

From: SimsburyCT Postings September 21, 2011 4:15:02 PM  
Subject: Board of Finance Minutes 08/16/2011  
To: SimsburyCT\_FinanceMin  
Cc:

BOARD OF FINANCE - MINUTES 08/16/11 - ADOPTED

BOARD OF FINANCE  
REGULAR MEETING  
AUGUST 16, 2011

CALL TO ORDER

Paul Henault, Chairman, called the regular meeting of the Board of Finance to order on Tuesday, August 16th, at 6:00 p.m., in the Main Meeting Room at the Town Offices. The following members were also present: Peter Askham, Nicholas Mason, Kevin North and Barbara Petitjean. Also present were Mary Glassman, First Selectmen, Tom Cooke, Director of Administrative Services, Mary Ann Harris, Finance Director/Treasurer, Burke LaClair, Board of Education Assistant Business Manager, Peter N. Ingvertsen, Chief of Police and other interested parties.

I. APPROVE MINUTES - July 19, 2011

Mr. North made a motion to approve the minutes of the July 19, 2011 meeting. Ms. Petitjean seconded the motion. The motion was unanimously passed.

II. BOND FINANCING - FINAL

Mr. Henault referenced the Summary of Pricing which was distributed to the Commission. He commented on what a good team effort this was on behalf of Town Staff, First Selectmen and PFM (the professional consultant) on getting this completed. Mr. Henault then said there had been nine (9) bidders on the bond with the winning bidder (Morgan Keagan & Co.) at 1.3+% (TIC) resulting in a total savings of \$387,777 (PV). Mary Ann Harris, Finance Director/Treasurer, then commented on how this rate improved even from the day and week prior and in fact, that day (Thursday, August 4th) was the lowest rates coming out from the buyers for 5-7 year bonds. Tom Cooke, Director of Administrative Services, then noted that they had been schedule to go out on August 9th, but in talking with Ms. Harris and PFM, they decided to move it up to August 4th, which resulted in a very good number. Mary Glassman, First Selectmen, agreed that they most likely would not have gotten such a good rate if they had waited. Ms. Harris noted that

a copy of the Issue from Morgan Keagan & Co. is on file with the Town Clerk if residents have an interest in reviewing the official statement. She also commented that in her twenty years of experience, she has never seen a rate this low. Mr. Henault then commended Chris Doyle at PFM for their work on this process.

### III. YEAR-END TRANSFERS

Mr. Henault noted that these are year-end inter-department transfers being discussed. These transfers total \$281,548.15 along with a subsequent transfer in the amount of \$55,577. Mr. Henault reminded everyone that these are typical transfers that happen every year and these are in no way out of the ordinary. He then asked Ms. Harris to further explain the requests. Ms. Harris highlighted some of the transfers and also some of the departments with savings, from which money is transferred out. She then noted that they are going to try and make it easier for department heads moving forward for FY 2012 by giving them access to the system which will show them a monthly breakdown of their operating budgets. Ms. Harris then addressed the second transfer (\$55,577), which is the major Medical Insurance account. This account was short to begin with, but also only 11 months were counted, so this is the June payment, plus covering that shortage. Ms. Harris did note that a significant amount of money was saved by being self-insured. Mr. Mason asked Ms. Harris if there was something under the General Liability Worker's Comp that had changed, referencing the \$51,384.26 transfer made and Ms. Harris said that was due to a claim that was paid.

Mr. North made a motion to approve the two (2) recommended transfers in the amounts of \$281,548.15 and \$55,577.00. Mr. Askham seconded the motion, which was unanimously passed.

