

From: SimsburyCT Postings March 18, 2011 11:56:44 AM
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To: SimsburyCT_FinanceMin
Cc:

BOARD OF FINANCE
MARCH 15, 2011
REGULAR MEETING

1. CALL TO ORDER

The Regular Meeting of the Board of Finance was called to order at 6:05 P.M. in the Main Meeting Room of the Simsbury Town Offices. The following members were present: Paul Henault, Peter Askham, Nicholas Mason, Anita Mielert, and Kevin North. Also present were First Selectman Mary Glassman, former Director of Finance Kevin Kane, Superintendent of Schools Diane Ullman, Board of Education Business Manager David Holden, Board of Education Chairman Jack Sennott and other interested parties.

Mr. Mason made a motion to move Item 1 (Approve Minutes) of the agenda to be taken up after the budget presentations. Mr. Askham seconded the motion and it passed 5-0.

2. BOARD OF EDUCATION 2011/12 BUDGET PRESENTATION (PURSUANT TO SECTION 906 OF THE TOWN CHARTER)

Mr. Sennott stated that the budget being presented was voted on unanimously last week by the Board of Education and represents a 1.54% (or approximately \$955,000) increase over last year's budget. Salary and health care cost increases represent about \$680,000 of that amount. Also, the Board is proposing moving to an 8-period day in 2011 and are requesting small increases in the areas of textbooks, technology and repairs. They are projecting the loss of an additional 67 students (5%) and a 7% reduction in staffing.

Mr. Askham asked if the Board has prepared projections within the scenarios originally requested by the Board of Finance, -1%, 0% and 1%. Dr. Ullman stated that the 1.54% budget results in 22.3 staff reductions. A 1% budget would result in the loss of 27 staff positions, a 0% budget would mean losing 36 staff positions, and a -1% would result in the loss of 42 staff positions and would mean significant degradation of programs.

The Board members discussed the staffing implications of the implementation of the 8-period day and the feasibility of delaying implementation. They also reviewed the effects that continued declining enrollment may have on space needs in schools. Mr. Askham noted that the cost per student has increased by 4% since 2009/10.

Mr. Henault noted that medical costs are projecting to increase by 7-8%, whereas the Board of Selectmen's budget to be presented later reflects a lower increase. Mr. Holden stated that the increases represent the required OPEB contribution as actuarially calculated, 9% medical insurance increases, no increase in dental or life insurance, and an increase in unemployment claims due to budgeted staff reductions. While they have been able to absorb unemployment costs in the past by utilizing retirements, this year they must budget for a potential 48 weeks of unemployment benefits.

Future fuel costs were discussed and Mr. Holden noted the increased efficiencies that have been realized at Henry James and Tariffville Schools due to recent renovations. Mr. Sennott also recognized Town staff for keeping the cost of clearing snow from school roofs at \$4,000 during the difficult winter, noting that some other districts incurred as much as \$200,000 in snow and ice removal costs.

Mr. Holden noted \$500,000 in CNR requests, consisting of \$121,000 of interior improvements (Phase 1 of replacing the 53-year-old lockers at Henry James, the 50-year-old bleachers in the gym, and the 41-year-old kitchen dividers at Squadron Line School as well as the final phase of locker replacement at Central School); heating and plumbing repairs (bathroom replacements and upgrades at Central School, Squadron Line School, Henry James School and the girls' locker room and girls' bathroom at Latimer Lane); 4 school buses; and non-instructional equipment (projector bulbs).

[Mr. Henault paused the meeting for a 10-minute break at 7:05 PM. The meeting resumed at 7:15 PM.]

3. BOARD OF SELECTMEN 2011/12 BUDGET PRESENTATION (PURSUANT TO SECTION 907 OF THE TOWN CHARTER)

Ms. Glassman stated that the budget being presented represents a 0.21% (or approximately \$37,000) increase over last year's budget. She noted that this is the third year in a row that the Board of Selectmen held the line on budget expenditures; last year's budget was 0.27% higher than the year before and the budget for the year before had a 3% decrease from the prior year. The \$17,860,913 budget being proposed represents \$472,000 less than was spent three years ago.

Ms. Glassman stated that the total number of employees proposed in this year's budget (138) represents the lowest staffing level in ten years. The proposed budget includes funding all pension, OPEB, and workers compensation obligations. Ms. Glassman also noted some recent Town accomplishments: It has recently had its Aaa bond rating re-affirmed by Moody's. It is also the only town in Connecticut to receive a Bike-Friendly award and to be named one of a "Dozen Distinctive Destinations" by the National Trust for Historic Preservation. Also, it is the only town in Connecticut to receive a "This Old House Best Neighborhood" designation for Tariffville. Simsbury was also the only Connecticut town to receive the CIRMA Risk Management Award for risk management for both the Town and Board of Education. Plans for the Town's long-term future include the recently completed Town Center charrette and the Route 10 Corridor Study, which is paid for by Federal and State grants with a small percentage incurred by the Town.

