

Board of Finance Regular Meeting

June 23, 2022 06:00 PM

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/87628044835?pwd=NTJMUkFLSIYrYjRiOXZrSXczWm0vQT09>

Join by Phone: 646-558-8656

Webinar ID: 876 2804 4835

Passcode: 894971

- 1 - Discussion/decision regarding a request from the Board of Education to establish a non-lapsing account in the amount of \$132,825 for the fiscal year ending 6/30/22. Phil Cross, Director of Finance and Operations.
- 2 - Discussion/decision regarding a fiscal year 2022-23 supplemental appropriation request from the Board of Education in the amount of \$195,500 to pave the high school and middle school parking lots. Phil Cross, Director of Finance and Operations.
- 3 - Discussion/decision regarding a supplemental appropriation request in the amount of \$307,616 to pay for expenses associated with a 27th bi-weekly payroll period occurring during FY 2021-22. Rick Darling, Finance Director.
- 4 - Discussion regarding an update on the Town's general fund investment portfolio. Rick Darling, Finance Director/Treasurer.
- 5 - Discussion regarding an update on the Board's review of future capital expenditures and potential bonding.
- 6 - Discussion/decision regarding approval of the meeting minutes of May 9th and May 12th.
- 7 - Adjourn

Item 1



May 13, 2022

TO: BOE Financial, Facilities and Operations Committee

FROM: Phillip Cross, Director of Finance and Operations

SUBJECT: State Partnership Plan (SPP) Renewal Rate

Background

On April 20, 2022, we received the final July 1, 2022 rate renewal for the State Partnership Plan (SPP). The premium increase will be:

- Active 10.5%
- Retirees under 65 -2.9%
- Retirees over 65 – 2.4%

Among the reasons provided (memo attached) for the change from the preliminary to the final rate are, increase in claims, increase in COVID-related experience and increase in elective procedures.

Budget Impact

The requested budget assumed an 8% increase for both active and retirees. Based on the final rates, the health increase cost will increase by a gross of \$167,950, and the employee cost share will increase by \$35,125 for a net additional cost to the BOE of \$132,825. This additional cost will increase the year over year health insurance premium to \$407,870 (net) or 5.52%.

Over the past several meetings, I have mentioned that the current census level is the lowest it has been in recent years. It should be noted, any increase in the census will increase the cost to the BOE. On average, the cost per employee is \$30,000.

Recommendation

Because notice of the rate increase was received after the BoF vote on the budget, we were unable to make a budget adjustment. I am recommending that a request be made to the BoF to set aside funds in the non-lapsing account. These funds will be used to cover this unanticipated increase as well as any census change.

I am making this recommendation and not opting to seek a special appropriation because of the impact that a special appropriation will have on the minimum budget requirement (MBR).

FY 22-23 State Partnership Plan Health Insurance Change Summary (BoF Approved to 4-20-22 Rate Renewal)

Description	Gross	% Increase	Employee Portion	% Increase	Net BoE Cost	% Increase
FY 21-22 Approved Budget	8,982,394		(1,599,744)		7,382,650	
FY 22-23 requested increase at 8%	339,508	3.78%	(64,463)	4.03%	275,045	3.73%
FY 22-23 BoF Approved Budget	9,321,902		(1,664,207)		7,657,695	
S.P.P Final Rate Renewal (4-20-22)	167,950	1.87%	(35,125)	2.20%	132,825	1.80%
Total	\$9,489,852	5.65%	(\$1,699,332)	6.23%	\$7,790,520	5.52%

Total YoY Change **\$507,458** **5.65%** **(\$99,588)** **6.23%** **\$407,870** **5.52%**

State Partnership Plan 2.0

July 1, 2022 Renewal Rate Explanation

Rate Increases

Segal has developed the final Partnership 2.0 rates that will be charged to new and existing groups effective July 1, 2022. The premium rate changes for the medical/prescription drug plan for actives and non-Medicare retirees under and over 65 for each region will be adjusted by the following percentages:

Plan	Rate Action*
Actives	10.5%
Non-Medicare Retirees Under 65	2.9%
Non-Medicare Retirees Over 65	2.4%

