

From: SimsburyCT Postings April 16, 2009 4:02:47 PM
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To: SimsburyCT_FinanceMin
Cc:

BOARD OF FINANCE
MARCH 9, 2009
REGULAR MEETING

1. CALL TO ORDER

The Regular Meeting of the Board of Finance was called to order at 5:35 P.M. in the Main Meeting Room of the Simsbury Town Offices. The following members were present: Paul Henault, Peter Askham, Nicholas Mason, and Kevin North. Also present were Director of Finance Kevin Kane, First Selectman Mary Glassman, and other interested parties.

Mr. Askham made a motion to move Item 2 on the agenda (Board of Selectmen 2009/10 Budget Presentation) to be the first item discussed. Mr. Mason seconded the motion and it passed 4-0.

2. BOARD OF SELECTMEN 2009/10 BUDGET PRESENTATION (PURSUANT TO SECTION 907 OF THE TOWN CHARTER)

Ms. Glassman noted the collaborative effort between the Board of Finance and the Board of Selectmen in arriving at a budget under such difficult economic times, citing the \$8 billion State deficit and flat grand list growth in the Town. She stated that, realizing that this year would be a very difficult budget year, immediate steps were taken to control costs in the current year, such as not filling vacant positions and cutting back on costs by lowering temperatures in the Town buildings. In light of high unemployment statistics, flat grand list growth and anticipated losses in State and Town revenues, the Board of Selectmen's goal was to achieve a budget that would result in no tax increase on the Town side. Ms. Glassman noted that the most significant impact made towards this end was the result of collaboration with Town Hall employees.

The resulting budget being proposed totals \$17,773,212, representing a 3.5% decrease over last year's proposed budget. Ms. Glassman noted that the proposed budget exceeded the expectations of the Board of Finance's initial guideline of a 1.25% increase as the Board of Selectmen felt that the 1.25% level still imposed too much of an impact on the taxpayers. Ms. Glassman stated that non-personnel-related reductions were realized by restricting conference and out-of-state travel expenses and revisions in policies for cell phone and vehicle usage and added that the Board is currently in the process of revising the policy for the use of municipal buildings.

Ms. Glassman stated that Town staff were asked to reduce their budgets by 5% and concessions were received from all 149 employees. Non-union employee give-backs include a wage freeze, a one-day furlough and increased insurance health care contributions. The Police Union give-backs total approximately \$118,000, the Public Works union give-backs total approximately \$60,000, the Dispatchers union give-backs total approximately \$14,000, and the combined CSEA union give-backs would total about \$404,000.

Ms. Glassman stated that the Board of Selectmen tried to minimize the impact on services, but noted that Library hours of operation have already been reduced in the current fiscal year. She did not anticipate any further impacts on services, contingent on things not changing dramatically at the State level.

Mr. Henault asked the Board for their comments or questions. Mr. Mason stated that he was impressed by the level of cuts that the Board of Selectmen were able to make, but was concerned that perhaps the cuts in the maintenance and consulting areas might have been too severe. Ms. Glassman responded that the Board of Selectmen's priority was that core services not be impacted and that the cuts focused on new initiatives, such as implementing GIS or development of new online programs. She added that there were also discussions around the ability to continue brush pick-up and leaf collection for certain areas of Town, which currently is costing about \$15,000, should State funding be reduced.

Mr. Mason asked about the line item increases that are reflected in wages for the different departments. Ms. Glassman stated that the proposed budget reflects settlement of all union contracts so that there are no longer any funds included in "Unnegotiated Salaries", a condition that has not existed in over five years. The increases reflect the adjustment from estimated salaries to actual salary expense, which will positively impact

the bond rating. Mr. Kane added that these adjustments also reflect the elimination of four unfilled positions – a Parks Maintenance worker, an Engineering/CAD Specialist, a Dispatcher and a Police position.

Mr. Askham stated that he was delighted with the decrease in the budget as it made the Board's job easier. He commended the Board of Selectmen for their efforts and the unions for their concessions. He questioned the decrease in employee benefit costs. Mr. Kane stated that it was the net result of a decrease in OPEB funding, an increase in health insurance costs, a decrease in positions, health care cost-share increases, increases in pension expense and an increase in employer FICA and Medicare expense.

Mr. Askham noted that the projected interest income revenue is \$950,000 less than the prior budget. He felt that, once rates start increasing, the Board should consider using a five-year averaging method for projecting interest income. Mr. Kane cautioned that such a change would not be appropriate in the immediate future due to the uncertainty of State funding and the potential need for reserves.

