

Board of Finance Special Meeting Minutes
Agenda for January 9, 2025 at 6:00 PM
Meeting Held Remotely

BOF Chairman Michael Imber called the meeting to order at 6:02pm. Attending were BOF members Rone Baldwin, Chris Bryant, Vice Chairman Jeff Farr, Amy Gare, Jeff Goldstein, Finance Director Rick Darling. Excused absence for Theresa Brasco.

Nominations, discussion, and election of Board of Finance Chair and Vice Chair. Ms. Gare nominated Mr. Imber for Chairman. Absent any additional nominations or discussion, a vote was taken. All in favor, motion passes unanimously. Mr. Baldwin nominated Mr. Farr for Vice Chairman, seconded by Mr. Imber. Absent any additional nominations or discussion, a vote was taken. All in favor, motion passes unanimously.

Presentation of Fiscal Year 2024 Town of Weston Audited Financial Statements - David Flint, Partner, CliftonLarsonAllen LLP. Mr. Imber introduced auditor partner, David Flint from CLA who gave a review of the 2023-2024 financial audit summary. Mr. Flint reviewed the Executive Summary audit results, financial statements and highlights of the federal and state single audit, governance and GASB pronouncements. Mr. Flint noted 100% clean audits, unmodified opinions issued for the financial statements, federal and state single audits. Financial statements overview including capital assets and long-term liabilities reviewed (noted that MERS pensions contribute to most of the long term liabilities). Financial highlights are property tax collections strong with 99.22% compared to 99.29% in the prior year. General Fund Unassigned Balance is very good at 23.5% of the 2024 final budget, MERS pension liability is 69.54% funded. Net OPEB asset at almost \$3.1 million asset.

Follow-up discussion on prior BOF approval of \$543,640 supplemental appropriation for the Ravenwood Capital Appropriation account – Karl Kilduff, Town Administrator

- a. **Status of Board of Selectman approval of same amount.** BOF previously approved \$543,640 supplemental appropriation for the Ravenwood Capital Appropriation account. The approval was previously voted on by the BOS for a lesser amount due to later BOF close outs of completed projects and transfers of active accounts. The subsequent amount to be voted on for the BOS was \$543,640 which was voted on and approved at the December 17, 2024 meeting. Mr. Kilduff confirmed that a bid waiver for the Ravenwood Water Project was signed by the BOS and Town Administrator. Mr. Baldwin asked about the status of the supplemental appropriation amount noting that the amount should be \$593,640.
- b. **Status of Opinion of Counsel re: close/transfer procedures.** Mr. Kilduff discussed that due to holidays, an opinion has not been released by Counsel as of this date and should have it for the next BOF meeting. Mr. Farr wanted to be clear that the question to be addressed pertains to the transfers that occur during the fiscal year vs. transfers done at the end of the year closing to true up accounts. Mr. Baldwin asked about the legal opinion that will be received and wanted clarification that the opinion will answer the very specific questions asked. A meeting was requested by the BOF, not a legal opinion so would like confirmation that the specific questions submitted to Mr. Kilduff for Counsel will be addressed.

Discussion and revisions of draft Debt Management Policy. Review by the BOF and discussion of the draft policy was held:

-Discussion to maintain the highest possible AAA rating (factors favoring long term debt).

-Debt limitations discussion- proposed policy sets a debt limit on a single ratio debt service/annual expenditure budget <10%. Should other fiscal measures also be considered for benchmarking with other CT towns? Discussion took place on metrics discussion, debt as a percent of general expenditures and comparative AAA towns (being in different debt cycles so difficult to compare). Affordability and financial projections discussed by Mr. Baldwin. Requirements for financial projections and looking at ratios over a period of time to understand the impact should be included. Mr. Baldwin discussed that within the policy it should be able to articulate what the projected mill rate and tax burden is after debt issuance.

-Debt Structure – Debt term discussion of a maximum maturity of 30 years. Should recognize that you should match the liability up against the useful life of the asset with flexibility to do less if wanted. Mr. Baldwin requests a limitation on the amount of 30 year debt. Overall Maturity Management discussed – town manages it's portfolio of debt maturities toward the goal that 50% of debt matures within 10 years. Mr. Imber discussed intergenerational equity discussed relating to 30 year maturity – paying now for what will be a beneficiary of 30-40 years for an asset.

Refinancing of Debt – refunding will be considered only if a net present value savings of at least 2% of the refunded debt is achieved.

Mr. Baldwin and Mr. Imber to give further input on language and suggestions and will send to the BOF for consideration with the goal to finish up draft policy and vote on it at the next BOF meeting.

Discussion and revisions of draft Fund Balance Policy. Mr. Imber reviewed the policy with the BOF and asked for any questions or concerns:

-Mr. Baldwin suggests that language should incorporate a plan if the targets are above, a plan to incorporate how to spend down the excess over a reasonable period of time.

-Unassigned Fund Balance calculation clarified and discussed. When an expenditure is incurred for which committed, assigned or unassigned amounts are available, the fund balance to be spend in the order of committed, assigned, unassigned.

-Surplus fund balance amounts discussed. Suggestion that it should be for one time capita appropriations or for transfer into dedicated accounts to meet unfunded liabilities. BOE positive balance in non-lapsing accounts must be fully expended before BOF will consider any special appropriations.

-UFB falls below the 20% threshold as defined, the BOF will collaborate with the BOS to replenish the deficiency over a period not to exceed the next three fiscal years. Through the normal budget process? Discussion on how to replenish deficiency – collaborate with the BOS?

-Expenditures of any surplus fund balance amounts shall be for one-time capital appropriations or for transfer into dedicated accounts to meet unfunded town/school liabilities – it shall not be used for paying recurring operating expenditures.

-Policy with changes/suggestions will be sent in redline format to the BOF for review.

Presentation of draft Debt Capacity Analysis. Mr. Imber discussed last week's Debt Capacity meeting with the BOE where they went through the assumptions from the draft model. BOE held a discussion on growth rates – 3.5%-7.0% on high end. Discussions on WMS were held, BOE is not close to making a decision on school infrastructure. BOE agreed that the soonest the town might seek a grant approval for schools is June 2026, with bond issuance potentially in 2027. Mr. Cross also discussed Hurlbutt's needs down the road. Debt Capacity subcommittee Plan is to meet at 8pm January 16th and information will be shared with the BOF for review and will also share at the next BOF meeting next month and then public comment will be scheduled.

Discussion of Public Comment meetings scheduled for January 15 and January 29. Discussion on it being valuable to have a PowerPoint available to give a high-level overview of the policies of the draft Debt Management Policy and the draft Fund Balance Policy. Red-lined drafts of policies will be available. Public comment meeting will be held at the Middle School cafeteria at 8pm. Meeting held in person to allow for public participation and connectivity. January 29th draft Debt Capacity public comment meeting will be after the next BOF meeting and will look to schedule February 24,25 or 26th.

Approval of BOF minutes from the December 12, 2024 regular meeting. Mr. Farr made a motion to approve a supplemental appropriation in the amount of \$543,630 (to correct a typographical error) and to move the vote results to reflect after the vote was actually taken. Motion made by Mr. Farr, seconded by Mr. Imber. All in favor.

Adjourn. Mr. Imber made asked for a motion to adjourn. Motion made by Mr. Baldwin, seconded by Mr. Bryant. Meeting adjourned at 8:40 pm.