*Changes by tier may vary slightly

As explained during the development of the preliminary rates, there has been an increase in claims, including increases in COVID-related experience and for elective procedures due to pent-up demand, especially during the recent months of the period. This spike, with an expectation of a continued effect on claims during the renewal period, is causing a needed increase for the active medical and pharmacy claim rate above the annual trend assumptions. The increase, specifically for the active population, is magnified by the minimal increase needed for July 1, 2021 as a result of the suppressed experience due to the pandemic. While the non-COVID related claims are expected to slowly normalize and return to the pre-pandemic levels, there is also an expectation of continued COVID related costs for testing, treating, and vaccinating. When looking at the annualized increases over the two-year period from July 1, 2020 to July 1, 2022 we are seeing an increase of 5.6% for Actives and an increase of 4.3% for Non-Medicare Retirees Under 65, which are in line with trend assumptions.

Assumptions

The rate development was based on the following assumptions:

- Partnership 2.0 enrollment by tier as of January 2022 from Segal's SHAPE claims database
- Projected expenses are based on 12 months of experience through January 2022 for Anthem and CVS Health, annual trend assumptions of 5.5% for medical and 5.0% for prescription drug compounded over 17 months to the renewal period effective July 1, 2022
- Additional rate components include:
 - Anthem Clinical Coordination and Shared Savings Payments
 - Rx rebates
 - Anthem ASO fees
 - Signify fees
 - Administrative expenses (PCORI fee, OSC Administration/Communication fees, consulting fees, Care Management Solution fees)

– Reserve adjustment

The projections in this report are estimates of future costs and are based on information available to Segal at the time the projections were made. Segal has not audited the information provided. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, health trend rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases. Unless otherwise noted, these projections do not include any cost or savings impact resulting from any new health care reform legislation or other recently passed state or federal regulations.

Projections of retiree costs take into account only the dollar value of providing benefits for retirees during the period referred to in the projection. It does not reflect the present value of any future retiree benefits for active, disabled or terminated employees during a period other than that which is referred to in the projection.

The Coronavirus (COVID-19) pandemic continues to cause significant disruptions to the healthcare delivery system. Health plan experience has been affected by direct costs for testing for, treating, and vaccinating against the disease, indirect savings from reduced utilization of non-essential services, and long-term implications of cancelled and delayed care. Significant uncertainties remain around impact of pent-up demand and long-term implications from untreated conditions. Projections assume the current outbreak will be contained. Additional outbreaks have not been contemplated in the projections.

Item 2

Proposal

CT Lic.#557754

AMERICAN PAVEMENT SPECIALISTS LLC

20 Shelter Rock Lane • Danbury, CT 06810

(203) 792-4800 • Fax (203) 792-3919

www.americanpavement.com

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Attn: Michael DelMastro

PROPOSAL SUBMITTED TO	Weston Public Schools	PHONE	203-221-6564	DATE	4/16/2022
STREET	24 School Rd	JOB NAME	Middle School and High School Paving		
CITY, STATE AND ZIP CODE	Weston CT 06883	JOB LOCATION	Middle School and High School Parking Lots		
EMAIL	michaeldelmastro@westonps.org				

We propose hereby to furnish material and labor – complete in accordance with the above specifications, for the sum of:

**** SEE BELOW **** dollars (\$)

Payment to be made as follows: **50% deposit and balance to be paid in full day of completion.**

A finance charge will be added on all balances past due. The finance charge is computed by a periodic rate of 1.5% per month which is an ANNUAL PERCENTAGE RATE of 18%. Customer agrees to pay all costs for collection including any attorneys' fees.

Escalation notice: Based on \$615.50 liquid, Posted date: April 16th

Due to the unstable oil prices in the asphalt market – prices could change without notice. Our company is not responsible for absorbing these increases and therefore must pass on the per ton increase to the consumer. Please be assured that as much notice will be given to you as possible. Due to these uncertain circumstances American Pavement Specialists, LLC reserves the right to withdraw this contract.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alterations or deviations from the specifications below involving extra costs and are executed will become an extra charge over and above the estimate. All agreements are contingent upon strikes, accidents or delays beyond our control. Owner provide an insurance certificate upon request. Our workers are fully covered by Workman's Compensation Insurance.

Authorized Signature: Bill Stanley Jr. / Managing Member Note: This proposal may be withdrawn by us if not accepted within 30 days.