### IV. SIMSBURY TOWER

Mr. North opened this agenda item by letting everyone know that another Commission member, Anita Mielert, suggested that he might have to recuse himself from the discussion because of conflict of interest. Mr. North noted that he did have a conversation with Robert DeCrescenzo, Town Attorney, whom pointed him to a section of the Town Code of Ethics that might apply (Section 13.9 - Conflict of Interested). Mr. North then read the referenced section. Mr. North said he believes Ms. Mielert thought the conflict would be with regards to Mr. North's dual public roles, one being as the President of the Simsbury Fire District and the other as a member of the Board of Finance. Mr. North said that while Attorney DeCrescenzo would not offer an official opinion, he did unofficially say that he could not possibly see how there would be a conflict here because the end beneficiary in both organizations is the Simsbury tax payer. Mr. North encouraged anyone who might have a concern with regards to this matter to ask the Board of Ethics to get a determination. Mr. Henault then said he is comfortable with it as well after having a conversation with Attorney

DeCrescenzo and they should proceed with the discussion on the Simsbury Tower.

Mr. Henault framed the discussion by stating that in the 2010-2011 budget discussions, there was an item for \$125,000, titled Town Offices Parking Lot Resurfacing and behind that was an issue with the need for an upgrade/replacement of the Town Communications Tower (located at Central School). The discussions about the Tower did not make it to the budget book and it was shown as \$125,000 for CNR (Capital Non-Recurring). Mr. Henault continued by saying that subsequently, it was brought up that since it was specifically for the replacement tower, the CNR account should be closed out since it was not stated properly and they then needed to move forward with the appropriation for the project out of reserves. Mr. Henault said he has some issues he would like to go through and some questions he will need answered. Mr. Henault first addressed Ms. Glassman by asking her to give her thoughts regarding this matter. Ms. Glassman said that while the amount of money was correct in the budget, the line item was not correct (it was labeled Town Offices Parking Lot Improvements instead of Parking Lot Improvements/Antenna). Ms. Glassman said when they were made aware of the problem, they wanted to make sure it was fair to the tax payers and in order to be completely transparent, they went to Town Counsel who said to close the CNR account and not spend that money, but go back and ask the Board of Selectmen to clarify their intent. Ms. Glassman continued by saying it was a unanimous vote with both the Board of Selectmen and Public Safety Committee. Ms. Glassman stressed the fact that they are not asking for any additional funds, they are simply asking for a clerical issue to be addressed. She stated that this is a priority due to the fact that it is an emergency response tower and if it is not replaced, there could be an issue this winter. Ms. Glassman said this is an issue that was identified in 2008 and was funded in the 2010 Budget. Ms. Glassman said again that there could be a real issue if this does not get taken care of prior to the upcoming winter season and then asked Peter N. Ingvertsen, Chief of Police to provide any additional information.

Chief Ingvertsen said they began this process in 2008 and over years previous to that, even before he was here, additions had been placed on the antenna up to the point where there are now eleven (11) different types of units on the tower. Chief Ingvertsen said the original tower was erected in 1984/1985 and there was no record of any inspection conducted with regards to structural integrity. Chief Ingvertsen requested that be done and the report came back saying the structure did not meet today's standards and could not hold the weight on the tower. At that point, Chief Ingvertsen said, they went out getting bids to replace the tower with an increased height of 30' (bringing total height of a new tower to 130'). Chief Ingvertsen stressed that this is an issue of public safety and there needs to be back-up for the Town Services.

Mr. Henault said that his issue is not regarding public safety, he does not question the need for the replacement tower, his issue is that if this were a brand new project, they would go through a Board of Finance public hearing. Ms. Glassman replied stating that there was public debate and discussion at the Board of Selectmen Meeting, which is clearly reflected in meeting minutes. Ms. Glassman said that it would be preferable to wait until the next CNR account, but in this case, they cannot wait another winter. She said they feel since it was budgeted for this year, it is their fiduciary responsibility to complete the project and it would be irresponsible to say they could wait another winter.

Mr. Askham then referred to the report, dated August 28, 2009, saying the need was established two years ago and that it should have been done a year ago. There was then some debate over what year this was budgeted for, as we are now in the next fiscal year.

