

From: SimsburyCT Postings April 16, 2012 10:14:02 AM
Subject: Board of Finance Minutes 03/27/2012-Special Meeting
To: SimsburyCT_FinanceMin
Cc:

BOARD OF FINANCE
SPECIAL MEETING - 9:45 PM
MARCH 27, 2012

CALL TO ORDER

Paul Henault, Chairman, called the special meeting of the Board of Finance to order on Tuesday, March 27th, at 9:45 PM, in the the Amphitheater of Simsbury High School, 34 Farms Village Road, Simsbury, CT. The following members were also present: Nicolas Mason, Peter Askham, Kevin North, Jeff Blumenthal, and Barbara Petitjean. Also present were Mary Glassman, First Selectman, Mary Ann Harris, Finance Director/Treasurer, Diane Ullman, Superintendent of Schools, Burke LaClair, Board of Education Business Manager, Lydia Tedone, Chairman of Board of Education, Leslie Faraci, Commissions Clerk and other interested parties.

I. APPROVE MINUTES - March 13, 2012 (Regular Meeting)

Mr. Blumenthal made a motion to approve the minutes of the March 13, 2012 Regular meeting of the Board of Finance with changes presented. The motion was seconded by Mr. Mason and was unanimously passed.

II. DISCUSSION & POSSIBLE ACTION

Proposed Capital Projects:

ETHEL WALKER - PHASE 2A

Mr. North introduced the following resolution, which was seconded by Mr. Mason:

RESOLVED that the Board of Finance recommends that the Town of Simsbury appropriate TWO MILLION FIFTY THOUSAND DOLLARS (\$2,050,000) for the acquisition for open space of approximately 49.85 acres (Ethel Walker Phase 2A), as described in an Agreement dated July 11, 2007. The Town anticipates receipt of grants in the amount of \$691,666.00 to defray, in part, the appropriation. The appropriation may be spent for survey fees, engineering and other consultants' fees, legal fees, net temporary interest and other financing costs, and other expenses related to the project and its financing. The Board of Selectmen may determine the particulars, and

may reduce or modify the scope of the project and the entire appropriation may be spent on the reduced or modified project; and that the Town issue bonds or notes and temporary notes in an amount not to exceed \$2,050,000 to finance the appropriation.

The resolution was approved by 6 votes in favor and 0 votes opposed.

POLICE DISPATCH RADIO CONSOLE

Mr. Mason introduced the following resolution, which was seconded by Mr. North:

RESOLVED that the Board of Finance recommends that the Town of Simsbury appropriate ONE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$185,000) from the General Fund for the replacement of the police dispatch radio console. The appropriation may be spent for design, engineering and other consultants' fees, acquisition and equipment costs, legal fees, net temporary interest and other financing costs, and other expenses related to the project and its financing. The Board of Selectmen may determine the particulars, and may reduce or modify the scope of the project and the entire appropriation may be spent on the reduced or modified project.

The resolution was approved by 6 votes in favor and 0 votes opposed.

SCHOOL DISTRICT-OWNED NETWORK INFRASTRUCTURE

Mr. Blumenthal introduced the following resolution, which was seconded by Ms. Petitjean:

RESOLVED that the Board of Finance recommends that the Town of Simsbury appropriate ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$1,800,000) for design, acquisition and installation of a school district-owned network infrastructure to replace aging equipment. The appropriation may be spent for design, engineering and other consultants' fees, equipment costs, legal fees, net temporary interest and other financing costs, and other expenses related to the project and its financing. The Board of Education may determine the particulars, and may reduce or modify the scope, of the project, and the entire appropriation may be spent on the reduced or modified project; and that the Town issue bonds or notes and temporary notes in an amount not to exceed \$1,800,000 to finance the appropriation.

The resolution was approved by 6 votes in favor and 0 votes opposed.

WOLCOTT PUMP STATION

Mr. Henault introduced the following resolution, which was seconded by Mr. North:

RESOLVED that the Board of Finance recommends that the Town of Simsbury appropriate ONE MILLION THREE HUNDRED SEVENTY-EIGHT THOUSAND FIVE HUNDRED DOLLARS (\$1,378,500) from the Sewer Use Fund for improvements to the Wolcott Pump Station. The appropriation may be spent for design,

engineering and other consultants' fees, site work, construction and equipment costs, legal fees, net temporary interest and other financing costs, and other expenses related to the project and its financing. The Board of Selectmen may determine the particulars, and may reduce or modify the scope of the project and the entire appropriation may be spent on the reduced or modified project.