We hereby submit specifications and estimates for:

Weston Mill School Parking Lot Area Approx. 24,000 SF

Specs:

- 1) Mill existing asphalt approx. 2" deep
 - 2) Mill 5,500 SF bus line area Full depth 4" deep
 - 3) Clean area of all dirt and debris
 - 4) Apply hot tack coat as required
 - 5) Supply and place 2" binder course (full depth area) class I
 - 6) Supply and place 2" top course entire lot class II
 - 7) Install approx. 650 linear ft. of 6" curb Price: \$66,750.00
- Price to replace all traffic markings: \$2,500.00

Weston High School Parking Lot Area Approx. 70,000 SF

Specs:

- 1) Mill existing asphalt 2" deep
 - 2) Clean area of all debris
 - 3) Apply hot tack coat as required.
 - 4) Supply and place 2" class II asphalt Price: \$114,650.00
- Price to replace all traffic markings: \$4,600.00

NOTE:

All work quoted is based on one mobilization. Additional charges for mobs to be determined.

X Guaranteed for a period of one yrs (see reverse). Guarantee is void unless paid in full.

Any permits needed for the described work shall be obtained by the owner or others and shall not be the responsibility of the contractor to secure same. Any costs for said permits shall be the owner's responsibility. A certificate of insurance will be sent upon request.

Pursuant to Connecticut State Law the homeowner listed above in Said proposal has a three day right of rescission in which to cancel the terms of Said proposal. Acceptance of this proposal is a legal Contract. Customer agrees to pay all costs for collection including any and all attorneys' fees.

Date of Acceptance _____

Signature _____

Acceptance of Proposal The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature _____

Item 3

TOWN of WESTON, CONNECTICUT



Incorporated 1787

Office of the Finance Director / Asst. Town Administrator

Date: June 21, 2022
To: Board of Finance
From: Rick Darling, Finance Director *R.D.*
Re: Supplemental Appropriation for a 27th Bi-weekly payroll

This memo serves as a request to the Board of Finance to approve a supplemental appropriation in the amount of \$307,616 for a 27th employee payroll dated June 30, 2022. The Board of Selectment approved this supplemental appropriation at the June 16th meeting. The Town pays its employees on a bi-weekly schedule which normally covers 26 pay periods during the course of a fiscal year. However, since 26 bi-weekly periods totals 364 days, eventually an additional pay period occurs during the fiscal year, and this happens once every 11 years or so.

Note that we did recognize this obligation at the end of fiscal year 2020-21, and designated \$325,000 against our Unassigned fund balance in our FY 2020-21 financial statements. Additionally, the Board of Finance has been apprised of this obligation throughout this fiscal year. So this supplemental appropriation will effectively come from our Assigned general fund balance, and will not impact our Unassigned Fund Balance for fiscal year ending June 30, 2022.

I'll be happy to answer any questions about this at the meeting.

Attch.

SUPPLEMENTAL APPROP FOR 27TH PAY PERIOD

<u>DEPARTMENT</u>			<u>27th Payroll Estimate</u>
Admin and Finance			24,488
	Full Time	21,988	
	Overtime	300	
	Part Time	2,200	
General Admin.			
	Pension		47,500
	FICA		18,000
Registrar of Voters			-
Assessor			5,743
	Full Time	4,147	
	Part Time	1,596	
Tax Collector			4,450
Town Clerk			5,877
Land Use			13,571
Police Department			85,800
	Full Time	71,300	-
	Overtime	14,500	-
Fire Marshal			2,229
Animal Control			2,895
	Full Time	2,280	
	Part Time	615	
Communications Center			16,800
	Full Time	13,500	
	Overtime	1,800	
	Part Time	1,500	
Public Works			36,984
	Full Time	36,184	
	Overtime	800	
Social Services			3,504
Senior Center			5,786
	Full Time	4,424	
	Part Time	1,362	
Library			14,282
	Full Time	11,532	
	Part Time	2,750	
Recreation - Admin.			9,071
Recreation - Field Mntc.			2,026
Recreation - Pool			1,560
Transfer Station			4,650
	Full Time	3,950	
	Overtime	700	
Youth Services			2,400
Total Supplemental Requested			307,616

Item 4



Incorporated 1787

Office of the Finance Director / Asst. Town Administrator

June 21, 2022

To: Board of Finance
From: Rick Darling, Finance Director/Treasurer
Re: General Fund Investments

Regarding Thursday night's agenda item on Investment Account updates, you will notice that we have had significant Unrealized Losses that have occurred in our fixed income and cd portfolios during this fiscal year. This has been primarily the result of interest rate increases by the Federal Reserve, leading to drawdowns and negative returns on bonds.

