

From: SimsburyCT Postings January 21, 2011 9:59:11 AM  
Subject: Board of Finance Minutes 01/18/2011  
To: SimsburyCT\_FinanceMin  
Cc:

BOARD OF FINANCE  
JANUARY 18, 2011  
REGULAR MEETING

1. CALL TO ORDER

The Regular Meeting of the Board of Finance was called to order at 6:00 P.M. in the Main Meeting Room in the Simsbury Town Offices. The following members were present: Paul Henault, Peter Askham, Nicholas Mason, Anita Mielert, Kevin North and Barbara Petitjean. Also present were Director of Finance Kevin Kane, Board of Education Assistant Business Manager Burke LaClair, Director of Public Works Tom Roy and other interested parties.

2. MINUTES

Ms. Mielert made a motion to approve the minutes of the December 22, 2010 Special Meeting. Ms. Petitjean seconded the motion and it passed unanimously.

3. NEW SENIOR CENTER DISCUSSION

Mr. Henault stated that he has been getting conflicting signals as to whether the intent is to renovate or build a new senior center, particularly in the context of media coverage of Ensign Bickford's recent contribution. While appreciative of the contribution, he was somewhat concerned about contributions that are dedicated or force a town to do something in order to get the contribution. Mr. Kane provided the board with an overview that had been compiled by Town Engineer Rich Sawitzke for an RFP for a needs assessment for the Senior Center. He noted that it would be important to keep this project in mind when discussing capital needs.

Mr. Henault noted that the Board of Finance basically functions as the Town's Chief Financial Officer. While it is easy for members of the Board of Selectmen or Board of Education to identify needs for various projects,

it is the role of the Board of Finance to determine if projects are financially feasible. He asked the Board to review Mr. Sawitzke's memo and forward any of their concerns to him with a copy to Mr. Kane.

Mr. Askham wondered if there currently was anything in the capital plan for the senior center. Mr. Kane said that there was not, but if the Board of Selectmen adopts a capital plan, it would be in it and the Charter allows the First Selectman to escalate items. He predicted that there would likely be some amount dollar amount allocated in future years in the capital plan for this project.

Ms. Mielert referred to a recent survey done by the Aging and Disability Commission that indicated not many seniors were in favor of a new senior center and were happy with the Eno location.

Mr. North felt that this was one more example of a history of projects taking on a life without any financial backing as has happened in the past and it appears that the cart is being put before the horse. Based on Ms. Mielert's comment that there is no public perceived need, he objected to the process and manner in which this project has come forward and taken on a life of its own. He felt that it was more important to have a strategic plan for the maintenance of the Town's existing assets before other projects are moved on to the Public Building Committee and/or private grants are sought.

Ms. Petitjean requested that the Board be provided with some historical data relative to the 1988 study that was done regarding construction of a new senior center and separate facilities as well as the results of the Aging & Disability survey that was done. She also requested a copy of the written referral to the Public Building Committee from the Board of Selectmen regarding this project.

Mr. North agreed and added that there appears to have been no programming done relative to this project and that it currently appears to be a project without a demonstrated need. He noted that there are other town buildings that have vacant space available (such as the Library) and that there is no reason that all services have to be provided in one location. He felt it was important for the Town to harbor its resources during such times of dire economic stress.

Mr. Mason noted that, while there may be no demand for additional space, he heard comments at the charrette regarding the parking issue and agreed with the need for a strategic plan.

Ms. Mielert also noted that often well-intended gifts and fundraising result in an asset that must be maintained and affects the operating budget

going forward due to more staff, janitorial support and energy costs.

#### 4. TRANSFER REQUEST FROM RESERVES

Mr. Henault noted a request that had been received from Director of Public Works Tom Roy to transfer \$15,237 from reserves for the Central Connecticut Solid Waste Authority. Mr. Roy stated that the request is for a one-time payment to be made to CRCOG for use in establishing a regional trash collection authority. The current contract with CRRRA is expiring and a number of towns have gotten together to explore other options before immediately re-entering into a new agreement with CRRRA. The intent is to develop an RFP to determine if there is a better and more cost-effective way to go. Once the new trash authority is up and running, there should be no future cost to the Town.

Mr. North made a motion to authorize a transfer of reserves in the amount of \$15,237 as recommended by Tom Roy, Director of Public Works, for the purpose of reimbursing CRCOG to oversee start-up activities for an alternative bulk waste management authority. Mr. Mason seconded the motion and it passed unanimously.

#### 5. SPECIAL REVENUE FUND - CLEAN ENERGY TASK FORCE

Mr. Henault referred to a request to create a Special Revenue Fund for the Clean Energy Task Force, which has received several grants and corporate donations over the past few years to support their efforts to increase awareness of clean energy options and to assist the Town in complying with the requirements of the Connecticut Clean Energy Fund "20% by 2010" campaign. If the Special Revenue Fund were to be established, Mr. Henault wondered what other costs the Town would face in conjunction with the "20% by 2010" program. Mr. Roy stated that it is a voluntary program that the Board of Selectmen voted to participate in and involves the Clean Energy Task Force soliciting sign-ups from residents in which they choose that their power generation originate from clean or renewable energy sources. Based on the number of sign-ups received from Simsbury residents, the Town can qualify to receive solar panels to be put on Town buildings. The first panel is targeted to be installed at the high school.