Mr Henault then questioned the project in terms of a risk management standpoint. He wanted to know if this was a brand new tower, and there was nothing existing at Central School, would it be put at Central School or another location. He noted that it will be a 130' tower and if it came down, it could fall into one of the parking lots. Ms. Glassman said the Board of Education is comfortable with the tower being at that location. Mr. Henault said it is a Board of Finance question if he is looking at it from a liability standpoint. Mr. Cooke interjected stating that all of the wires are already in place and that the bids received were based on using those existing wires. Mr. Cooke said that in terms of safety, there is a tower there now that is probably more dangerous than anything else. He then said that speaking for the Police Department, the Town and Tom Roy (Director of Public Works), they looked at it, talking with Zoning officials, and all of these folks were satisfied that the tower planned to go up is sufficiently safe. Ms. Glassman then said the Superintendent, Principal, Board of Education, Police Department, Zoning Officials and Public Safety Sub-Committee have all been involved. It was discussed how it was not necessary for this to go through the Land Use process due to the fact that it is a replacement tower.

Mr. Henault suggested that if they cannot get something done right away, they should take some of the equipment off of the tower to relieve some of the weight that could cause an issue with the current structure. Secondly, Mr. Henault said he does not view this as a "replacement", but that issue is not within the purview of the Board of Finance, he is just stating his opinion. Mr. Henault said he did not see anything from Hiram Peck, Director of Community Planning, and Ms. Glassman said that his review is not required, but that he has been made aware that he is welcome to review the information.

Mr. North said he thinks there has been an unfortunate failure of process in this situation and that he is surprised a project of this significance is not being submitted to the Land Use process because it is rigorous to put up a tower. Ms. Glassman then wanted to put it on the record that she thinks he is approaching an area where Mr. North does in fact, have a conflict of interest. Mr. North continued by saying it is interesting that there are two (2) paths to approval for a tower; (1) a replacement path to approval and (2) a new path to approval. Mr. North said that he thinks this new tower is materially different and in which the public might have an interest. He said he does not think the public has been adequately informed, particularly the neighbors of Central School, the students of Central School and their families, of this replacement tower.

Mr. Henault then said he would like to see additional information regarding the new structure. Ms. Glassman said she would feel more comfortable if he would refer this to Planning & Zoning, as they have a better understanding of the Land Use Process than the Board of Finance. Mr. Henault agreed and said he would like to hear an opinion from the Chairman of both Boards confirming their approvals. Ms. Glassman again asked that the Board vote on the funding and refer the other issues to the Land Use Committees.

Mr. Mason then asked if there is a time limit on the bid and then asked if the issue was tabled tonight, would the project get pushed to next Spring. He then expressed his concern of dragging this issue through the winter and then creating a safety risk of the keeping the current tower through the upcoming winter season.

Ms. Petitjean then asked if there was a restriction that would keep them from treating this as a CNR, in other words, does the Board have the authority to take action to make it CNR now. Ms. Glassman then said that was the initial intent, but due to the clerical error, the CNR account was closed and now it has to be treated as a transfer.

Mr. Askham then asked about the procedure that would have to be taken if this were a brand new project. Ms. Glassman reviewed the process originally taken with the approval of funds for this tower again, saying that is exactly what they would do if it were a brand new procedure. Mr. Askham asked if it would go in front of Zoning and Ms. Glassman said no, it would not have to because this is not a cell tower that receives revenue from outside sources, this is purely for public safety. It was then clarified that if it were brand new, yes, it would have to go in front of Zoning. Mr. Askham said he was questioning if this was just a replacement and Ms. Glassman asked that they should just refer that issue to Zoning.

Chief Ingvertsen then asked the Board to approve the funds pending the

review from Zoning Commission due to the time constraints. He encouraged the Board of Finance not to postpone this issue, as there could be danger to the public if this gets delayed.

Mr. Henault said he has no problem with that recommendation but said he thinks they can accomplish the same thing if they move quickly to get additional information, then he would personally speak with the Chairman of both Zoning and Planning and if they have no problems with it as is, they can all move forward and call a special Board of Finance meeting, as not to delay further.