Per Government Accounting Standards Board (GASB) statement 31, investment income reported in the financial statements includes changes in the fair value of investments, whether or not those investments are intended to be held to maturity.

Through May, you will see on one of the backup schedules that these Unrealized Losses have exceeded the interest earnings by \$448,727. I forecast that we will earn at least \$30,000 in interest earnings during June to help offset this negative amount. Regardless, I will no doubt be required to book a large negative amount for interest income for fiscal year 2021-22.

INVESTMENT POLICY – TOWN OF WESTON

The responsibility to implement the investment policy is the responsibility of the Town Treasurer (as defined in section 7-359). These practices and policies are in accordance with the CT State Statutes and Town Charter. (See attached Definitions of Title 7 Municipalities Chapter 112 Municipal Finance.) This policy applies to the investment of all Town governmental funds, excluding the investment of employees' retirement funds, proceeds from certain bond issues, Capital Improvement Funds, as well as fiduciary funds or Private-Purpose Trust & Agency Funds.

The Town will consolidate cash and reserve balances from all funds to maximize investment earnings and increase efficiencies with regard to investment pricing, safekeeping and administration. If not specifically noted, the Town as a practice will follow State statutes.

The Town Investment policy objectives are as follows:

1. **Safety of principal is the foremost objective of Town Funds.**
The objective is to preserve capital and mitigate credit risk and interest rate risks by limiting investments to the types of securities listed in the state statutes, pre-approving any new financial institutions, intermediaries, or advisors and by diversifying the investment portfolio by the guidelines set forth by the Board of Finance.
2. **Liquidity -** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Investing operating funds primarily in shorter-term securities, money market funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with policy guidelines.
3. **Yield -** Earning the best rate possible while meeting the safety and liquidity objectives.

The standard of prudence to be used by the Treasurer and all other investment officials shall be the “prudent person” standard and shall be applied in the context of managing the overall portfolio.

Authorized Financial Institutions, Depositories and Broker/Dealers:

The list of approved Bank Depositories and Custodians of Town Funds will be maintained at all times. In addition, a list of approved security broker/dealers selected by creditworthiness (e.g. a minimum capital requirement of \$10,000,000 and at least five years of operation) that may include “primary” dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). The State of Connecticut requires that each bank depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio. All approved depositories,

financial institutions and broker/dealers qualified for investment transactions must supply the following as appropriate:

- **Audited Financial statements demonstrating compliance with state and federal capital adequacy guidelines**
- **Proof of National Association of Securities Dealers (NASD) certification (not applicable to Certificate of Deposit counterparties)**
- **Proof of state registration**
- **Completed broker/dealer questionnaire**
- **Certification of having read and understood and agreeing to comply with the Town's Investment policy.**
- **Evidence of adequate insurance coverage.**
- **Quarterly Public Depository Qualification Forms**

An annual review of the financial condition, registration and statistics of all qualified depositories, financial institutions and broker/dealers will be conducted by the Treasurer and Board of Finance. (See Financial Institution Statistics Attachment)

Safekeeping and Custody:

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to release of funds. When available and for those securities issued in "book-entry" form, in which an investor's ownership is recorded through data entry at a central clearinghouse, DVP is not required. The bank or investment firm will provide the Town with a confirmation that is a written record of the transaction. With book-entry securities, physical transfer of certificates is not necessary. Registered and book-entry bonds offer a number of protections and conveniences to bondholders, including protection from loss or theft, automatic payment of interest, notification of calls and ease of transfer.

Any securities will be held by a centralized independent third-party custodian selected by the Town as evidenced by safekeeping receipts in the Town's name.

