

From: SimsburyCT Postings February 26, 2010 3:51:49 PM  
Subject: Board of Finance Minutes 02/23/2010  
To: SimsburyCT\_FinanceMin  
Cc:

BOARD OF FINANCE  
FEBRUARY 23, 2010  
REGULAR MEETING

1. CALL TO ORDER

The Regular Meeting of the Board of Finance was called to order at 6:00 P.M. in Room D172, Simsbury High School, 34 Farms Village Road, Simsbury, Connecticut. The following members were present: Paul Henault, Peter Askham, Candace Fitzpatrick, Nicholas Mason, Anita Mielert and Kevin North. Also present were Director of Finance Kevin Kane, Board of Education Business Manager David Holden, Superintendent of Schools Diane Ullman, Board of Education Member Chris Kelly and other interested parties.

2. MINUTES

Mr. North made a motion to approve the minutes of the February 9, 2010 Regular Meeting. Mr. Mason seconded the motion and it passed unanimously.

3. UPDATE ON PROPOSED 2010/11 OPERATING BUDGETS

Board of Education

Mr. Kelly stated that the Board would be meeting later this evening to have a final discussion regarding proposed budgets with increases ranging from 0% through 3%, with much discussion around a 1.33% increase vs. a 2% increase. Mr. Henault asked if there would be a list of cuts that need to be made that will be presented to the Board of Finance. Mr. Holden indicated that this list will be presented at the Board of Education meeting this evening and that he could forward a copy to the Board of

Finance members tomorrow. He also indicated that the Non-Public Schools budget will be voted on at a 1.3% increase level.

Mr. Henault asked if any decisions had been made regarding Capital Non-Recurring items. Mr. Holden stated that any CNR expenses would be related to routine maintenance and there would be no special improvement projects. Under a normal replacement schedule, they would be replacing 3 school buses, but plan on only replacing one next year.

Mr. Askham asked if the Board had ever considered selling off the fleet and using a different arrangement. Mr. Holden stated that there was a financial advantage to owning the fleet over a 30-year program.

Mr. Henault noted that Mr. Holden had provided responses to questions that the Board members had at their last meeting. An actual student enrollment of 4,845 will be used for developing next year's budget with a projected reduction of 71 students next year. Mr. Askham enquired when the student population had last been this low and Mr. Holden stated that it was in 2000. Mr. Askham inquired as to why the number of certified and non-certified staff has not decreased as a result. Dr. Ullman explained that there would not be a 1:1 correlation as current staffing is based on different programs, the expressed desires of the community (such as smaller class sizes) and additional mandates.

#### Board of Selectmen

Mr. Kane stated that the Board of Selectmen had originally taken in department budgets that reflected a 5.32% increase. They were asked by the First Selectman to reduce them to a 0% increase. The Board of Selectmen has been holding a series of budget workshops with discussions centering around deciding on a 0% vs. 1.33% increase.

Mr. North asked about Ms. Glassman's letter that is posted on the website. Mr. Kane explained that it is the First Selectman's proposed budget that must be acted upon by the Board of Selectman, who met last night, but have not yet made any formal adoption.

Mr. Henault asked if there have been any major changes in the components to the mill rate projection that Mr. Kane had presented to them previously. Mr. Kane stated that there were not, but indicated that the Board should decide if it is comfortable with a projected investment income of \$300,000. The mill rate projection currently indicates that budgets with 1.33% increases will result in a 1.66% tax increase.

#### 4. SIX YEAR CAPITAL IMPROVEMENT PLAN

Mr. Henault noted that, in an attempt to qualify for Federal Stimulus funds, the 6-year capital improvement plan (2010-2016), which had previously totaled \$61.9 million with \$45 million in bond issuance, was now pared down to \$35.7 million with \$28 million in bond issuance. Proposed Town projects for 2010/11 total \$4.2 million and proposed Board of Education projects total \$2.5 million with a \$5.2 million bond issue. The remainder would be funded by Sewer Use Fund reserves and school grants.

##### Board of Selectmen

Mr. Kane stated that the proposed Town projects would be a sewer extension and pump station replacement (both non-bonded and funded through Sewer Use Fund reserves) as well as a highway paving management project and a recreation/golf improvement project.

Recreation Director Gerard Toner explained that the proposed project, which has been on the list for 3-4 years, is a continuation of improvements recommended in the Master Plan that was developed in 1998 and consists of completion of drainage work, leveling of the tees and repair/renovation/reconstruction of the existing bunkers. He stated that the improvements are needed in order to get the golf course within acceptable standards of the golf industry as they are now in a more competitive environment and for the residents' enjoyment.

Mr. Henault asked about the status of the new maintenance facility project that was approved last year. Mr. Toner stated that they are hoping to transition to the new facility by mid-March and that the project is within budget.

Mr. Mason asked what the impact would be if the project were to be deferred. Mr. Toner stated that the course would continue to operate, but would not be in optimal condition and would lose its competitive edge. Mr. Mason asked why this was a priority item. Mr. Toner stated that it was the Boards' intent to move maintenance projects forward and the Simsbury Farms improvement project got pushed back.

The Board had a number of questions regarding the highway paving maintenance project and it was decided that it would be best to have Director of Public Works Tom Roy make a presentation to the Board and answer their questions.

