

**Board of Finance
TOWN OF SIMSBURY, CONNECTICUT
SPECIAL MEETING MINUTES
Tuesday, July 21, 2020 at 5:45 P.M.
Zoom Meeting/Simsbury Community Television Live Stream**

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

ALSO PRESENT: Nick Boulter, Police Chief; Maria Capriola, Town Manager; Tom Fitzgerald, Management Specialist; Amy Meriwether, Director of Finance/Treasurer; Eric Wellman, First Selectman; Tyler Polk, Fiduciary Investment Advisors

1. Call to Order - Establish Quorum

Mr. Pomeroy called the meeting to order at 5:46 P.M.

2. Pledge of Allegiance

All present stood for the Pledge of Allegiance.

3. Approval of Minutes - June 16, 2020

The following changes were made to the minutes:

- Under Item 4. Finance Director's Report, sentence 9 should read, "Ms. Meriwether gave an update on the *Cafeteria* Fund..."
- Under Item 8. School Facilities Long Range Planning Update, the last sentence should read, "Mr. Peterson indicated that Techton will most likely come to the August meeting to discuss their work."

MOTION: Mr. Peterson made a motion to adopt the minutes of the June 16, 2020 Regular Meeting as amended. The motion was seconded by Mr. Prell. All were in favor and the motion passed unanimously.

4. Finance Director's Report

Ms. Meriwether referenced the approved grants and donations listing on her report.

Under COVID-19 Related Items, under the Tax Deferment Program, Ms. Meriwether noted this program is now closed. It ended with a total of 93 applications and about \$850K in taxes was deferred. She added that pre-COVID, advance collections were typically around \$100K to \$200K and this year almost \$10M has been received.

Ms. Meriwether discussed COVID expenditures related to the General Fund as of June 30 and noted this is not reflective of year-end results. She noted total expenses and loss in revenues of \$54,079.29 from library revenue loss, building rent revenue loss, materials & supplies expenditures (PPE and cleaning supplies), additional staff/overtime expenditures (cleaning and police overtime), and technology expenditures (Zoom conference lines, cell phone lines for working remotely). Total savings from COVID-19 was \$85,704.93 from staff savings, conference & education savings, cancelled referendum savings and a land record revenue

increase due to an uptick in house sales and refinancing. Overall, there was a surplus to the General Fund of about \$31,000 on the Town side.

For the Board of Education, Ms. Meriwether noted total COVID expenses and loss of revenues from athletics programs revenue loss, materials & supplies expenditures (PPE, cleaning supplies, signage, distance learning supplies, desks required for social distancing) and food programs.

Questions and discussion followed on warehoused food, payment for coaching, any savings on utility costs due to the shutdown, FEMA reimbursement, and the net Board of Education impact.

Ms. Meriwether reported, as of now, the Board of Education has spent about \$140K in COVID-related expenditures to prepare for reopening schools, mainly related to technology, in order to be ready with three different plans, (distance learning from home, a hybrid of learning in and out of school, and back to school full time), for the fall. Additional expenditures are still coming, including Plexiglas shields and tents for outdoor learning.

Next, Ms. Meriwether referenced a Parks & Recreation revenue overview, noting a loss in special programs due to the closure and an increase in golf revenue. She noted a preliminary loss in revenues of about \$200K. She spoke about body worn cameras and car cameras, noting there may be potential State funding, to be determined in an upcoming State session.

Lastly, Ms. Meriwether reported she has been appointed to serve on the Board of Directors for the CT Government Finance Officers Association, effective July 1, 2020.

5. Police Private Duty Fund Use of Proceeds Proposal

Ms. Meriwether proposed an alternative use of the Police Private Duty Fund as there are excess revenues in this fund each year. Research has uncovered that the excess revenues in this fund were meant to be returned to the General Fund at the end of each fiscal year. Because the General Fund balance is at an appropriate level, she proposed an alternative use of these funds. She further spoke about the Police Vehicles Fund and the purchase of new admin vehicles. She spoke about staying current with the purchase of admin vehicles by having a schedule in place. Questions and discussion about vehicle mileage, cost, trade-in values, and the difference between admin vehicles versus patrol vehicles followed. Mr. Pomeroy questioned why Police admin vehicles should be treated any differently from other depreciable assets that are replaced regularly. Ms. Meriwether indicated that they are treated differently because funding is available from the fee charged for Private Duty. Chief Boulter clarified there are seven admin cars and he anticipated replacing them every seven years or one per year once we are on a regular schedule. Ms. Meriwether indicated that it is her recommendation the excess funds be used for capital and not operating, and that the excess not be placed in the General Fund. Ms. Schofield suggested the excess be placed in the Capital Reserve Fund so it can be prioritized by the Board of Selectmen. Ms. Heavner noted that it could be designated or earmarked for Police use in that fund. Mr. House noted he didn't want the Police Department dependent for essential vehicles on a fund of overtime or special duty. Mr. Pomeroy and other members agreed.