Suitable and Authorized Investments as defined in the C.G.S. 3-24f, 3-27f or 7-400:

- **U. S. Treasury obligations which carry the full faith and credit guarantee of the United States government and are considered to be the most secure instruments available.**
- **U. S. government agency and instrumentality obligations that have a liquid market with a readily determinable market value;**
- **Certificates of deposit and other evidences of deposit at financial institution,**
- **Bankers acceptances;**

- Commercial paper, rated in the highest tier (e.g., A-1, P-1, F-1, or D-1 or higher) by a nationally recognized rating agency;
- Investment-grade obligations of state, provincial and local governments and public authorities; (e.g., ratings of not less than A by Moody's, A- by Standard and Poor's, or A- by Fitch).
- Repurchase agreements whose underlying purchased securities consist of the aforementioned instruments;
- Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities; and
- Local government investment pools either state-administered or developed through joint powers statutes and other intergovernmental agreement legislation. (The State Treasurer's Short-Term Investment Fund established pursuant to CGS 3-27 a and the State Treasurer's Tax-Exempt Proceeds Fund established pursuant to CGS 3-24a.)

Diversification:

The investments shall be diversified by:

- limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- limiting investments in securities that have higher credit risks,
- investing in securities with varying maturities, and
- continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Investments should not exceed the following limits with each financial institution or investment fund in the following categories:

Investment Funds (AAA rated)	60%
Banks (A rated or higher)	60%
Banks (minimum BBB rated) or Any other Banks (non rated local)	5%

Certificates of Deposits are limited to a term not to exceed 3 years (36 months); investments in such certificates with a maturation date beyond 6 months are not to exceed \$2 million at any one time. Additionally, certificates are limited in dollar amount to not exceed the amount of FDIC insurance coverage per institution.

TOWN OF WESTON INVESTMENT REPORT

FY 2021-22 (GENERAL FUND)

<u>CATEGORY</u>	<u>7/1/21-5/31/22 EARNINGS NET OF FEES</u>	<u>NET UNREALIZED LOSS/GAIN July - May</u>	<u>INVESTMENT EARNINGS YTD 2021-22</u>
BANK MONEY MARKETS	16,891	N/A	16,011
STONECASTLE, SAXON FEDERAL INSURED ACCOUNTS	10,484	N/A	8,883
CONNECTICUT SHORT TERM INV.FUND	12,623	N/A	12,623
MULTI-BANK SECURITIES CD PORTFOLIO	42,950	(72,036)	(29,086)
JANNEY MONTGOMERY SCOTT	55,720	(172,450)	(116,730)
FLYNN FINANCIAL	85,203	(237,559)	(152,356)
UBS FINANCIAL	26,694	(214,766)	(188,072)
TOTAL	250,565	(696,811)	(448,727)
INVESTMENT INCOME BUDGET 2021-22	200,000		200,000
Difference from Budget at April 30	50,565		(648,727)
Investment Income Actual 2020-21			99,703
Investment Income Actual 2019-20			750,026
Investment Income Actual 2018-19			842,931

BUDGET	% to Budget
200,000	

Interest Budget 2021-22

May, 2022

<u>Bank/Fund</u>	<u>Risk Based Capital Ratio</u>	<u>Investment \$</u>	<u>% of Total</u>	<u>Interest Rate/yield</u>	<u>Liquidity</u>
General fund					
JPMorgan Chase Money Market	16.89	95,584	0.3	0.03	available daily
Wells Fargo	15.82	1,303,403	3.7	0.25 (earn crd)	available daily
Peoples Money Market	14.04	1,694,878	4.7	0.05	available daily
Peoples Tax Collector Credit Card	14.04	198,924	0.6	0	available daily
State Short-term Investment Fund	n/a	10,267,286	28.8	0.93	available daily
State Short-term Investment Fund (debt srv)	n/a	50,245	0.1	0.93	available daily
Webster Bank	14.41	1,897,191	5.3	0.15	available daily
TD Banknorth, Money Mrkt	19.01	1,894,761	5.3	0.12	available daily
Stonecastle FICA account	n/a	534,097	1.5	0.36	available daily
Saxon Securities Fed. Insured account	n/a	4,410,569	12.4	0.32	available daily
Multi Bank Securities (cd's)	n/a	2,604,774	7.3	0.2-3.125	6 mo. - 3 yr cd's
UBS Financial	n/a	3,672,310	10.3	1.28	blended/varies
Flynn Financial	n/a	3,629,246	10.2	3.03	blended/varies
Janney Montgomery Scott Portfolio	n/a	<u>3,434,622</u>	<u>9.6</u>	<u>2.10</u>	blended/varies
Subtotal General fund		35,687,889	100.0		
Non- General fund					
TD Banknorth (Senior Center)	19.01	40,124	0.3	0	available daily
Bank of America (Parks and Rec, Ravenwood)	13.98	563,381	3.8	0.05	available daily
FF Cty Bank/Turf Replacement	12.30	186,777	1.3	.1-.5	daily or cd
FF Cty Bank/Morehouse	12.30	119,307	0.8	.06-.5	daily or cd
Fairfield Cty/Social Services	12.30	158,592	1.1	0.04	available daily
FF Cty Bank/Mariana Clark Trust	12.30	101,093	0.7	0.5	cd
TD Banknorth Library Accts.	19.01	1,136,737	7.7	.25-.95	available daily
STIF Fromson Strassler Property Acquisition	n/a	1,144,713	7.7	0.44	available daily
Wells Fargo - OPEB Trust	n/a	<u>11,406,402</u>	<u>76.8</u>	<u>1.72</u>	<u>blended/varies</u>
Subtotal Non-General fund		14,857,126	100.0		
Grand Total		50,545,015			

