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Cc:

BOARD OF FINANCE
APRIL 14, 2011
SPECIAL MEETING

1. CALL TO ORDER

The Special Meeting of the Board of Finance was called to order at 6:00 P.M. in the Board of Education Conference Room in the Simsbury Town Offices. The following members were present: Paul Henault, Peter Askham, Nicholas Mason, Kevin North and Barbara Petitjean. Also present were Board of Education Business Manager David Holden, Acting Finance Director Tom Cooke, and other interested parties.

2. MINUTES

Mr. Askham made a motion to approve the minutes of the April 5, 2011 Public Hearing. Ms. Petitjean seconded the motion and it passed 4-0 (Mr. North abstained.)

Mr. Askham made a motion to approve the minutes of the April 5, 2011 Special Meeting. Ms. Petitjean seconded the motion and it passed 4-0 (Mr. North abstained.)

3. TRANSFERS FROM RESERVES

Board member Anita Mielert joined the meeting at this time.

Mr. North made a motion to approve the appropriation of reserves in the amount of \$9,005 for the purposes of accepting a Lawn Equipment Exchange Fund (LEEF) grant to replace existing lawn equipment with new, cleaner emissions equipment pursuant to section 909(a) of the Town Charter. Mr. Mason seconded the motion and it passed 6-0.

Mr. North made a motion to approve the appropriation of reserves in the amount of \$12,000 and for purposes of accepting a Municipal Plan of Conservation and Development (POCD) Grant Program grant to complete a low impact drainage study for the Town Center pursuant to section 909(a) of the Town Charter. Mr. Mason seconded the motion and it passed 6-0.

Mr. North made a motion to establish a special revenue fund for purposes of accepting a Municipal Plan of Conservation and Development (POCD) Grant Program grant to complete a low impact drainage study. Ms. Petitjean seconded the motion and it passed 6-0.

4. REQUEST FOR SPECIAL REVENUE FUND – CLEAN ENERGY TASK FORCE

Mr. Henault referred to a memo from Public Works Director Tom Roy regarding the Connecticut Clean Energy Fund's "20% by 2010" initiative as well as an additional memo specifying the acceptance of a grant from Aquarion Water in the amount of \$15,000 to be used towards implementing the Green Business Certification Program, the Clean Energy Options Program and the establishment of an alternative education module for the fifth grade curriculum. He also referred to an Executive Overview prepared by the Clean Energy Task Force.

Mr. Roy stated that the memos address two separate issues that are not inter-related: 1) the Town's potential participation in the "20% by 2010" program and 2) the acceptance and use of the Aquarion grant. He noted that there is an initial upcharge for the cost of buying renewable ("clean") energy vs. buying traditional energy. However, Mr. Roy felt that long-term the Town should be able to generate its own renewable energy so that it would not simply be buying "renewable energy credits". Mr. Henault confirmed with Mr. Roy that he would probably be making a later request for a transfer relative to the purchase of "renewable energy credits" in the short-term relative to the Town's participation in the program through the operating budget.

Patrick Boeshans, Chairman of the Town's Clean Energy Task Force, reiterated that the current request for the establishment of a Special Revenue Fund is not related to the purchase of renewable energy credits, but rather for the sole purpose of receiving grant funds and to administer smaller grants to residents, if they meet the stated criteria, for promoting the clean energy program. Two such qualifying requests have already been received from Simsbury High School and First Church, whose grant applications were included in the package provided to the Board.

Mr. Roy added that, based upon the sign-ups obtained by the Clean Energy Task Force, the Town could earn solar panels, which in turn could generate electricity to produce its own "renewable energy credits". Mr. Henault

asked where the solar panels would go. Mr. Boeshans stated that the sites have not been determined, although it is generally preferred that they be located at educational institutions so they can be incorporated into the curriculum initiative. Mr. Henault questioned if there would be any costs associated with the acceptance of these panels. Mr. Roy stated that it is a full package, including wiring, with no additional costs involved.