MOTION: Ms. Schofield made a motion, effective, July 21, 2020, to eliminate the Police Vehicles Fund and amend the use of the Police Private Duty Fund such that it maintains an

adequate balance to cover the costs of executing the Private Duty Fund. Any excess fund balance will be transferred to the Capital Reserve Fund for future capital needs. Discussion followed. Mr. Prell seconded the motion. All were in favor and the motion passed unanimously.

6. Defined Contribution and Deferred Compensation Plan Record Keeper Services Selection (Potential Investment Changes)

Mr. Pomeroy gave background and Ms. Capriola reported the Union was notified a few weeks ago. Labor counsel and Tyler Polk of Fiduciary Investment Advisors (FIA) put together communication. All Union leadership has been notified and no concerns have been received from them to date. Mr. Pomeroy noted, based on advice from FIA, making this change is in the best interests of all of the participants in the Defined Contribution Plan. Mr. Polk added that an extensive RFQ was done and noted investment flexibility and significant fee savings were key aspects of the recommendation. He noted FIA is on record recommending the ICMA implementation. There was discussion about communicating this change to the individual plan members and the effective return.

MOTION: Mr. Prell made a motion, effective July 21, 2020, to replace the Town of Simsbury's current defined contribution and deferred compensation record keeper, Mass Mutual, with ICMA. Mr. Peterson seconded the motion. All were in favor and the motion passed unanimously.

7. Proposed Fund Balance Policy

Ms. Meriwether referenced the Fund Balance Policy draft, noting she made a few small changes based on guidance from the last Board of Finance meeting. Mr. Pomeroy asked board members to review the Policy before the next meeting. Ms. Heavner requested an updated red-lined version in the original format for the next meeting. There was discussion about the fund balance percentage of 17%. Under Section V, it was noted the fund balance minimum is written as 10%. Ms. Schofield requested "public health crises" be added to the bulleted list of circumstances which may justify maintaining a fund balance exceeding 17%. Under Section VI, it was noted a comma should be added after the word "allow." Under Section I. #3. "can be used" should only be written once. Mr. Pomeroy asked that this be further discussed at the August meeting.

8. Communications

- **May 2020 Building Department Report**
- **June 2020 Building Department Report**
- **BlumShapiro SAS114 Auditor Communication**

Mr. Pomeroy noted the reports in the meeting packet. He spoke about the Meadowood project, noting the Board's strong fiduciary responsibility to the Town to run the appropriate process of evaluating the impact of any of these kinds of expenditures from a capital perspective and an operating perspective going forward, and the requirement that there be adequate meetings with the Board of Finance and public hearings. He noted concern about timing. He added that the advocate for this project should make a presentation to the Board of Finance as early as possible.

Mr. Wellman noted the Board of Selectmen is wrapping up the process of gathering input from the various boards and commissions asked to respond.

Ms. Capriola reported all but one entity provided a positive referral; the Zoning Commission gave a split referral. Further, she noted there is commentary associated with those referrals. She hopes to provide that information at the August 10 Board of Selectmen meeting. A funding model is available from TPL and was presented at the April 6 Board of Selectmen meeting, which is on SCTV for viewing and is in that meeting packet. The presentation was given again at the June 2 Open Space Committee meeting.

Ms. Heavner added that the normal Board of Finance process is a minimum of two meetings, often three, with ten days notice in the paper for hearings. She agreed with Mr. Pomeroy that a formal presentation to the Board of Finance is important.

Mr. Pomeroy noted the links to the presentations were sent to the Board of Finance members, who will reply with questions. He added it would be ideal to have this project fit into a continuum of prioritized projects for the Town.

Ms. Schofield noted concern about pushing this to referendum, adding it is the responsibility of the Board of Finance to decide if this is feasible.

9. Adjourn

MOTION: Ms. Schofield made a motion to adjourn at 7:08 P.M. Mr. Prell seconded the motion. All were in favor and the motion passed unanimously.

Respectfully submitted,

Karen Haberlin
Commission Clerk