Note: Fairfield County's ratio is their Tier 1 Leverage Capital ratio, a lower % than the Risk Based Capital ratio.

Fixed Income Market Commentary

Last Updated: 4/19/2022

Q1 2022

Q1 of 2022 has seen quite the shakeup in fixed income markets. The US bond market has just suffered its worst quarter in more than 40 years with the Bloomberg U.S. Aggregate Bond Index returning a negative 6% through the end of March. According to Reid of Deutsche Bank, the 10-year Treasury Note (or historical equivalent) just completed its seventh worst quarter since the U Civil War.

So, what's causing the near-term weakness in bonds? In an effort to counter inflationary trends, the US Federal Reserve has indicated their plan to hike short-term interest rates throughout 2022 and into 2023, as well as shrink their balance sheet by reversing quantitative easing. As Federal Funds Rate expectations have risen, so too have yields on government, municipal, corporate bonds, mortgage-backed securities, etc. And as yields rise, bond prices typically fall.

In the municipal bond market, changes in muni yields have historically shown a correlation to changes in Treasuries, but many factors can influence how close the correlation is. In Q1 2022, the rise in muni yields has outpaced the rise in Treasuries by approximately 30% on the short end of the yield curve and 80% on the long end.

	Increase in Yields from Jan 1 to Mar 31 (1st QTR)		
	Treasuries	Munis (AAA Rated)	% Difference
5 YR	108 bps	142 bps	31%
10 YR	85 bps	117 bps	38%
30 YR	58 bps	105 bps	81%

To demonstrate the effect this is having on muni bonds, take a look at the table below. This shows 3 different muni credits with varying structures. These bonds are trading at values between 12% and 32% below where they were trading 3 months ago.

	CUSIP	Coupon	Maturity	Dec/Jan Trade Date	Price	Yield	Recent Trade	Price	Yield	Percent Cha
Mill VY CA SWR	600039AT8	2%	2042	12/3/2021	\$98.34	2.10%	4/8/2021	\$69.50	4.27%	-29.33%
Palm Beach Co Health	69651ABM5	4%	2049	1/3/2021	\$115.20	1.85%	4/8/2021	\$100.89	3.86%	-12.42%
San Ysidro Sch GO Zero	799561JW6	0%	2041	12/29/2021	62.471	2.417	4/11/2021	42.294	4.51%	-32.30%

Though the Q1 selloff may have stung existing bondholders, it offers prospective investors a chance to buy in at lower prices at higher yields than any other time in the past few years. Until recently, unusually high volumes of bonds have been called as issuers refinanced debt at lower rates. Investors whose bonds have been called, or those who have been sitting on the sidelines waiting for more attractive yields may find some interesting opportunities uncovered by recent bond market gyrations. Should you have any questions about the markets, specific opportunities, or your portfolio, we'd highly encourage you to schedule a meeting with your financial advisor today.

Item 6

Board of Finance Special Meeting Minutes

May 9, 2022 06:00 PM

Meeting held remotely

Board of Finance Chair Rone Baldwin called the meeting to order at 6pm. Also in attendance were Board of Finance members Steve Ezzes, Michael Imber, Jeff Farr, Dick Bochinski, Amy Gare and Jamie Zeppernick, Town Administrator Jonathan Luiz, Finance Director Rick Darling and First Selectwoman Samantha Nestor.