Mr. North concurred with Mr. Mason and Mr. Askham and thanked the Town employees for their concessions, noting that it was the only way that this budget could have happened.

Mr. Henault asked if there had been any discussions with the unions relative to the subsequent year's budget and Ms. Glassman stated that there had not been any since the subsequent year's budget could be even worse and there are too many unknowns.

Mr. Henault asked about the status of collections from World Skate. Mr. Kane responded that there are three scheduled payments and, thus far, all current obligations have been met.

Mr. Henault asked about a line item increase in Support Services in the Planning Department. Mr. Kane replied that this is a Consulting Expense that was formerly carried under the Land Use budget. Ms. Glassman added that \$105,000 was originally requested to complete revisions to the Zoning Regulations and was decreased to \$40,000.

Mr. Henault confirmed that Legal Fees were budgeted using a five-year average and that there would be no more costs associated with the Meadowood project. Ms. Glassman also noted that there have been significant savings in labor counsel as most was done in-house and attorneys were only called in when needed.

Mr. Henault reviewed additional line items with large fluctuations with Mr. Kane and Ms. Glassman, who provided explanations to his satisfaction. Mr. Henault noted that the debt service budget will be decreasing by \$144,000.

Ms. Glassman stated that she had spoken with the Towns of Avon and Granby to confirm that their sewer use payments will be received on schedule. Mr. Kane noted that the Water Pollution Control's debt service is now essentially being paid out of fees rather than reserves. He added that there is no proposed increase in sewer use fees for next year.

Mr. Askham questioned why the proposed budget includes a \$65,666 subsidy from the Town into the Simsbury Farms fund when they are not showing a deficit this year. Mr. Kane stated that he still felt the number was needed to keep the budget balanced. Mr. Askham confirmed that any surpluses in the Simsbury Farms fund could not be spent without first coming before the Board. Mr. Henault noted that there could be further discussion regarding Simsbury Farms relative to capital expenditures at Thursday's meeting before the Public Hearing. Mr. North stated that he would like to have a very specific discussion at that time about which buildings are affected by the proposed capital expenditures at the Farms (i.e., the metal building vs. the barn) and what the uses of the buildings will be. It was his understanding that the spirit of the verbal report that the Board received at its last meeting was that facilities were essentially being replaced, but he has since gotten the impression that there has been a fairly imprecise discussion by the Recreation Subcommittee of what buildings are really being impacted or will be removed. Ms. Glassman indicated that the presentation will include pictures, photographs and maps.

Mr. North noted that budgeting the same amount of paving expense, coupled with a reduction in State aid for roads, equates to less road work. Ms. Glassman stated that the new DPW Director has budgeted for a computer program that will track road maintenance to assist with budgeting the correct amounts for roads improvements.

Mr. Henault noted that the out years of the six-year capital plans show some very large numbers due to projects being deferred and that both Boards will have to come up with plans that conform to the 7% debt policy. Ms. Glassman countered that the only way to accomplish this objective would be to have no projects as the 7% policy is currently being exceeded. Mr. Henault stated that the capital plans should be reworked so as to prioritize basic town and educational services. Ms. Glassman stated that the Board of Selectmen was so overwhelmed with trying to get through this

budget year that they deferred further discussion about subsequent years until more details were known relative to State funding.

Mr. Henault noted that there is an agenda item dealing with the operating budget on the upcoming Board of Selectmen meeting and he was under the assumption that this budget had already been approved. Ms. Glassman stated that there was one issue still outstanding that the Board had to review prior to its approval this evening. She felt that at most there would be a minor change of \$2,000 due to cuts that had just been made at the Farmington Valley Health District by the Governor, resulting in an increase in the Town's dues.

Mr. North made a motion that the Board of Finance adopt the Board of Selectmen's budget as submitted at this evening's meeting, subject to minor adjustments that may be made at their subsequent meeting on the evening of March 9, 2009, and to move it on to Public Hearing. Mr. Mason seconded the motion and it passed 4-0.

3. MINUTES

Mr. Mason made a motion to table approval of the minutes of the February 24, 2009 Regular Meeting until the Board's next meeting. Mr. North seconded the motion and it passed 4-0.

4. OTHER BUSINESS

None.

5. ADJOURNMENT

Mr. North made a motion to adjourn the meeting at 6:50 PM. Mr. Askham seconded the motion and it passed 4-0.

Paul Henault, Chairman
Clerk

Debra L. Sweeney,

