

**Board of Finance
TOWN OF SIMSBURY, CONNECTICUT
SPECIAL MEETING MINUTES
Monday, February 27, 2023, at 5:45 P.M.
In Person Meeting /Simsbury Community Media Live Stream**

PRESENT:

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

ALSO PRESENT:

Amy Meriwether, Director of Finance; Francine Beland, Assessor; Chris Kerin, Municipal Revaluation Services; Steven Kosofsky, eQuality Valuation Services; Jay Cembruch, eQuality Valuation Services; Kerri Kazlauskas, eQuality Valuation Services; Nikoleta McTigue, CliftonLarsonAllen and Jessica Aniskoff, CliftonLarsonAllen

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. Public Audience

There was no public audience present.

Ms. Heavner opened the meeting with remarks from the Chair including a thanks to Simsbury Media, and Ms. Beland and Ms. Meriwether on their work on the budget. She mentioned that she and Mr. Helfand attended the BOE budget workshop and thanked everyone for their work on that and asked that Mr. Curtis forward a copy of the Presentation to her and to post it on the Town Budget website. She mentioned that Francine will get to the Assessor Performance audit RFP after the Grand list and budget preparations are complete. She thanked Ms. Schofield for the draft RFP's and best practices from other towns and asked Ms. Meriwether to send them a copy of the RFP before it goes out. She asked the clerk to record all requests from the Board of Finance members.

4. Presentation: Revaluation Assessment

eQuality Valuation Services team presented on the town reevaluation and said his findings included an average increase of residential properties is around 28% and said this was on the lower end in comparison to other towns. He mentioned some towns/cities went up over 40% and said Simsbury's values were solid going into the reevaluation. He said the revaluations were based off of sales during October 2021 through October 2022, which was the States requirement, and the increase is based off the current market.

eQuality Valuation Services team went over the pre-submitted questions from the Board and addressed them. Ms. Beland provided an overview of the process and what was done in order to determine the data and numbers. Mr. Doyle asked how many additional houses were visited by Ms. Berland who confirmed she would get back to the Board with the numbers. The Board asked further questions on the numbers from the revaluation company and Ms. Beland and eQuality Valuation Services team said the numbers really come from the sales and then they

build their cost tables from that and adjust accordingly. They added that this information is for residential only and does not include commercial. A discussion followed on the scope of the work, and the Board continued to ask questions from the consultants to further understand the process, security around their system, scope of houses included, how outliers were handled, how the numbers were determined, how many other towns they worked with, etc.

Mr. Kerin spoke about the commercial properties giving an overview of the process and how the numbers were derived. Mr. Peterson added comments on the analysis which he said was overall very thought-out and succinct. Mr. Kerin shared information on Federal Funds vs Cap Rates and explained those numbers and their input. He summarized that apartment categories increased the most, followed by industrial, retail, and office class which he said had been struggling the most. Ms. Heavner asked for the top 10 taxpayers and Ms. Beland said she would provide that information. Mr. Kerin said they did a site visit on about a dozen properties. Mr. House asked about the increase in value of the new apartment buildings in Simsbury and Mr. Kerin confirmed they have increased significantly at around 50% – 60% over the past 5 years. Ms. Heavner asked if Ms. Beland has been seeing appeals and she confirmed they are working through the process, and they would know in the next few weeks. Ms. Heavner asked about the commercial appeals and Ms. Beland said they had about a couple of dozen.

Ms. Meriwether reviewed the revised Grand List showing a 26.95% increase generating approx. \$22.4M in new revenue. It was broken down into three categories of Real Estate, Personal Property and Motor Vehicle. She added without revaluation the Grand List increased 2.34% generating approx. \$2.3M in additional revenue which was close to the finalized numbers. Ms. Heavner asked if anything significantly changed from the Tri-board meeting and Ms. Meriwether confirmed a small increase of around .05% but nothing significant.

Ms. Heavner asked for the reason there is 2.3M in New Economic Development, without reval, when a few years ago it was projected at \$900,000, and Ms. Berland confirmed there was a lot of discovery and that it did include new construction. She said she would have to do another analysis of the numbers to determine exactly and explained the numbers included both the Reval company and what she discovered.

Ms. Heavner explained that taxes went up and she is trying to articulate to residents the reason for this whether it's because of the reval, because their homes went up, or because they're spending more, or they didn't generate enough new revenue, etc. Mr. Helfand explained the reason they are looking for solid numbers on how much new revenue they will make as fixed costs for the Town are increasing significantly and new growth makes it easier to pay the bills without raising the taxes a lot. Ms. Beland said she will be adding pro-rated assessments to the current grand list numbers before May and currently does not know how much this will be. Ms. Berland said her estimates are already submitted and the 2.3M number will not increase much before the Mill rate is set.

Ms. Heavner said they will be including a performance audit for the Assessor's office in FY24 as it is an important role for the town and thanked Ms. Beland for her continued work. Ms. Heavner asked for a copy of report filed with the State and Ms. Beland said she has filed her grand list, but she now has reporting to do, and Ms. Heavner asked that when she has it to send them a copy.

5. Presentation: Fiscal Year 2021/2022 Audit

Due to a technical difficulty this presentation was postponed.

6. Finance Director's Report

Ms. Meriwether said the report included an updated listing of grants and the total appropriations through the year. She asked the board if they had questions. Ms. Heavner said they had asked for a list of grants awarded and applied for so that they can make a policy call later and they can decide whether or not to budget for them. A discussion followed around the thinking behind this list and the value it provides.