- 1 - Discussion/decision regarding setting the mill rate for fiscal year 2022-23 (on the condition that budgets pass through referendum on Saturday, 5/7). Rick Darling, Finance Director.** Mr. Baldwin explained that now that the 3 budget line items were approved by Town vote, the next process is to set the mill rate. He asked Mr. Darling to explain the impact of the Motor Vehicle mill rate tax cap. Mr. Darling went into detail on this saying that the State budget projects \$61,373 will be reimbursed to the Town of Weston, which would not quite make up for the almost \$75k loss to the Town by not being able to tax above 32.46 mills on motor vehicles next fiscal year. The impact of the shortfall in state funding to the mill rate would be an additional 0.01 mill. There was a discussion on the grand list. Mr. Baldwin mentioned that there would need to be two mill rates set to include the capped mill rate on Motor Vehicles. Mr. Ezzes moved to set the motor vehicle tax mill rate at 32.46. Mr. Zeppernick seconded this. The motion carried unanimously. Mr. Zeppernick moved to set the mill rate for all property other than motor vehicles at 32.97. Mr. Bochinski seconded this. The motion carried unanimously. Mr. Baldwin thanked everyone for their hard work on the budget.
- 2 - Discussion regarding a tentative work plans to assess future bonding levels and capital expenses for the Town and their potential financial impact.** Mr. Baldwin provided background information on potential future new bonding and capital expenditures. He went over the different implications and considerations for bonding. Mr. Bochinski questioned the timing of this and expressed his concerns. There was extensive discussion on this topic. Mr. Farr asked if the public would be able to give input to which Mr. Baldwin said this would be welcomed. He mentioned partnering with the BOS and BOE for their input as well.
- 3 - Discussion/decision regarding approval of the March 7, 8, 29, 31, and April 14, 2022 meeting minutes.** Mr. Bochinski moved to accept the minutes of the Board of Finance Special Meeting on March 7, 2022 as presented. Mr. Imber seconded. The motion carried unanimously. Mr. Bochinski moved to accept the minutes of the Board of Finance Special Meeting on March 8, 2022 as presented. This was seconded by Mr. Ezzes. The motion carried unanimously. Mr. Bochinski moved to accept the minutes of the Board of Finance Public Hearing on March 29, 2022 as presented. Mr. Imber seconded this. The motion carried unanimously. Mr. Bochinski moved to accept the minutes of the Board of Finance Special Meeting on March 31, 2022 as presented. Mr. Zeppernick seconded this. The motion carried unanimously. Mr. Bochinski moved to accept the minutes of the Board of Finance Special Meeting on April 14, 2022 as presented. Mr. Imber seconded this. The motion carried 6-1 in favor with Mr. Farr abstaining.
- 4 - Adjourn:** Mr. Imber moved to adjourn at 6.58pm. Mr. Ezzes seconded. The motion carried unanimously.

Minutes submitted by: Sara Beer, Executive Administrative Assistant.

Board of Selectmen and Board of Finance
Special Meeting Minutes
May 12, 2022 at 7pm
Meeting held remotely

Board of Finance chair Rone Baldwin called the meeting to order at 6pm. Also in attendance were Board of Finance members Amy Gare, Dick Bochinski, Jeff Farr and Steve Ezzes; First Selectwoman Samantha Nestor, Board of Selectmen members Amy Jenner and Martin Mohabeer, Town Administrator Jonathan Luiz, Finance Director Rick Darling and WPS Finance Director Phil Cross.

