

Board of Finance Special Meeting
April 4, 2024 6:00 PM
Meeting held remotely

Call to Order: Chairman Michael Imber called the meeting to order at 6:02pm. Also in attendance were BOF Vice Chair Jeffrey Farr, Rone Baldwin, Theresa Brasco, Christopher Bryant, Amy Gare, Jeffrey Goldstein, First Selectwoman Samantha Nestor, Town Administrator Karl Kilduff, Finance Director Rick Darling, WPS Superintendent Lisa Barbiero, WPS Director of Finance Phillip Cross, BOE Chairman Steve Ezzes.

Presentation 10-year Forecast of OPEB Fund

Mr. Imber opened the meeting with a presentation by Rob Lessard, USI/Hooker & Holcombe who reviewed a 10 year scenario projection plan for the TOW OPEB's investment. Discussion was prompted by OPEB's 125% funded status with the BOF contemplating a contribution holiday with an analysis of the assumptions. Projection 1 provided an investment return assumption of -10% for the first 2 years and 5.5% for all future years. Projection 2 provided an investment return assumption of 5.5% for all years. Fiduciary responsibility of payouts for retiree health care premiums out of the trust was discussed and will be consulted with an attorney. Discussion/Decision on OPEB FY 2024-25 contribution will be continued on Monday, April 8th.

Discussion/Decision regarding the proposed Board of Education's operating budget for FY 2024-

25. Mr. Cross discussed the FY 24/25 operating budget adjustments for changes in pension contributions, health insurance and in district transportation. Employer contribution percentages for MERS are lower than budgeted. Health Insurance and changes in OPEB contribution as well as cost savings in the renegotiated district transportation contract resulted in savings. Mr. Baldwin discussed surplus averaging over the years and suggested further reduction. Superintendent Barbiero and Mr. Cross discussed conservative approaches, lingering effects from pandemic years and unknown costs such as special education, outplacements and unknown kindergarten enrollment due to recent attendance age changes. They also discussed that most of the increases are based on contractual increases.

Mr. Baldwin made a motion to reduce the BOE operating budget by \$400,000 compared to the budget presented subject to further adjustments for OPEB. Seconded by Mr. Farr. 6 yes, 1 no, motion carries.

Discussion/Decision regarding the proposed Town operating budget for FY 2024-25. Mr. Darling discussed the revisions to the town operating budget. Mr. Darling discussed an increase of \$95,000 based on CMERS contribution rates. \$22,000 for health insurance renewal adjustments result in a favorable impact with a revised proposal of \$73,000 increase in pension/health insurance irrespective of OPEB contribution reduction. Mr. Baldwin discussed increases that are unsustainable and suggested reductions. Reduction recommendations for elimination of HR Manager position, eliminate additional Tax Collector hours and the facilities employee. Mr. Baldwin further suggested decreases to public works contracted services, as well as a decrease in budgeted work repairs. Mr. Imber discussed execution risk, and that we need to invest in human resources. There are a lot of projects currently and in the future as the town pursues reinvestment in infrastructure. Selectwoman Nestor discussed contractual obligations, investing in human capital and infrastructure needs. Mr. Farr discussed obligations to fixed expenses on a future ongoing basis. Ms. Gare supports human capital growth. Ms. Brasco discussed controlling expenses.

Mr. Baldwin made a motion to approve reductions by department line items:

\$393,796 total for reducing HR Mgr, Facilities leader, tree cutting by services, contractual svcs for DPW, tax collector hours and benefits reduction for HR and facilities position, seconded by Ms. Brasco. 3 yes, 4 no, motion does not carry.

Mr. Goldstein made a motion to increase the pension budget by \$95,000 and to decrease health care expense budget by \$22,000 for a net increase of \$73,000. Seconded by Mr. Bryant. 4 yes, 3 no. Motion carries.

Discussion/Decision regarding the proposed Town and Board of Education capital budget for FY 2024-25.

- BOE capital budget adjustments made for district wide paving, HES north house playground work, WHS wall padding replacement. Mr. Farr made a motion to reduce the BOE capital budget by \$230,000, seconded by Mr. Bryant. Motion carries unanimously.
- Town capital budget proposed changes discussed. \$4.6 million removal from capital budget for the paving plan. Recommendation to BOF to decouple final paving amount and debt svc from the budget as BETA Group evaluation is still pending.
- Project closeouts of \$266,021 to the offset of the total capital budget.
- Mr. Farr made a motion to capital budget expense items for removal of temporary modular space, reduction of construction management and reduction of project management engineering for a total of \$831,171. Seconded by Ms. Brasco. 3 yes, 4 no. Motion does not carry.
- Motion made by Mr. Farr to remove \$4.6 million for paving from the budget. Seconded by Mr. Bryant. All in favor, motion carries unanimously.
- Mr. Imber asked for a motion to approve the TOW (\$576,033) and BOE (\$103,581) capital offsets totaling \$679,614. Motion made by Mr. Baldwin, seconded by Mr. Bryant. All in favor. Motion carries unanimously.
- Mr. Imber asked for a motion to approve the net capital budget of \$3,886,646 for FY25. Motion made by Mr. Bryant, seconded by Mr. Goldstein. 5 yes, 2 no. Ms. Brasco requested a correction to change of vote, 4 yes, 3 no. Motion carried.

Discussion/Decision regarding the proposed Town Debt Service budget for FY 2024-25.

- Debt service budget is impacted by the reduction of \$4.6 million from the capital budget which was to be financed by bond note and subject to town approval. Removing the BAN eliminates proposed interest related to it. Mr. Imber asked for a motion to approve the debt service budget of \$1,053,562. Motion made by Mr. Bryant, seconded by Mr. Farr. All in favor. Motion carries.
- Investment Income adjustment change to 4.25%. Mr. Baldwin made a motion to increase the investment income assumption by \$475,000 for investment income. Seconded by Mr. Bryant. All in favor, motion carries unanimously.
- Grand List Increase. Change in grand list for FY25 budget of \$1,577,120 resulting in revised grand list for FY25 budget \$3,233,907,984. Mr. Imber asked for a motion to approve the revised grand list amount for FY 25 for \$3,233,907,984. Ms. Brasco made the motion, seconded by Mr. Bryant. All in favor. Motion carries unanimously.

Adjournment: Mr. Imber asked for a motion to adjourn. Motion made by Mr. Bryant, seconded Ms. Gare. Motion passes unanimously. Meeting adjourned 8:45 pm.

Respectfully Submitted, Shawn Amato