The resolution was approved by 6 votes in favor and 0 votes opposed.

BOND TERMS

Mr. Askham introduced the following resolution, which was seconded by Ms. Petitjean:

RESOLVED, that the Board of Finance of the Town of Simsbury recommends (1) that any bonds issued to implement the various capital improvement projects to be financed by the issuance of bonds or notes and temporary notes as recommended at this meeting be issued for a term not to exceed ten years, (2) that the maximum 10 year term of any bonds issued to refund any bond anticipation notes be reduced by the period of time that bond anticipation notes are outstanding in excess of two years, and (3) that the Town retire any such notes which are outstanding in excess of two years in an amount equal to at least 1/10th of such notes no later than three years from the date of initial note borrowing and again no later than four years from the date of initial note borrowing.

The resolution was approved by 6 votes in favor and 0 votes opposed.

WEST STREET/OWENS BROOK/GREENWAY IMPROVEMENTS

Mr. North introduced the following resolution, which was seconded by Ms. Petitjean:

RESOLVED that the Board of Finance recommends that the Town of Simsbury appropriate THREE HUNDRED FIFTY-EIGHT THOUSAND DOLLARS (\$358,000) for sidewalk reconstruction of approximately 0.75 miles of Owens Brook Boulevard between Hopmeadow Street and Hearthstone Drive; an approximately 0.25 mile extension from Hearthstone Drive to Firetown Road, as identified in the Fitzgerald & Halliday Safe Routes to School Report; the installation of 550' of sidewalk on the south side of West Street, a crosswalk and pedestrian signal crossing heads for pedestrians to cross Bushy Hill Road (Route 167) at Farms Village Rd (Route 309), east of Simsbury High School; and improvements to the oldest Greenway Multi-Use trails including resurfacing, replacement signs & fences and related work. The appropriation may be spent for design, engineering and other consultants' fees, site work, construction and equipment costs, legal fees, net temporary interest and other financing costs, and other expenses related to the project and its financing. The Board of Selectmen may determine the particulars, and may reduce or modify the scope of the project and the entire appropriation may be spent on the reduced or modified project. And

that the Town issue bonds or notes and temporary notes in an amount not to exceed \$358,000 to finance the appropriation.

The resolution was approved by 6 votes in favor and 0 votes opposed.

EMERGENCY OPERATIONS IMPROVEMENTS

Mr. North introduced the following resolution, which was seconded by Mr. Blumenthal:

RESOLVED that the Board of Finance recommends that the Town of Simsbury appropriate SEVENTY-FOUR THOUSAND DOLLARS (\$74,000) from the General Fund for emergency operations improvements. The project will include improvements to stationary and mobile generators, a Tariffville School emergency shelter use study, generator, switch & re circuit; Building & Grounds Service Center 30 kw generator & switch; High School Shelter re-circuiting to better serve kitchen; Library re-circuit to better serve boilers select space in the building, for mobile hook-up; Eno re-circuit to better serve boilers, for mobile hook-up; EOC/Dispatch Center backup generator, switch & re-circuit. The appropriation may be spent for design, engineering and other consultants' fees, acquisition and equipment costs, legal fees, net temporary interest and other financing costs, and other expenses related to the project and its financing. The Board of Selectmen may determine the particulars, and may reduce or modify the scope of the project and the entire appropriation may be spent on the reduced or modified project.

The resolution was approved by 6 votes in favor and 0 votes opposed.

Operating Budgets

Mr. Henault said they have heard from both Boards and the public, regarding the Operating Budgets, so he then opened it up for discussion to the Board of Finance members. Mr. Askham began with subject of CNR, which he though was too high overall. Specifically, Mr. Askham said he would like to get the Board of Education CNR down to \$520,000 (a reduction of \$94,000). For the Board of Selectmen, Mr. Askham said he would like to see them get down to \$365,000 (a reduction of \$94,810). He then said, this summer he would like to see them conduct a study of the CNR Fund with regards to the financial solvency of the account. This was discussed further by the Board members and Ms. Harris. Mr. Henault reminded the group that action did not have to be taken this evening on this topic and could be deferred to the April 12th meeting.

