

**Simsbury Board of Finance
TOWN OF SIMSBURY
SPECIAL MEETING MINUTES
Tuesday, July 30, 2019 at 5:45 P.M.
Simsbury Town Hall - Main Meeting Room
933 Hopmeadow Street, Simsbury, Connecticut**

PRESENT: Lisa Heavner, Derek Peterson, Robert Pomeroy, Kevin Prell, Moira Wertheimer

ALSO PRESENT: Maria Capriola, Town Manager; Burke LaClair, Schools Business Manager; Amy Meriwether, Director of Finance/Treasurer; Neil Sullivan, Director of Personnel; and other interested parties.

1. Call to Order - Establish Quorum

Chairman Pomeroy called the meeting to order at 5:47 P.M.

2. Pledge of Allegiance

All present stood for the Pledge of Allegiance.

3. Approval of Minutes - May 14, 2019

MOTION: Mr. Prell made a motion to approve the May 14, 2019 Regular & Post Budget Referendum Meeting Minutes. Ms. Heavner seconded the motion. All were in favor and the motion passed unanimously.

4. Finance Director's Report

Ms. Meriwether referenced the updated listing of grants and donations from April through June, noting the Elderly and Disabled Demand Responsive Transportation Grant of \$34,051 to support senior and disabled transportation. Regarding the Ensign-Bickford Tax Abatement, she noted the recommendation from the Business Development Incentive Committee and approval from the Board of Selectmen (BOS). She referenced the Approved Abatement Schedule in her report, noting the total abatement amount over a ten-year period is \$374,344. She added that staff was notified earlier this year that Wells Fargo and Simsbury Bank were to be acquired. Wells Fargo sold their Institutional Retirement & Trust division to Principal Financial Group. Simsbury Bank is being acquired by Liberty Bank. Both acquisitions are expected to be finalized in the third quarter of 2019. Staff has been in contact with representatives from both banks and have been assured there will be no impact on operations. She reported the FY19 bond issuance in the amount of \$8,365,000 has been completed. She noted the schedule of projects being funded is in her report. She reported funding was secured at a coupon rate between 4-5% throughout the life of the bonds, which totals \$2,083,908 in gross interest to be paid out over the life of the bond. She noted the Town was able to achieve a bond premium of \$1,249,778, bringing the true interest cost down to \$834,130, or 1.64%. Ms. Meriwether reported that during the bond issuance process the Town's credit rating was maintained at the AAA bond rating. A copy of that report is in the meeting packet. Regarding the Ensign-Bickford tax abatement, Mr. Pomeroy noted he is an advocate of improving this process and reported he voted "no." Ms. Capriola noted the challenges with the process, adding she is now requiring staff reports and asked Board

of Finance (BOF) members to send thoughts or suggestions to her. There was discussion about the collective amount of abatements. Ms. Heavner thanked Mr. Pomeroy and noted she supported his vote. She echoed his comments about the need to improve the process. Further discussion followed. Mr. Pomeroy congratulated the staff, Town and BOF for the AAA bond rating, adding it is a collective report card.

5. Defined Contribution Pension Plan and Deferred Compensation Plan Request for Qualifications

Ms. Meriwether noted the Retirement Plan Sub-Committee asked Fiduciary Investment Advisors (FIA) in February to conduct a request for information (RFI) for record keeping services for the Town's defined contribution plan, in order to test the market for service charge cost savings. FIA found potential savings in the RFI results. Because of this potential savings the Retirement Plan Sub-Committee has requested that a full Request for Qualifications (RFQ) be issued. She then referred to the Request for Information Analysis report prepared by FIA, noting a comparison between the current provider, MassMutual, and three other providers, Empower, Lincoln and Voya. Discussion ensued. Ms. Capriola recommended issuing an RFQ. Ms. Heavner advocated waiting to move forward until the books for the year are closed. It was agreed this will be tabled until the September meeting.