##### Board of Education

Mr. Kelly stated that Board of Education Chairman Jack Sennott, who was unable to attend this meeting, wanted to stress that the process of reviewing capital projects had been started earlier than usual and had involved more discussion and better integration between Town and Board of Education projects so as to adhere to the Board of Finance's debt policy.

Mr. Holden stated that the Board of Education proposed capital projects (totaling \$2.5 million) consist of replacing the roof at Latimer Lane (which will be 24 years old at the time of replacement and has experienced some leakage this past year) and replacement of a section of the Central School roof that was last replaced in 1992. It was felt that there would be some efficiencies realized if both projects were bid out all at once. Additionally, proposed district infrastructure improvements of \$130,000 to \$140,000 would include:

- Fiberoptic connectivity to Tariffville School (the one school remaining unconnected)
- Connecting the main server at the high school to a back-up generator (\$40,000)
- Replacement of infrastructure equipment, including 79 switches and routers and wiring closets outside the core and 12 of 41 servers that are beyond their life cycle (\$155,000-\$160,000)
- Increasing e-mail back-up capabilities from 10 days to 2-6 years so as to comply with FOI requirements for archival e-mail (\$65,000-\$70,000)
- Updates and server appliances to update the anti-virus program (\$25,000)

Mr. Henault asked Mr. Holden to comment on the out years in the 6-year plan, noting that there are two years without any projects or any large projects. Mr. Holden stated that the plan was the result of a coordinated effort with the Town to develop a plan that adhered to the 7% debt policy.

Mr. Askham asked about the status of the request that was made by the Land Trust. Mr. Kane stated that the project does not meet the standards for a Town project and, as such, could not be included on the list. Mr. Henault stated he had received a message from the First Selectman's assistant suggesting that she wanted to hold off until the end of this budget year and see if a request could be made through reserves.

Mr. Kane referred to an analysis that he provided to the Board of projected bond projects and how they relate to the Board's 7% debt policy. He noted

that, in general, the plan does comply, although some smoothing may be required in the later years. Mr. Mason asked about the \$1 million item for "charrette infrastructure" in 2013/14. Mr. Kane stated that it is a "placeholder" for some Main St. infrastructure improvements that were discussed at the charrette. Mr. North asked Mr. Kane if he could add an actual percentage of capital to his analysis.

Mr. Henault commented on the Town's latest bond rating, noting that the Town's reserves were 9%-10% and Moody's commentary indicated that towns around the country with Aa1 ratings had reserves that were on average 32%. Mr. Mason noted that the information was somewhat dated as it was prepared in 2007. Mr. Kane stated that Simsbury's reserves are in the range of comparable communities in the area. Mr. Henault noted that there will be a Public Hearing on capital projects on March 9th.

Mr. Mason made a motion to move the proposed six-year capital plan on to Public Hearing. Ms. Fitzpatrick seconded the motion and it passed 5-0 (Ms. Mielert abstained).

Ms. Mielert explained that she had reservations as to whether some of the projects, such as the golf course improvements, were worthy of being put forward. She felt that, in sending a message to the Board of Selectmen that the Board would only entertain maintenance projects rather than capital projects, it was not implied that all maintenance projects should simply be moved forward to this year. Recent Charter revisions were made with the intent to avoid projects being bounced around with inadequate planning. She felt that the golf improvement project is a planning problem and the intent should not be to jam it in now just so it could get funded. She felt that the motion implied that the Board approved the projects.

Ms. Fitzpatrick disagreed and stated that moving the plan forward to Public Hearing did not imply the Board's stamp of approval. She respected the efforts put forth by the Board of Selectmen and the Board of Education to bring these projects before the Board of Finance and always wants to have public input and moving the projects forward to Public Hearing will allow for just that. Mr. Mason concurred. Mr. Askham stated that he would also like to have a more thorough understanding of the proposed projects.

Mr. North thanked both Boards for their efforts in working together to set a sustainable manageable level of debt that is in compliance with the Board of Finance's debt policy. He expressed his concern that the costing of the two roof projects were predicated on grants being received and wondered how certain those grants would be, given the dire circumstances of the State budget. Finally, he noted that included in the six-year plan there are \$3 million of expenditures using sewer reserves and recalled that there had

been recent discussion around the appropriate level of reserves for the WPCA and asked if there was an assumption that they can engage in significant capital projects without going through the budget process.

Mr. Mason hoped that when the projects go to Public Hearing the Board will receive input and, should projects move on to Town Meeting and referendum, that last year's experience would not be repeated, in which 3-4 small capital items get approved at the Town's Annual Meeting where there is minimal attendance. He also would like to see voters have more choices at referendum as to which projects they wish to approve as opposed to lumping them all together. Mr. Kane stated that there would have to be discussions with the Board of Selectmen, the Town Attorney and the Town Clerk. Mr. Henault thought that the paving project would be the only one that would actually go to referendum based on the Charter. Mr. Mason asked if an option existed to send it all to referendum. Mr. Kane stated that the Charter requires that anything over 2% of the budget must go to referendum. Mr. Mason noted that there were a number of negative comments made after last year's Town Meeting that there were items being voted on by roughly 80 out of 160 people. However, Mr. Henault noted that, even when items are sent out to referendum, there are low voter turn-outs.

5. OTHER BUSINESS

None.

6. ADJOURNMENT

Mr. North made a motion to adjourn the meeting at 7:15 P.M. Mr. Mason seconded the motion and it passed unanimously.

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Paul Henault, Chairman

Debra L. Sweeney, Clerk