**Board of Finance**

**TOWN OF SIMSBURY, CONNECTICUT**

**SPECIAL MEETING MINUTES**

**Tuesday, May 18, 2021 at 5:45 P.M.**

**Zoom Meeting/Simsbury Community Television Live Stream**

**PRESENT:** Lisa Heavner, Arthur House, Derek Peterson, and Robert Pomeroy

**ALSO PRESENT:** Sean Askham, Deputy First Selectman; Tom Fitzgerald, Management Specialist; Amy Meriwether, Director of Finance

**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

**3. Finance Director’s Report**

Ms. Meriwether provided an update on Grants and Donations then reviewed the anticipated American Rescue Plan funding, which is emergency funding released by the Federal Government and passed through the State. She stated Simsbury is expected to receive approx. $2.5M in Town funding and $966,442 in Board of Education funding. She provided an overview of eligible uses for these funds which include providing services to mitigate the spread of COVID-19, responding to revenue losses, improvements to water and sewer infrastructure, services to address health disparities, anything addressing the negative economic impact, premium pay for essential workers, and improvements related to the broadband infrastructure. Ms. Meriwether stated staff is putting together a proposed list of uses which will be discussed at future Board of Selectmen and Board of Education meetings. She said further guidance will be needed to determine what can be funded, and Ms. Heavner added that her understanding of the involvement of the Board of Finance is limited to the role of appropriation. She said they will provide transparency, spend reporting, communications and give feedback as part of community input, and asked Ms. Meriwether to keep the Board updated as she received more guidance. Ms. Heavner also mentioned that there is a possibility to receive community grants for counties. Initial projections for County allocations are close to $5M. She added there may also be additional library allocations, but nothing is confirmed yet.   
Ms. Meriwether talked about the Latimer Lane Project and reported that Tecton presented detailed project specifications at the last Board of Education meeting. This presentation was shared with the Board of Finance.

**4. Town Quarterly Budget Status Report**

Ms. Meriwether reported as of March 31, 2021, revenues total $99,493,677 or 97% of the budget. She outlined some of the drivers including the Tax Department being over 100% of collections, the Building Dept exceeding budget estimates by $580K, the Town Clerk’s recording fees are currently over budget by $60K and conveyance taxes are at 100% of budget. She reported the Finance Department is not going to meet their budget and are currently at $350K under budget for investment income. Ms. Meriwether stated that a surplus of approx. $700K is anticipated on the town side. Ms. Heavner said it would be helpful to include projected reserve levels and corresponding percentage to the report going forward. Ms. Meriwether reported on expenditure which totaled $76,058,525 or 73% of budget and are currently proceeding in accordance with budget. She mentioned the Simsbury Farms fund’s revenue is more than expenditures by about $239K and overall $110K to the good compared to this time last year. For The Health Insurance Fund, she reported revenues are exceeded expenditures by $1,154,888 and if claims continue as they have been there will be a potential savings of $1.7M. Reserves as of March 31, 2021 totaled $5.5M, or 37% of expected claims.

Ms. Heavner asked for future reports to include the year capital projects were approved, the original appropriation, and any projects that have exceeded the 3-year mark where an extra appropriation is needed.

**5. Board of Education Quarterly Budget Status Report**

Ms. Meriwether reported some highlights on the revenue side for the Board of Education which included a notification received in April for an additional award of $7K for the Open Choice Academic and Social Support grant to be used by the end of the year. Simsbury was awarded $1.5M from the Open Choice Attendance and Early Learning grant, which is an increase of approx. $26K. On the Special Education grant she reported a final award of approx. $1.8M and the Talent Development (TEAM) received a small grant of $4,302 which is a decrease of $713 compared to last year. She reported on the expenditure side most of the fluctuations from the previous year to this year was mainly COVID related. She said they have implemented a spending freeze and are expecting a deficit of approx. $900K. The Board of Finance previously appropriated approx. $650K of the non-Lapsing fund to help cover this cost and the remainder is anticipated to be covered by grants.

**6. FY21/22 Setting of the Mill Rate**

Mr. Pomeroy opened the conversation stating the final step in the budget making process is for the Board of Finance to formally set the mill rate for FY21/22. The proposed increase is from 37.09 mills to 37.41mills for the town, which was identified during the budget process. He noted the mill rate for the Fire District was set at 1.22 mills from 1.19 mills which was an increase of approx. 2.5%. The combined tax mill rate will increase to 38.63 mills.

**MOTION**: Ms. Heavner made a motion, effective May 18, 2021 to set the mill rate for the Fiscal Year 2021/2022 at 37.41 mills. Mr. House second the motion. All were in favor, and the motion carried unanimously.

**7. Supplemental Appropriation for North End Sidewalk Project**

Mr. Pomeroy noted there is no additional impact on the town because when the price of this project increased the grant also increased.