Mr. Roy stated that the Town currently purchases power from Trans Canada, but, because it is large-dam hydroelectric (rather than small-dam), the program does not accept it as "renewable". Mr. Roy felt that it would be most cost-effective to remain with Trans Canada. Mr. North asked if this

program is intended to realize cost savings or a qualitative benefit (i.e., we just want to “feel good” about the energy we buy). Mr. Ray stated that it is a “feel good” program and that there would not be a cost benefit to buying energy that is not generated in the traditional fashion. He noted that there is a Regional Energy Manager who was just hired as part of a grant that was recently received who will be doing a cost analysis. Mr. North felt that, while recognizing the qualitative aspect, the Board must consider cost savings before embarking on such a voluntary program.

Mr. Roy noted that part of the money that was given to the Clean Energy Task Force was so that small grants could be given to residents doing various projects or getting sign-ups. In particular, the Task Force is looking to reimburse the Clean Energy Club at Simsbury High School and First Church. Mr. Kane stated that the fund can always be approved and then closed. Mr. North stated that he was uncomfortable with wording such as “the Town’s requirements of the 20% by 2010” relative to future commitments that have not been economically evaluated. Mr. Henault recommended that the proposal be tabled until the Board’s next meeting so that it can be further evaluated. Ms. Petitjean noted that the Board’s hesitation in no way reflects the view that clean energy is not a wonderful thing, but rather that it is the Board’s responsibility to make sure that money the Town receives is being spent appropriately.

Ms. Petitjean made a motion to table the request. Mr. North seconded the motion and it passed unanimously.

#### 6. UPDATE ON 2011 BOND ISSUE

Mr. Kane stated that current bondable projects include the Latimer Lane roof project and the paving management project and given the current rates, he is recommending a bond issue of up to \$5 million in early to mid March. There are still some questions regarding further restrictions on the deed relative to the Triangle Land purchase. Mr. Kane stated that, with a \$5 million bond issue, the debt service will remain very close to what it is now. Rates are increasing a bit and he will be monitoring them. He anticipated that, in order to conform with the 7% debt policy, there would be \$2-\$3 million available for capital projects in next year’s budget.

#### 7. UPDATE ON RESPONSE TO RFP FOR PENSION FINANCIAL ADVISOR

Mr. Henault stated that four responses had been received to the RFP for a pension financial advisor and will be reviewed by a committee consisting of

two members from each of the boards and they will most likely meet for the first time in February.

#### 8. RESPONSE TO CAFR MANAGEMENT LETTER

Mr. Henault noted that responses had been received from Mr. Kane and Dr. Ullman to the CAFR Management Letter. Mr. North stated that he was satisfied with the responses. Mr. Henault asked Mr. Kane to forward the responses to Blum Shapiro.

#### 9. AUDITOR'S CONTRACT

Mr. Henault noted that Blum Shapiro had responded to the Board's request for future fee structures and that they ranged from \$45,175 in 2011 to \$47,900 in 2013. Mr. Kane noted that the 2011 proposed fee was held at the same amount as the 2010 fee.

The Board discussed whether to accept the Blum Shapiro proposal or to move forward with an RFP. It was determined that, in addition to the potential for cost savings, it would be prudent to get a fresh look at the control environment.

Mr. North made a motion to authorize an RFP for outside audit services. Mr. Mason seconded the motion and it passed unanimously.

#### 10. 2011/2012 OPERATING BUDGETS/CAPITAL PROJECTS

Mr. Henault stated that normally at this time of year the Board provides either a cap or a guideline to the Board of Selectmen and the Board of Education in preparing their budgets for the upcoming year. He noted that while a cap limits the boards, a guideline allows the boards to come forward with compelling arguments as to why they should be exceeded.

Mr. Henault noted that the Board must operate under the assumption that the Town will be losing \$765,000 in federal ARRA funding as it is unlikely that the State budget will allow it to replace these funds for the communities. He also noted that the Board of Education does have some funds that were not used that have been set aside to mitigate some of this loss. It is also most likely that there will be no grand list growth. Assuming a 98% tax collection rate, no use of reserves and capital requests within the 7% debt policy and the existing capital plan, if a 2% guideline were given to each board, there would be a resulting 2.95% (or .9 mill) increase in taxes. He also noted that much can happen between now and May.

The Board explored various scenarios with the working model of the mill rate worksheet and discussed their various concerns. Mr. North stated that

he was not prepared to ask the taxpayers for a 3% tax increase and felt that offering a 2% increase would create the impression that it was even feasible. Mr. Henault noted that tax increases have been held pretty low over the past few years as compared with neighboring towns and noted that last year's proposed budgets were approved by the voters at referendum by almost 4 to 1. Mr. Mason noted that, while the percentage increases were low, Simsbury starts from a higher base.

Mr. Askham did not understand why, after huge teacher contracts in the past few years with no concessions and a 0% increase next year, coupled with declining enrollment and retirements, the Board of Education would continue to need an increase. He was afraid that there were new initiatives being slid in that were putting pressures on the budget. Mr. Mason was concerned about items that the Board of Education has been asked to put on hold in the past few years. Mr. North felt that what Mr. Askham was looking for was a consistency in the approach that is used in developing the Board of Education budget. For instance, if budget increases were requested in the past due to an increase in the student population, then there should be a comparable decrease in the budget now if the student population continues to decrease as it has been.

Mr. North felt that a 1% range would result in a responsible upper limit that approximated last year's increase. However, he cautioned that, should the amount of ECS funding lost ultimately turn out to be in the \$2 million range (the worst case scenario), then a -1% budget would result in the same tax increase.

The Board concurred that it would ask the Board of Selectmen and Board of Education to submit budgets with scenarios of -1%, 0% and 1%.

#### 11. OTHER BUSINESS

None.

#### 12. ADJOURNMENT

Mr. North made a motion to adjourn the meeting at 7:45 P.M. Ms. Petitjean seconded the motion and it passed unanimously.

---

---

Paul Henault, Chairman

Debra L. Sweeney, Clerk