



Town of Simsbury

933 HOPMEADOW STREET

SIMSBURY, CONNECTICUT 06070

Debt Policy Work Group
Thursday January 30, 2020
7:00 a.m.

Main Meeting Room, Town Hall, 933 Hopmeadow Street

SPECIAL MEETING MINUTES – Draft

Members Present: Sean Askham, Chris Peterson, Lisa Heavner, Rob Pomeroy (by phone)

Staff Present: Melissa Appleby, Deputy Town Manager; Amy Meriwether, Director of Finance

The meeting was called to order at 7:05am.

1) Review and Discussion of Draft Debt Policy

Ms. Meriwether reviewed the draft policy. She noted that the policy has not been updated since 1989. She said that there were previously two separate revised policies drafted, but that this version combines the two. It has been reviewed by legal counsel.

Ms. Heavner noted that this policy was always a Board of Finance policy, and that this joint policy is new. She proposed three edits:

- **Section V, part 1:** Add “As determined by the Board of Finance” to the first sentence. Discussion ensued regarding the need for both Boards to readopt the policy should the 7 percent guideline ever change.
- **Section VII:** In the title, strike “Responsibility of the Board of Selectmen.”
- **Section IV, part 1:** Add a section indicating that the Board of Finance is the budget-making authority for the Town of Simsbury. Discussion ensued regarding the authority of the Board of Selectmen to issue debt versus the authority of the Board of Finance to determine how to pay for it and the terms of repayment. The group discussed the process, starting with the approval of a project, followed by the authorization of the Board of Selectmen to issue debt, followed by the authorization of the Board of Finance to repay the debt through the budget process.

Mr. Pomeroy made a motion to not include a section indicating that the Board of Finance is the budget-making authority for the Town of Simsbury, because the relevant duties are laid out in state statute and Town Charter, and because the Board of Selectmen and Board of Finance have no intent on changing past practice through this policy. Ms. Heavner seconded the motion. All were in favor and it passed unanimously.

In regards to Section V, part 3 (Bond Anticipation Notes), Mr. Askham noted that the Town has not issued BANs in the past and has no intention of doing so moving forward. Ms.

Meriwether indicated that this is included in the policy because the Charter authorizes the issuance of BANs for short-term debt.

Mr. Askham made a motion to make the two changes proposed by Ms. Heavner in Section V, part 1 and Section VII. Mr. Pomeroy seconded the motion. All were in favor and it passed unanimously.

The group discussed the language in Section V, part 5 regarding Debt Service Pattern. Ms. Meriwether noted that this section addresses the amortization schedule, and it has always been the Town's practice to use a level principal method of debt structuring.

2) Next Steps and Meeting Date

The revised draft will be forwarded to the Board of Finance and Board of Selectmen. No additional meetings are necessary.

Adjourn

The meeting adjourned at 7:55am.

Respectfully Submitted,
Melissa Appleby
Deputy Town Manager