**MOTION:** Ms. Heavner made a motion, effective May 18, 2021 to approve the supplemental appropriation request for the North End sidewalk project as presented. Mr. Peterson second the motion. All were in favor, and the motion carried unanimously.

**8. Approval of Tax Collector Suspense List**

Mr. Pomeroy asked for clarification on how the current suspense list of $88K compares to previous years and Ms. Meriwether confirmed it’s the same or less. He stated that these debts are not forgiven and are still owed and represented by tax liens on vehicles and property, but for administrative purposes this allows the Tax Collector to move these into a separate column.

**MOTION**: Mr. Peterson made a motion, effective May 18, 2021 to approve the suspense list in the amount of $88,866.42 and authorize Tax Collector Colleen O’Connor to transfer these accounts to the Suspense Tax Book. Mr. House second the motion. All were in favor, and the motion carried unanimously.

**9. Request to Establish a Special Revenue Fund**

Ms. Meriwether stated that funds were received in 2010 by the senior center where it was listed as the beneficiary of a will. The money was deposited into the Social Service Contributions Special Revenue Fund and in 2011, the Board approved the use of these funds to be put towards the construction of or improvements to the Senior Center. She said since these funds have been assigned by the Board of Selectmen for a specific purpose, this purpose cannot be changed, or funds used outside its purpose without the Board’s formal approval. She provided three options as to where the funds could move to, and Mr. Pomeroy offered his opinion that they should be moved to the Capital Reserve Fund with a designation on it.

**MOTION**: Ms. Heavner made a motion, effective May 18, 2021 to transfer these funds into the Capital Reserve Fund as assigned for their stated purpose of the construction of or improvements to the Senior Center. Mr. House second the motion. All were in favor, and the motion carried unanimously.

**10. Retirement Plan Sub-Committee Quarterly Update (Oral Report)**Mr. Peterson said he attended the last Retirement Plan Sub-Committee meeting and provided an overview of the Retirement Plan quarterly update. He said interest rates and inflation are expected to increase. He reported the Simsbury Pension Plan valued assets year over year remain flat but well-funded at about 70%. He reported the Police Retirement fund had increased year over year and is well funded at about 80%. He said the sub-committee has recommended the Board of Finance take action with one of the asset allocation managers, Templeton Global Bond, and spread their allocations over the other 3 fixed income managers as they were not performing well. He said the sub committee also recommended all the changes and updates provided by Ms. Heavner on the Deferred Contribution Plan Investment policy.

**MOTION:** Mr. House made a motion, effective May 18, 2021 to accept the changes to eliminate Templeton Global Bond fund and spread their allocations over the three remaining fixed income managers of Metropolitan West, Western Asset Core, and Blackrock. All were in favor, and the motion carried unanimously.

Mr. Pomeroy spoke about the updates submitted to the Investment policy for the Defined Contribution plan. Ms. Heavner provided an additional change of eliminating the line “The Town Manager is responsible for selecting the Plan’s Administrator” as there is confusion around what that means. It has been raised and is currently being reviewed for clarification by Counsel.

**MOTION:** Ms. Heavner made a motion, effective May 18, 2021to approve the draft of the Defined Contribution Investment Policy statement with the eliminations of the words in Section IV #3 “The Town Manager is responsible for selecting the Plan’s Administrator”. The motion was seconded by Mr. House. All were in favor and the motion passed unanimously.

**11. FY22/23 Capital Project Budget Workgroup**Mr. Pomeroy suggested forming a work group to move the capital project part of the budget out of the operating / Referendum process and start working on it earlier in the year. He added it gets lost in the overall process and that these projects are longer-term projects and don’t rely on the previous year’s budget numbers. He suggested starting this process in the Summer and by the end of the year they would have it complete before working on the operating budget in Jan/Feb. Mr. House agreed with the recommendation and Ms. Heavner agreed also adding to ensure policy changes were reviewed and projects were communicated. Mr. Pomeroy suggested the Board think about it further and determine how it’s communicated formally to the other two Boards, and perhaps make a recommendation and get it on their agenda to discuss and act on in July, if possible.

**12. Approval of Minutes**

**MOTION**: M. House made a motion to approve the minutes of the April 6, 2021 Regular Board of Finance Meeting and Public Hearing as presented. The motion was seconded by Mr. Peterson. All were in favor and the motion passed unanimously.

**13. Communications**

Communications provided in the packet included the Tecton Architects Presentation on the Latimer Lane Renovation. Mr. Pomeroy said it’s good to see the plans and be kept informed.

**14. Adjourn**

**MOTION:** Mr. Peterson made a motion to adjourn the meeting at 6:32 P.M. Mr. House seconded the motion. All were in favor and the motion passed unanimously.

Respectfully submitted,

Marion Lynott

Commission Clerk