

From: SimsburyCT Postings August 20, 2009 10:01:55 AM
Subject: Board of Finance Minutes 07/21/2009
To: SimsburyCT_FinanceMin
Cc:

BOARD OF FINANCE
JULY 21, 2009
REGULAR MEETING

1. CALL TO ORDER

The Regular Meeting of the Board of Finance was called to order at 6:00 P.M. in the Main Meeting Room of the Simsbury Town Offices. 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, Director of Community Planning & Development Hiram Peck, and other interested parties.

2. MINUTES

Mr. Askham made a motion to approve the minutes of the June 21, 2009 Regular Meeting. Ms. Fitzpatrick seconded the motion.

Mr. North asked that his comments on page 5 be grammatically edited for clarification.

The motion to approve the minutes as amended passed unanimously.

3. 2008/09 BUDGET TRANSFERS

Mr. Kane reviewed his memo (dated 7/14/09) with the Board requesting budget transfers totaling \$736,795 that are required in order to eliminate category deficits in the individual departmental budgets. The largest portion of the transfers related to the unnegotiated salaries budget (a surplus) and the gasoline and diesel fuel budget (a deficit). Mr. Henault noted that the Board of Education has the flexibility to make such transfers without bringing it to the attention of the Board of Finance.

Mr. North made a motion to approve budget transfers per Mr. Kane's memo. Ms. Fitzpatrick seconded the motion and it passed unanimously.

4. TRANSFERS FROM RESERVES

Mr. Peck reviewed two requests for transfers from reserves with the Board. The first pertained to a \$30,000 state grant that has been received to transfer the historical structures survey to electronic format and to finish the survey of historic structures that was previously started. The second pertained to a \$50,000 DEP grant that has been received for stabilization of the bank of the Farmington River and to provide passive river access at the Sycamore Park on Route 185.

Ms. Fitzpatrick asked if either of the grants were at risk with the State. Mr. Peck stated that both the grants are sound. Mr. Henault confirmed with Mr. Peck that, relative to both grants, funds will not be expended until funds are actually received from the State and that total expenses will not exceed \$30,000 and \$50,000, respectively.

Ms. Mielert made a motion to approve the transfer of \$30,000 from reserves for the \$30,000 grant. Ms. Fitzpatrick seconded the motion and it passed unanimously.

Ms. Mielert made a motion to approve the transfer of \$50,000 from reserves for the Farmington River Enhancement grant. Mr. Mason seconded the motion and it passed unanimously.

5. PRELIMINARY 2008/09 FINANCIAL RESULTS

Mr. Kane reviewed his projected fiscal year 2008/09 Board of Selectmen financial results with the Board. At this point, he anticipates that the year end results will be very close to break-even. He thought that the Simsbury Farms Fund may end with a \$50,000 surplus. He also advised the Board to have discussions with the WPCA relative to utilizing some of their fund balance to avoid any future fee increases that they may be considering.

6. SIX YEAR CAPITAL IMPROVEMENT PLAN

Mr. Henault stated that the task at hand is to pare down the Six-Year Capital Improvement Plan and the plan is to have several discussions with the Board of Selectmen and the Board of Education over the summer so that everyone can go into the next budget cycle with a clear understanding of the issues. He noted that a Special Meeting has been scheduled for this Friday to initiate the discussion with the other two boards.

Mr. Kane provided the Board with an timeline analysis of the Board of Selectmen's current 6-year plan juxtaposed with the Board of Education's current draft, which illustrated that the plans, as is, would not comply with the Board of Finance's 7% debt policy. He added that the school-related project costs assume there will be the same reimbursement rate from

the State as in the past, which is not likely to transpire. He also noted that two large projects currently slotted for Year 3 can not happen in the same year.

Mr. Mason asked if the intent is to provide guidance to the other Boards. Mr. Henault stated that the purpose is to provide continued dialogue amongst the boards as they move forward into the new budget season in November.

Mr. North emphasized that the Board's position should be that the top priority needs to be the maintenance of existing assets.

Mr. Kane stated that the Town Charter does allow the Board of Finance to remove an item from the Six Year Capital Plan.

Ms. Mielert felt that the most important item is what will be approved in the current year, as the farther out the plan gets, the more fictitious the projections become and each year's discussions will alter their priorities.

Mr. Askham noted that the Board's debt policy is actually 5%-7% and that it has been running on the high side due to the high school project. He thought the Board might consider going back to a 6% debt policy in order to provide some budget relief and build reserves. He cautioned that the Board should not be continually pushing the debt policy to its limit.

Mr. Mason suggested that the Board take a longer term perspective on planning for the Town budget to include several years. He thought that the Board of Selectmen and the Board of Education should be included in the process.

Mr. Kane noted that, in order to adhere to a 6% debt policy, there could be no projects for the next four years. Mr. Mason thought that would be impracticable as then no maintenance of assets would occur at all.

Mr. Askham felt that it is important to identify projects that are truly needed and not to spend dollars just to spend dollars.

Mr. Fitzpatrick provided the other Board members with a Capital Improvement Planning program which is a tool used by municipalities to quantify the priorities of the capital needs of the community. It produces an objective numeric listing of projects by priority using a matrix of criteria which are given numeric values. Mr. Henault asked that a copy be forwarded to members of the Board of Selectmen and the Board of Education. Mr. North was in favor of using such a tool as it lends objectivity via its scoring process and tamps down "favorite projects" which tend to lack good rationale. Mr. Askham concurred.

Mr. Henault polled the members for their ability to attend Friday's Special Meeting and it was uncertain if a quorum could be gathered. If not, the meeting might need to be re-scheduled. Mr. Henault felt there should also be continued discussions in August.

7. OTHER BUSINESS

The Board agreed to hold the currently scheduled August Regular Meeting date open and to decide a week or so before if there is a need to hold the meeting or if it should be cancelled.

8. ADJOURNMENT

Mr. North made a motion to adjourn the meeting at 7:03 P.M. Mr. Askham seconded the motion and it passed unanimously.

Paul Henault, Chairman
Clerk

Debra L. Sweeney,