

From: SimsburyCT Postings November 22, 2010 9:35:40 AM  
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Cc:

BOARD OF FINANCE  
NOVEMBER 16, 2010  
SPECIAL MEETING

1. CALL TO ORDER

A Special Meeting of the Board of Finance was called to order at 7:00 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 Barbara Petitjean. Also present were Director of Finance Kevin Kane, Board of Education Business Manager David Holden, and other interested parties.

2. COMMENTS AND OVERVIEW OF THE UPCOMING BUDGET PROCESS

Mr. Henault gave an overview presentation on how the Board of Finance puts together the budgets. He stated that the Board of Finance is an elected oversight board as well as the budget-making authority for the Town, according to Simsbury Town Charter and the Connecticut General Statutes. He reviewed the budget schedule, which is outlined by Town Charter. There are operating and capital budgets which are moved on to the Board of Finance by the Board of Selectmen on January 15th. The process then runs through an automatic referendum in May. Town Charter also requires that the Board hold two public hearings, which are typically held in April. The operating and capital budgets get approved by the Board and then get submitted to the Town Meeting and then on to the referendum. The Board of Finance subsequently sets the mill rate, which is reflected in the tax bills.

Mr. Henault reviewed the Town's current financial status. The reserves currently are at \$8.7 million. Moody's has given the Town its highest rating, Aaa. The Town's current debt obligations total \$51,823,828, comprised of \$33,265,000 of General Obligation Bonds, \$18,445,218 in a 2%

Clean Water Fund loan (in connection with the sewer treatment plant expansion), and \$113,610 in a 1% housing loan.

Mr. Henault then reviewed the current \$85.2 million budget and its various components (72% Board of Education; 21% Board of Selectmen; 7% debt service; and <1% non-public schools). Compared to the prior year, the Board of Selectman budget increased .27%, the debt retirement budget decreased 2.31%, the Board of Education increased 1.6% and the Non-Public Schools budget increased 1.31%. He reviewed the revenue sources for the 2010/11 fiscal year. 91% came from property taxes generated by commercial and residential property, the bulk of it being residential. Other sources of income consisted of 7% from State aid, 0% from investment income and 2% from other sources, such as licenses and permit fees. Of particular concern relative to next year's budget are low investment income, declining State aid and an ever increasing dependence on property taxes.

Mr. Henault showed a summary of the various capital projects that were recently authorized by the voters at referendum or Town Meeting and contribute to bonding requirements: Simsbury High School renovations (\$43 million), sewer plant renovations (\$26.8 million), the Ethel Walker land purchase (\$8 million), Tariffville School renovations (\$6.2 million), library expansion (\$6.1 million), the Triangle (Griffin Land) land purchase (\$2.75 million), paving management (\$2.4 million), police station renovations (\$2.3 million) and Simsbury High School track and stadium (\$1.905 million).

Mr. Henault gave an explanation as to how the mill rate is calculated, noting that one "mill" produces \$1 for each \$1,000 of property value. He also showed a ten-year history of the changes in the mill rate, noting that last year's increase was only 1.50%. The current mill rate is 31.58 (30.55 Town/1.03 Fire District).

He discussed the factors that are considered by the Board when giving the other boards guidelines for their budgets: the current economy, revenue estimates, community needs, education needs, pension obligations, salary/benefit requests, the Social Security cost of living adjustment (0% for 2011), grand list growth, current debt obligations, future obligations and the impact on property taxes. Taking all of these factors into account, the Board must balance the capacity of the community to afford expenditures relative to projected revenues.

Finally, Mr. Henault reviewed the various tax relief programs that are currently available: the elderly and disabled tax credit, the veterans' exemption program and volunteer firemen and EMT program. He noted that the Assessor's office should be contacted for 2011 filing deadlines for these programs. He thanked members in the audience for attending and told them

to watch for future hearing and referendum dates and encouraged community involvement in the budget process. Board of Finance members may be contacted via the Town website and residents are encouraged to attend Board of Selectmen and Board of Education meetings as they tackle the budget process and, most importantly, to vote at the referendum..

### 3. PUBLIC AUDIENCE COMMENTS ON UPCOMING BUDGET

Joan Coe, 26 Whitcomb Drive, felt that all delivery of services must be cost effective and that past practices must give way to new ideas. She reiterated her support for a Town Manager and thought there should be a 0% tax increase. She thought that tax exemptions currently given to private schools should be overturned. She favored retaining the defined benefit pension plans for employees and felt more emphasis should be placed on regionalization and cost-sharing between towns in order to control costs.

Robert Kalechman, Simsbury, was concerned that, with grants drying up, the only solution is to cut services or raise taxes. He was concerned that budgets are being passed by minimal voter turn out advocating pet projects. He felt that many of the cuts being made are being done at the expense of Town employees.

Kathy Knapp, 1 Five Gaits Farm, said that her family moved to Simsbury due to its strong academic record. She noted the importance of education at a national level in order for the United States to remain globally competitive. She felt that we can not cut corners in education and that, in so doing, we put our values in the wrong place. She encouraged the support of teachers and education programs.

Carolyn Keily, Simsbury Town Clerk, distributed graphs to the Board showing the fluctuations in revenues that were taken in by her department over the past ten years as compared with the number of recorded documents which remained relatively flat. She noted that revenues taken in (conveyance taxes, recording fees) are often dictated by the State and can depend on the economy, while the actual workload remains steady so using these revenues to determine staffing needs is an unreliable indicator. For instance, the conveyance tax, which was a revenue boon in the past when the percentage was increased, could be discontinued by the State, while the number of recording transactions required would remain the same. She stressed the importance of having an adequate and well-trained staff, as oftentimes residents who can not afford an attorney will come to their counter seeking guidance with legal recording requirements.

### 4. ADJOURNMENT

Mr. Henault closed the meeting at 7:55 PM.

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Paul Henault, Chairman  
Clerk

Debra L. Sweeney,