools. A discussion followed to get more clarity around these projects.

4. Presentation: Millman

Ms. Castelhana presented on the pension plans target allocation and how it relates to Milliman's capital market assumptions. The expected long term target interest rate assumption is 6.1%. She provided estimated numbers on the 3 pension plans and the OPEB (Other Post-Employment Benefits) which were broken out into three sections; government employees, police employees and the education employees. She encouraged the adoption of the Pub 2010 mortality table and suggested extending to a new 20-year closed amortization period. For the longer periods she explained the basic premise is "you pay now, or you pay more later" as with any loan. She discussed the difference between an open, closed and layered amortization methods. She recommended 6.25% is the target which is a change from what was heard in the past and is a moving target. Mr. Pomeroy asked if extending the amortization period would have a negative effect on how bonding is viewed. Ms. Castelhana said it would not. It is common practice to see a refresh in the amortization period. Mr. Pomeroy asked for the presentation slides to be shared so that the board can review and think about how to move forward.

5. Approval of Minutes – February 16, 2021

Ms. Heavner requested to reference the topic of the Executive Session. Mr. House had various recommended updates and Ms. Schofield made a suggestion to have the draft of the minutes reviewed prior to publishing.

MOTION: Ms. Schofield made a motion to approve the minutes of the January 19, 2021 in their current state, with a recommendation that they are reviewed by Town Staff prior to being published. The motion was seconded by Ms. House. All were in favor and the motion passed unanimously.

6. Lighting Upgrade Loan Agreement

Mr. Roy provided an overview of the energy upgrade project for the lighting work completed at Simsbury Farms, the Library and Town Hall. He said through the town CT Energy Efficiency Fund they were able to do a \$250K project with \$126K in rebates, and now they have the ability to pay for that over 4 years at a 0% loan. During the first 4 years of paying back the loan there will be a savings of about \$10K a year and once the loan is paid off there will be a savings of around \$40K a year. He said they are looking to see if similar work can be done at the Performing Arts Center.

MOTION: Ms. Schofield made a motion, effective March 9th, 2021, to authorize Town Manager Maria Capriola to execute agreements with Eversource for each of the three lighting upgrade projects as presented. Mr. Peterson seconded the motion. There was some discussion. All were in favor and the motion passed unanimously.

7. Adjourn

The meeting ended at 8:07 P.M. (There was no motion to adjourn)

Respectfully submitted,
Marion Lynott
Commission Clerk