6. Proposed Defined Benefit Plan Investment Policy

Ms. Meriwether noted the Retirement Plan Sub-Committee updated and approved the Defined Benefit Plan Investment Policy after review by FIA. She noted it has been updated to include the responsibilities and authority of the BOF.

MOTION: Mr. Prell made motion to adopt the Defined Benefit Plan Investment Policy as revised and presented. Ms. Wertheimer seconded the motion. All were in favor and the motion passed unanimously.

7. Recommended Appointment to the Retirement Plan Sub-Committee

Ms. Meriwether noted the Personnel Sub-Committee and BOS have recommended Thomas Potter for the Retirement Plan Sub-Committee. Mr. Peterson remarked he personally knows Mr. Potter and his qualifications and highly recommends him. Ms. Capriola reported the Personnel Sub-Committee interviewed seven candidates for this appointment. It was noted the BOF should have the opportunity to interview candidates in the future.

MOTION: Ms. Wertheimer made a motion to appoint Thomas Potter to the Retirement Plan Sub-Committee. Mr. Peterson seconded the motion. All were in favor and the motion passed unanimously.

8. Draft Debt Policy

Ms. Meriwether noted the last time the BOF adopted a debt policy was in 1989. She added it was determined the charter language notes the BOS has purview of the debt policy. At this meeting staff is requesting feedback from the BOF on the updated policy provided in the meeting packet. The draft policy along with BOF recommendations will be forwarded on to the BOS at its next meeting. Mr. Pomeroy suggested the BOF update its policy and noted Ms. Heavner has been working on that. Ms. Heavner agreed there should be a BOF policy. Ms. Meriwether

confirmed that the Town's bond consultant, Phoenix Advisors, has reviewed the policy and is supportive of the policy as written. Mr. Pomeroy noted he supports Ms. Heavner's draft of a BOF Debt Policy. Discussion followed and it was agreed that counsel should be invited to attend the September meeting for further discussion. Mr. Pomeroy asked that BOF members look at Ms. Heavner's proposed policy and make comments back to him and Ms. Heavner within a week. He added there is general agreement to send that to counsel for review. Ms. Heavner clarified that the BOF is authorized not to exceed debt service at 6.7%.

9. State Budget Discussion

Ms. Meriwether reported the State of Connecticut has adopted its FY20 - FY21 biennial budget and provided a breakdown of grant estimates for the Town of Simsbury for FY20 as compared to Simsbury's FY20 adopted budget. Specific to the General Fund, the Town is expecting revenues in excess of budgetary estimates of \$6,200. In addition, the adopted State budget did not include payments by municipalities to the Teacher's Retirement Fund as previously anticipated. Because Simsbury included the Teacher's Retirement Fund contribution in budgetary estimates of \$304,466, Simsbury is expected to have a total of \$314,790 in excess revenues for FY20 based on the adopted State budget. Of this \$314,790 the General Fund is expected to benefit from \$310,666 of the anticipated excess revenues. Discussion followed. Mr. Pomeroy noted a full discussion on this is needed during the two BOF meetings before the Tri-Board meeting. He also noted one of the agenda items should be collection rate and whether or not to continue the practice of assuming a rate lower than the actual experience.

10. Communications

- SAS114 Audit Communication Letter

Ms. Meriwether referenced the letter from BlumShapiro entitled, "Memo - Communication with those charged with governance" in the meeting packet for review, noting it outlines the Town's and auditor's responsibilities. Ms. Heavner requested an update in the next few months on cybersecurity, regarding where the Town is and what steps are needed.

- S&P Bond Rating Report

Ms. Heavner expressed congratulations on the Town's AAA bond rating.

11. Adjourn

MOTION: Ms. Wertheimer, Mr. Peterson second, to adjourn at 6:38 P.M.; unanimously approved

The BOF went into a non-noticed meeting regarding BOE collective bargaining negotiations which ended at 7:12 P.M.

Respectfully submitted,

Karen Haberlin
Commission Clerk