7. Town Quarterly Budget Status Report

Ms. Meriwether provided an overview of the quarterly report. Ms. Heavner asked about three projects that were showing no expenditures for three years, FY2020 Radio Feasibility study for \$35K, FY2020 Asphalt Trailer for \$37K, and the Sanatory Sewer Lining for \$100K. Ms. Meriwether provided explanations that they will all be closed out at the end of the year and they are not spending that money. She explained that they will be waiting until the 3rd quarter on the EDC line item overage and will recommended a transfer during at the Board of Selectmen meeting. She added they want to make sure they have solid estimates as to where they will land at year end before they make the transfer request.

Ms. Meriwether made note on the Henry James project showing an anticipated \$3.9M unspent budget explaining they did not bond for that entire project so their cash balance in that account is approx. \$2M. She added once the State audit is complete, they can reallocate that \$2M in savings to other projects that are bond funded and reduce their borrowing. Ms. Heavner asked for a fiscal note to be added on that for the next meeting. Ms. Meriwether confirmed the audit has started on Phase 2 but not Phase 3. She added the state is 7 years behind and Phase 1 audit is not complete yet - an admin is following up on that. Mr. Peterson asked if they have to wait for the audits to be complete to start reallocating funds and Ms. Meriwether confirmed it's a risk if they do it prior. Mr. Peterson said he would be ok taking some of the calculated risk seeing as they are so far behind. Ms. Heavner added that she asked Ms. Meriwether to look into what do they do with their cash assets that they can't touch, and added they should be at least earning 4% instead of the 0.5% that they have. Ms. Heavner asked Ms. Meriwether to come prepared for future budget meeting to explain why there is large unspent or budget savings. Ms. Meriwether explained the 70% budget savings for the Boiler Replacement project.

8. Board of Education Quarterly Budget Status Report

Ms. Meriwether spoke about the Board of Education budget stating they will have an anticipated deficit. She added they are currently reviewing everything and will have the final numbers and anticipated plan to see if they have sufficient savings to cover the deficit and present at the March 7th meeting. Discussion followed. Ms. Heavner asked Ms. Meriwether to break down the multiyear plan for the non-lapsing fund so they can see what's available for use in the current

budget and what is already planned for. Ms. Heavner asked that the Expenditures chart used for both the Town and Board of Education are comparable.

9. Supplemental Appropriation – Emergency Repairs to DPW Garage Furnace

Ms. Heavner provided an overview of the supplemental policy and added there are exceptions in dire circumstances when there is an immediate threat to life and safety where there is not time to hold a meeting. She said the request from Public Works does not fall into this exception and added that she was not sure why it is a supplemental appropriation. She recommended Public Works should review again and find savings within their budget which would just require an approval from the Board of Selectmen and not the Board of Finance. The Board agreed and said if they are unable to find savings, they can come back.

A conversation followed on the max dollar amount for emergency supplementations and the guidelines around when to use them. Ms. Heavner said they need to tighten up the emergency procedure.

10. Appropriation of Congressionally Directed Spending for Police Department IT Needs and to Create CNR Project

Ms. Meriwether provided an overview of the request stating that Chief Boulter and IT Manager Rick Bazzano received federal funding for technology upgrades. They have received the funds and need to both appropriate the funds and create a corresponding CNR project. She added the Board of Selectmen reviewed and approved this request at their meeting on February 15, 2023.

MOTION: Mr. Doyle made a motion, effective February 27, 2023, to appropriate funds received from the Congressionally Directed Spending Request in the amount of \$70,000 for Technology Upgrades for the Simsbury Police Department. Further move to create a CNR project for Police Department IT Needs and appropriate the funds received towards that project. Mr. Helfand seconded the motion. All were in favor and the motion passed unanimously.

11. Annual Report Review

Ms. Heavner said she was grateful for the inclusion of the glossary in the Annual Report and asked that before the report goes out that they include a list of all elected and appointed officials as a thank you for all their hard work and effort. She added that for next year if they can include performance / activity indicators, so people know where their money is going towards.

12. Budget Discussion

Ms. Meriwether provided an overview stating the town's operating budget numbers are increasing about 7% and translates to an estimate mill rate of 31.02 mills, not inclusive of the fire district. Ms. Heavner asked that the budget modeling to be emailed to the Board and reviewed the numbers and possible outcome. The numbers are coming in at \$289K more than at the Tri-Board meeting. A conversation followed between Ms. Heavner and Ms. Meriwether on the calculations and the message to convey to the public. Ms. Heavner asked that the numbers get a little more accurate so the message can be clear around how much residents can expect taxes to change and why for both this year and the following year. She provided an overview of the main drivers for the increase.

MOTION: M. Helfand made a motion, effective February 27, 2023, to call a Special Meeting on Wednesday, March 1, 2023. Mr. House seconded the motion. All were in favor and the motion passed unanimously.

13. Approval of Minutes

- December 13, 2022
- January 17, 2023

MOTION: Mr. Helfand made a motion, effective February 27, 2023, to approve the minutes as amended for December 13, 2022, and January 17, 2023. Mr. House seconded the motion. All were in favor and the motion passed unanimously.

14. Communications

- Pension Plan Fiduciary Duties Legal Opinion
- November 2022 Building Department Financial Report
- December 2022 Building Department Financial Report

Ms. Heavner said they received a Pension Plan Fiduciary Duties Legal Opinion which did not state who was in charge of doing their policy, so she was not sure if they got what they needed. It was tabled for review later as it may require follow-up.

15. Adjourn

MOTION: Mr. Helfand made a motion, effective February 27, 2023, to adjourn the meeting at 8:51 P.M. Mr. Peterson seconded the motion. All were in favor and the motion passed unanimously.

Respectfully submitted,
Marion Lynott
Commission Clerk