Mr. Holden stated that some sites under consideration would be to power lighting for the new sign at Simsbury High School or a panel on the ticket booth at the athletic field. Mr. Mason asked about solar applications in any recent building renovations. Mr. Holden stated that solar panels were included in the analyses that were made relative to the roof replacements at Tootin' Hills and Latimer Lane, but it was ultimately decided that it was not economically practical to use them. Mr. Henault felt that there would be an opportunity to have discussions with facility managers at a later date as to whether it makes sense from an economic standpoint for the Town as each project came forward.

Mr. Henault summarized that the purpose of creating the special revenue fund would be only to accept grants and would not require the Town to do anything that is not economically feasible.

Ms. Mielert made a motion to establish a special revenue fund for the purpose of accepting grants and corporate donations to be expended within the charge of the Clean Energy Task Force. Mr. Askham seconded the motion and it passed unanimously.

5. DISCUSSION & POSSIBLE ACTION – AUDITING SERVICES

Mr. Henault referred to a letter from Vanessa Rossitto from Bloom Shapiro as well as the Board's previous request for proposal for auditing services. Due to the recent resignation of the Finance Director and the upcoming retirement of the Board of Education Business Manager, the decision to possibly change accounting firms was being reconsidered. Blum Shapiro provided a three-year bid for continuation of services: 2011: \$45,175 (the same as 2010); 2012: an increase of just over \$1,000; and 2013: an increase of just over \$1,400. Also, if additional work that had previously been done by Kevin Kane was required, the additional fee would be \$2,000. Mr. North felt that events subsequent to the Board's request for an RFP provide a compelling reason to stay with Blum Shapiro, particularly in light of the fact that they were not proposing a fee increase for next year and very modest increases for the subsequent years.

Mr. Mason also felt that the increases were not out of line, but asked if they should also provide a quote on providing risk management services. Mr. Cooke indicated that the Town has recently hired a new employee with

the dual role of Human Resources and Risk Manager and that risk management would be jointly shared with the Finance Department. Ms. Petitjean asked if it was necessary to commit to a three-year agreement. Mr. Henault stated that a quote on a one-year contract would result in a higher fee due to the extra work that Blum Shapiro would have to do due to the recent changes in both Town and Board of Education staff.

Mr. Askham felt that the proposed fees were reasonable and fair, noting that auditors tend to be cautious on pricing whenever there has been a lot of change and normally would quote at a higher rate. Ms. Petitjean felt that it was inappropriate for the Board's expenses to increase at a rate that was higher than percentages it was asking the other boards to follow. Mr. North noted that the three-year contract constituted an average 2% increase on a relatively small amount. Mr. Mason also noted that there are not a lot of alternatives relative to auditing services for municipalities.

Mr. Mason made a motion to accept the three-year proposal from Blum Shapiro for auditing services. Mr. North seconded the motion and it passed 5-1 (Ms. Petitjean voted "no".)

6. REVIEW CALENDAR

Mr. Henault noted that the Board's next regular meeting is on May 17th following the referendum, after which it resumes its normal schedule.

7. SIX-YEAR CAPITAL PLAN UPDATE

Mr. Henault referred to a memo from Mr. Cooke confirming that the Board of Selectmen approved a joint subcommittee with the Board of Education to review their six-year capital plan so that it will be in compliance with the Town's debt policy in the upcoming years.

8. PENSION INVESTMENT ADVISOR UPDATE

Mr. Henault noted that Fiduciary Investment Advisors has been recommended as the pension investment advisor. A letter from FIA is being forwarded to the Town Attorney for review. There is also ongoing discussion regarding the reconstitution of the Pension Subcommittee that would ensure adequate representation by the Board of Selectmen, Board of Finance and Board of Education as well as any members of the current Pension Subcommittee who wish to continue. Mr. Mason noted that the Pension Subcommittee has not met since last November. Mr. Henault also noted that the Board was

provided with a Quarterly Investment Review; Mr. Mason noted that these are also available online.

9. ADJOURNMENT

Mr. Henault adjourned the Special Meeting at 6:50 PM.

Paul Henault, Chairman

Debra L. Sweeney, Clerk