

Board of Finance Regular Meeting
February 8, 2024 6:00 PM
Meeting held remotely

Call to Order: Board of Finance Chair Michael Imber called the meeting to order at 6:01 pm. Attendees were Rone Baldwin, Theresa Brasco, Christopher Bryant, Amy Gare, Jeffrey Goldstein, Finance Director Rick Darling, First Selectwoman Samantha Nestor, WPS Director of Finance Phil Cross, WPS Superintendent Lisa Barbiero, BOE Chairman Steve Ezzes, Director of Public Works Larry Roberts. Excused absence for Vice Chair Jeffrey Farr.

Discussion and acceptance of the July 1, 2023 actuarial valuation report for the OPEB Trust fund. Rob Lessard, USI (formerly Hooker and Holcombe). Rob Lessard presented the Town of Weston's actuarial OPEB Plan 2023 valuation results. Summary of results, investment return assumption, mortality assumption and asset valuation methods were presented. Mr. Lessard reviewed that the plan has begun paying benefits out of the trust, discussed liability has decreased by \$2.98 million due to decreases in retirees for the town and BOE and a decrease due to BOE premium changes. For FY ending 2025 actuarially determined employer contribution (ADEC), the Town will need to budget for \$71,000. Mr. Imber discussed that the TOW has a fully funded OPEB plan.

Discussion regarding the Board of Education's financial update. Phil Cross, Director of Finance and Operations. Mr. Cross was joined by Superintendent Barbiero and BOE Chair Ezzes, and presented a mid-year report on the BOE finances. Overall trending as anticipated was discussed with highlights to unanticipated changes in month to month salaries and savings in FML as well as savings in benefits due to MERS contribution changes. Unanticipated savings as well as offsets such as the security supervisor and the FY 24-25 mitigation for the 3-5 grade core reading program will result in approximately \$308,000 surplus. Mr. Imber inquired about the surplus being returned to the general fund, provided no other anticipated expenses. Mr. Baldwin noted significant surpluses compared to budget and requested a final expenditure report for the BOE versus the budget for the past five years. Mr. Baldwin also requested an analysis for unliquidated expenditures for the past 5 years. Mr. Cross will work with Mr. Darling for this information.

Discussion regarding a presentation on an analysis of town road paving conditions including tentative plans for funding. Larry Roberts, Director of Public Works and Samantha Nestor, First Selectwoman. Mr. Imber clarified that discussion on road paving and financing is a preliminary conversation and will be part of a long term infrastructure plan as well as approval of the BOF and a town vote. Mr. Imber discussed paving plans that will cost approximately \$10-12 million dollars over a long term financial plan and bonding. Ms. Nestor gave the background as to past road paving and deterioration. Mr. Roberts had a preliminary study done by Beta

Group in October 2023 as well as physical inspection of roads that had been rated by Beta Group. Mr. Roberts discussed the Road Surface Rating (RSR) by Beta Group of 0-100 which prioritizes road paving plans for towns. An analysis of 82 miles of TOW roads gave a ranking of 66 with 37% of roads requiring rehabilitation. Mr. Roberts further discussed that the Beta Group ratings was initially done in 2019 and reviewed a multi-year plan for addressing the roads. Prioritization, planning and maintenance was presented as well to maintain a higher RSR rating. Mr. Baldwin discussed the prior study done by Beta Group as well as previously budgeted plans for paving to a 70 RSR rating over a 10 year period as well as funding through ARPA and LOCIP and unassigned fund balances. Mr. Baldwin requests more data and analysis. Historical data of repavement further discussed by Mr. Baldwin. Further discussion ensued on the previous pavement plan as well as the current plan being presented. Differing Beta Group study results were discussed regarding spending to maintain an RSR rating of 70. Mr. Imber suggested BOF email further questions to Mr. Roberts and Selectwoman Nestor. Mr. Imber closed the discussion noting a further special meeting for consideration on paving. Mr. Baldwin requests the original Beta Group study be shared with the BOF.

Discussion regarding a report on current Town financial ratios and their relation to Moody's scorecard. Mike Imber, Chairman, Board of Finance. Mr. Imber reviewed a presentation as a follow up to conversations on special appropriations and how they may impact TOW credit metrics. Current FY 2024 special appropriations are \$975,000. Mr. Imber discussed the current AAA rating for Weston and that AAA obligations are judged to be of the highest quality, subject to the lowest level of credit risk. Moody's methodology was reviewed for financial performance, specifically available fund balance and liquidity ratios and the impact by special appropriations. YTD appropriations show that the liquidity ratio drops slightly to 37.9% but is still higher than 2022. Mr. Imber noted that the TOW has a strong liquidity position to date.

Discussion regarding the Town's financial update. Rick Darling, Finance Director. Mr. Darling discussed the general fund year end highlights for FY 23/24. Tax revenue is forecasting higher than budget due to favorable collections as well as abatement and deferments. Investment income is higher than budget due to short term yields remaining above 5%. Town Clerk and building permits continue to be higher. On expenditures Mr. Darling discussed health insurance and pensions. Health insurance is trending lower as there are fewer employees and volunteers in the plan than originally budgeted. Pension reflects a surplus due to MERS contribution rates being less. Unassigned fund balance estimated at 6/30/24 just under \$18 million. Note that this reflects the LMR \$4.5 million supplemental appropriation.

Discussion/decision regarding the fiscal year 2023-24 audit and the possibility of issuing an RFP for auditing services. Mr. Imber discussed a potential RFP for a new independent auditor. The TOW currently uses Clifton Larson for the annual audited financial statements who has been the auditor for 8 years. The idea to change after 8 years was discussed as well as increases in rates for auditing services by CLP. Rick Darling to inquire with area Finance Directors before making the decision to go through the RFP process.

Discussion/decision regarding the approval of minutes from the January 11th meeting. Mr. Imber asked for a motion to approve the January 11th Special BOF minutes. Motion made by Ms. Gare, seconded by Mr. Bryant. All in favor. Motion passes unanimously.

Adjournment. Mr. Imber asked for a motion to adjourn. Motion made by Ms. Gare, seconded by Mr. Goldsteiin. All in favor. Motion passes unanimously. Meeting adjourned at 8:17 pm.

Minutes Submitted By:
Shawn Amato, Recording Secretary