Ms. Glassman noted that savings are the result of cooperation with Town staff whose wage freezes in past years have gone a long way towards controlling costs as well as reducing pension contributions, an increase in volunteer efforts and hours, an increase in grant money and regional cooperative efforts, such as shared staff with Canton.

Mr. Askham asked if the Board has prepared projections within the scenarios originally requested by the Board of Finance, -1%, 0% and 1%. Ms. Glassman stated that a 1% increase would have resulted in increases to the EDC, Tourism, Public Safety and Library budgets (allowing the restoration of two grant-funded positions); a 0% budget would have resulted in the elimination of some part-time hours and a -1% budget would have resulted in at least 3 staff reductions, which the Board decided would not represent a responsible budget.

The Board reviewed various revenue and expenditure line items with Mr. Kane, who noted that there was a significant decrease in required OPEB funding (\$150,000) as well as the ARC pension funding this year. He also noted that debt interest will have to be adjusted to reflect the bond issue scheduled for tomorrow.

Mr. Henault stated that the Board would like to re-visit the sand sale program as was presented by Public Works Director Tom Roy at a previous meeting.

The Board reviewed the Sewer Fund budget with WPC Superintendent Jim Clifton, who noted there is a proposed increase in the assessment rate from

\$320 to \$325. The Board discussed its ongoing concerns regarding the use of the Sewer Fund reserves. Mr. Askham suggested that a CNR fund be set up in order to smooth out any spikes.

The Board also discussed the Simsbury Farms Fund. Mr. Mason noted various comments made at the recent Public Hearing relative to golf fees subsidizing the overall Simsbury Farms facility. Mr. Kane felt that such claims were somewhat overstated. Mr. Henault asked why the golf greens mower and golf utility vehicle in the CNR budget are not charged back to the Simsbury Farms Fund vs. being in the General Fund. Mr. Kane stated that the Fund budget would not meet the 1% guideline if that were to be done. It was noted that the Board of Finance could make suggestions relative to reducing Operating Transfers Out and increasing Operating Transfers In to the Simsbury Fund after the Public Hearing. However, Ms. Glassman stated that the Board of Selectman would want to review any such proposed change.

Other items in the proposed CNR budget include:

- Two 1-ton pick-up trucks to replace 1996 trucks in Building Maintenance and Public Works/Highway
- Tariffville sidewalk improvements (the second phase of park/gazebo improvements)

Mr. North noted that the Six-Year Capital Plan does not reflect conformity with the 7% debt policy over the entire plan life and felt that adjustments should be made prior to the Public Hearing. Mr. Henault advised Ms. Glassman of a motion made by the Board of Finance at its last meeting:

“Mr. North made a motion to ask the Board of Selectmen and the Board of Education to work collaboratively in order to bring the current Capital Improvement Plan within the debt policy guidelines as set by the Board of Finance prior to the May referendum. Mr. Askham seconded the motion and it passed 5-0.”

Ms. Glassman stated that, in order to do so, they will need to schedule a joint meeting of the Board of Selectmen and the Board of Education within the next month.

Mr. Kane inserted the 1.54% Board of Education increase, the 0.21% Board of Selectmen increase, and a .88% increase in Non-Public Schools into the mill rate projection worksheet. Assuming a \$53,000 decline in revenue, a flat grand list, a 98% tax collection rate, and relatively flat debt retirement, the projected mill rate would increase by 1.24% (or .34 mills), an increase that would be lower than last year's increase.

Mr. North made a motion to move the Board of Selectmen, Board of Education and Non-Public School operating and capital non-recurring budgets as submitted as well as the Debt Retirement budget (subject to the pricing of the actual bond issue tomorrow) on to Public Hearing. Mr. Mason seconded the motion and it passed 5-0.

4. MINUTES

Mr. North made a motion to approve the minutes of the February 17, 2011 Special Meeting, the March 8, 2011 Public Hearing and the March 8, 2011 Special Meeting. Mr. Mason seconded the motion and it passed 5-0.

5. OTHER BUSINESS

None.

6. ADJOURNMENT

Mr. North made a motion to adjourn the meeting at 8:40 P.M. Mr. Mason seconded the motion and it passed 5-0.

Paul Henault, Chairman

Debra L. Sweeney, Clerk