Mr. Henault then moved the conversation away from CNR and to overall Operating Budgets. Mr. Henault said he wanted to get the Board members thoughts on the Operating Budgets as well as on the accounting practices with regards to Restricted Funds. Mr. Askham said he thinks the Board of Education budget is a little high and he wants to lower the tax impact on citizens. He said he thinks the Board of Selectmen budget (under 1%

increase) seems reasonable to him, but the 1.78% for the Board of Ed is the highest increase they have requested in the last four (4) years. Mr. Mason asked about the Grand List number and this was discussed by the Board members.

Mr. Blumenthal said he too would like to see the impact to the tax payers minimized, but he is concerned about asking the Board of Education to decrease their budget from where it currently stands, especially when considering the low PPE (per pupil expenditure) of Simsbury when compared to other towns in the state and region. He continued by saying he couldn't see where they can make further cuts while maintaining the integrity of the schools. Mr. Blumenthal said the tax payers' property values are dependent on the schools remaining strong and it is what draws people to Simsbury.

Mr. Mason brought the conversation back to the Grand List number, saying the revenue side is in-flux and that they don't know where it will all settle out. He continued by saying he thought they were being premature in trying to make budget changes. Mr. North said he think the Boards (Education and Selectmen) deserve a head's up in terms of the Board of Finance's thoughts so they can possibly make adjustments accordingly prior to the next meeting. Mr. North then said he agrees with Mr. Askham with the reduction numbers he proposed, and also with idea of conducting a CNR study. Mr. Mason said he believes the combined, or weighted, operating budget increases are reasonable, all things considered.

Ms. Petitjean said, while she understands Mr. Mason's concern about the moving numbers, they need to lock in within the next two weeks, and the movement will ultimately not be significant. Ms. Petitjean said she too would support Mr. Askham's decreases, presented earlier.

Mr. Henault said he wanted the Board members to comment on the topic of the Restricted Funds. Mr. Askham started by commending the Board of Educations's creativity in order to fund a possible full-day kindergarten program, but he continued, it has exposed the large about of grants within the education system. He said while most of the public seems in-favor of the full day program, it is not something they will be able to vote on, as it is planned to be funded fully by grants. Mr. North said he thinks this all comes down to good governance and transparency. He said he is not against all day kindergarten, but he is strongly in favor of a change in procedure, whereby the entire budget of the Board of Education gets voted on by the citizens of Simsbury, and all outside revenue be recognized. Mr. North said once a programatic change is made, the tax payers then own that change and will be responsible for funding it if that grant money goes away. He said he would submit that the voters don't know that over \$3 million of liability lies in their hands if those outside sources of revenue goes away. Mr. North then explained how he would like to see the

restricted funds shown within their operating budget. Mr. Mason asked if Town Counsel would agree that they can do this. Mr. North said he wasn't sure, but that he knows of other towns that do it that way. Mr. Blumenthal said he was concerned this practice would negatively effect our ability to get grants. He said he agrees with transparency, but not by having public participation with regards to the grants. Mr. Mason suggested a compromise by proceeding with this budget year as it is currently presented and then look into this in much more detail at a later date this year and possibly have it implemented in the appropriate fashion. He said he thinks it would be too much of a rush to do it now, when they don't even know of any potential legal implications. Ms. Petitjean said she also sees this as a transparency issue, as she was not aware that approximately 5% of the budget was "off the books". She said she would support Mr. North's proposed change. She also thought a legal opinion would be helpful. Ms. Petitjean said she does agree it is the perfect time to add this full day kindergarten and thinks they were quite creative with the resources, but it needs to be presented appropriately.

Mr. Henault turned it over to the Board of Education at this point for comment. Mr. LaClair first commented on the suggestion to reduce the CNR, saying it will result in cutting important things. Dr. Ullman said, with regards to adding the restricted funds into the operating budget, she supports full transparency, but melding it together makes it more confusing for the public to understand. Possible methods to present the restricted grants within the Operating Budget were discussed further by Dr. Ullman, Ms. Tedone, Mr. LaClair and the Board of Finance members.

Mr. Mason suggested again this topic be explored thoroughly after this year's budget process is complete.

Mr. Henault said at the next meeting they will be focused on Operating Budgets; CNR, tax implications (knowing what is now known), the possible adjustment on the Board of Education budget and also how the presentation of restricted funds are dealt with.

Mr. Henault adjourned the special meeting of the Board of Finance at 11:12PM.

Respectfully submitted,

Paul Henault, Chairman
Commissions Clerk

Leslie U. Faraci,