Mr. Mason expressed his concern about the timing on the project and if they table the issue tonight, it could delay progress and risk missing the window of opportunity to complete prior to the winter season.

While Mr. Henault agreed, he said he did not feel he had enough information to vote and he had real concerns of a 130' tower going up at that site without being satisfied that all of the risk management issue had been addressed.

Mr. Cooke stated again that the greatest risk at this point is leaving the tower as is and trying to make it through another winter season and the sooner the issue is resolved, the better.

Mr. Askham said he feels comfortable voting on it if it helps move things along. He then said he trusts the Zoning Commission to do a good job representing the tax payers.

Mr. North asked what they would be doing in the interim while they take the current tower down and have the other being built. Chief Ingvertsen responded that it is on an adjacent pad, so they can build the new and have the current still operating so they are not left without service.

Ms. Petitjean expressed that, while they need to move expeditiously now, there should be a postmortem done on the project to prevent a re-occurrence. Ms. Petitjean then said that they should not accept or blame government process for the fact that they could not fix this safety issue for two (2) years.

Chief Ingvertsen described the process they went through and said he does not blame the system; it is just the process. Ms. Glassman said there are a number of reasons why this project was delayed, but that the clerical issue added to the time delay.

Mr. Henault then asked Burke LaClair, Board of Education Assistant Business Manager, if the Superintendent had seen the information. Mr. LaClair and

Ms. Glassman said the Superintendent is aware of what is going on.

Mr. Askham made a motion to approve the \$125,000 out of reserves to be used for the building of a radio tower for emergency and town-wide communications, subject to approval by the Zoning Commission and the Board of Education. The motion was seconded by Mr. Mason.

Mr. LaClair then asked if the Board was requesting that the Board of Education vote on this and Mr. Henault responded that no, they want to know that the Superintendent has seen the plan and approves of it at Central School.

Mr. Henault said that while he is not extremely comfortable with this type of motion, he thinks there are a lot of various factors going into this and that the Board has made their point with some of their concerns. He also said he thinks there have been some failures along the way.

The motion was approved by 4 votes in favor and 1 vote opposed (Mr. North opposed).

Mr. Henault then requested to see the final bid on the project.

#### V. SIX-YEAR CAPITAL PLAN (MAY ADOPTION)

Mr. Henault said he continues to have concerns that the 2011-2012 does not fit within the Town Debt Policy and that there are some items that need to be addressed. Mr. Henault said he wants to make sure everyone is aware that the \$10,529,000 with \$6,570,000 of bonding does not fit and will cause there to be some tough decisions made.

Ms. Glassman said that the Board of Selectmen and the the Board of Education have set up sub-committees to review their projects and then they will meet together to look at their findings prior to presenting them. She said they are committed to staying under 7% just as they have been committed to presenting near-zero Budgets in the past three (3) years. She said the are aware of their responsibility and take it very seriously, thus they are working cooperatively and will have something in place well before the time that the Charter requires.

#### VI. SIMSBURY FARMS

Ms. Petitjean, the liaison for the Simsbury Farms Project, said the meeting at the beginning of the month was cancelled. She said that project bids are due Thursday, August 18th, and she had spoken with them regarding value engineering and managing within the budget. Ms. Petitjean said they anticipate the bids will come in close to the budgeted amount.

#### VII. OTHER BUSINESS

Mr. Henault said he had a letter regarding Charter Revision Commission, from Attorney DeCrescenzo, inviting the members of the Board of Finance to the September 13th meeting at 7:00PM at Town Hall. He said they will make sure that there are representatives there from the Board of Finance.

ADJOURNMENT

Ms. Petitjean made a motion to adjourn the meeting at 7:15 p.m. This motion was seconded by Mr. Mason and was passed unanimously.

Respectfully submitted,

---

Paul W. Henault, Chairman  
Commissions Clerk

Leslie U. Faraci,