- 1. Discussion/Decision regarding a proposed list of projects to be funded through American Rescue Plan Act (ARPA) funding which would be the topic of a public hearing and ultimately approved via a machine ballot vote. Rone Baldwin, Board of Finance Chair & Sam Nestor, First Selectwoman.** Mr. Baldwin presented a list of projects to potentially be funded through ARPA, saying that the Town has been awarded \$3,034,000. He provided details on the reasoning for each project, budgeted amounts, time constraints/deadlines and restrictions on how the ARPA funds can be spent. First Selectwoman Nestor provided insight into timelines and details on a public hearing and machine ballot vote. Feedback and suggestions were heard from members of the Board of Finance and Board of Selectmen. Selectman Mohabeer moved to set a public hearing to review the American Rescue Plan Act proposed project at 6pm on Thursday May 26th, 2022. The motion passed 2-1 with Selectwoman Jenner not in favor. Mr. Ezzes moved to set a public hearing to review the American Rescue Plan Act proposed project at 6pm on Thursday May 26th, 2022. Mr. Bochinski seconded this. The motion passed 5-0 with Mr. Imber and Mr. Zeppernick not in attendance.
- 2. Discussion/decision regarding the Tax Collector's Suspense list. Cathy Neblett, Tax Collector.** Mr. Darling provided a brief explanation on the suspense list highlighting that this required by state statute and is a yearly occurrence. The list reflects accounts that the Tax Collector has determined that they have exhausted all efforts to collect on and are now classified as uncollectible. Mr. Bochinski moved to approve the list of outstanding proposed bills to be transferred to suspense. Mr. Farr seconded this. The motion passed 5-0 with Mr. Imber and Mr. Zeppernick not in attendance.
- 3. Discussion regarding the financial report of the Board of Education. Phil Cross, Director of Finance and Operations.** WPS Finance Director, Phil Cross provided an update to the Board of Finance on the current financial report mentioning a surplus of \$894,383 to end the Fiscal Year. He went over budget changes that have occurred, including staffing, tuition, materials, fuel etc. He highlighted an additional \$40k needed for water supplies to the district. Mr. Cross asked that the Board of Finance consider the use of a non-lapsing account and reiterated the benefits of this.
- 4. Discussion regarding the Town financial update. Rick Darling, Finance Director:** Finance Director, Rick Darling provided an update highlighting a negative forecast in investment income due to retrenchment in the fixed income market. He mentioned that overall the numbers are still strong with tax revenue projections and building permit income. Mr. Darling went over expense deficits and surpluses in various areas and departments, and reminded the Board of Finance of the 27th pay period at the end of June, 2022. Overall, the fund balance forecast has increased nearly \$3 million since the last projection due to the additional surplus for the Board of Education, and the removal of the Dispatch Communications project for this year.
- 5. Discussion/decision regarding a supplemental appropriation request in the amount of \$22,000 for engineering services for slope restoration and stabilization at the Transfer Station. Jonathan Luiz, Town Administrator.** Mr. Luiz provided background into the appropriation request for engineering fees associated with this project. He said that Barton and Loguidice have an excellent recommendation-reputation in CT. Mr. Luiz and Mr. Darling are working with FEMA on this who will be reimbursing 75% of costs associated with damage from Hurricane Ida. Selectwoman Jenner moved to approve a supplemental appropriation in amount of \$22,000 for engineering

services for slope restoration and stabilization at the Transfer Station. Selectman Mohabeer seconded this. Mr. Luiz thanked Mr. Farr for his help and expertise on the project. The motion carried unanimously. Mr. Bochinski moved to approve a supplemental appropriation in amount of \$22,000 in engineering services for slope restoration and stabilization at the Transfer Station. Mr. Farr seconded this. The motion carried 5 -0 with Mr. Zeppernick and Mr. Imber not in attendance.

6. **Discussion/decision regarding a supplemental appropriation of \$250,000 for Road Repaving. Jonathan Luiz, Town Administrator:** Mr. Luiz provided back ground information into the need for additional funding for road paving, saying that the estimate received from Beta Group in February is 12% lower than the current lowest bid from American Paving. This is due to a number of different factors, notably the rising cost in diesel. There was extensive discussion between the Board of Finance and Board of Selectmen members. Selectman Mohabeer moved to approve a supplemental appropriation for \$250,000 for road paving that will go into a Capital Account. Selectwoman Jenner seconded this. The motion carried unanimously. Mr. Bochinski moved to a supplemental appropriation for \$250,000 that will go into a Capital Account for road repaving for the current fiscal year. Mr. Farr seconded this. The motion carried 5 -0 with Mr. Zeppernick and Mr. Imber not in attendance.
7. **Adjourn:** Selectwoman Jenner moved to adjourn the Board of Selectmen at 8.09pm. Selectman Mohabeer seconded this. The motion carried unanimously. Ms. Gare moved to adjourn the Board of Finance at 8.09pm. Mr. Bochinski seconded this. The motion carried unanimously.

Minutes submitted by: Sara Beer, Executive Administrative Assistant