

**BOLTON BOARD OF FINANCE
REGULAR MEETING
THURSDAY, JANUARY 21, 2021– 7:15 pm
VIRTUAL MEETING VIA ZOOM WEBSITE PLATFORM
Minutes**

Board of Finance Members Present: Chairman Emily Bradley, Vice-Chair Robert Munroe, Ross Lally, Charles Danna Jr., Kristen Gourley, and Richard Tuthill

Board of Finance Members Absent: Robert DePietro

Board of Selectmen Present: First Selectman Sandra Pierog

Staff Present: Administrative Officer Joshua Steele Kelly, Chief Financial Officer Jill Collins, and Board Clerk Linda McDonald

Others Present: Nick Lavigne

1. Call to Order: E. Bradley called the meeting to order at 7:17 p.m.
2. Public Participation: S. Pierog reported a total of 177 Covid-19 cases in Bolton as of yesterday, a 300% increase in cases from the first of December.
3. Approval of Minutes:
 - 3.1 Approval of December 17, 2020 Regular Meeting Minutes: The December 17, 2020 regular meeting minutes were amended as follows:

Agenda item 4.a: Superintendent Heckt explained the BOE has a technology replacement plan. She discussed the issues with the current smart boards and the plan to replace 42 smart boards districtwide with ~~Vsonics~~ **Viewsonics**. She explained the students and staff need to be on the same platform and to have boards that work and 22 ~~Vsonics~~ **Viewsonics** have been ordered from the technology replacement fund. She informed the board that the BOE will be coming before the BOF in January 2021 for a transfer of funds of approximately \$50,000 to \$60,000 to cover the purchase of the remaining 20 ~~Vsonics~~ **Viewsonics**.”

R. Tuthill MOVED to approve the December 17, 2020 regular meeting minutes as amended. C. Danna SECONDED. By roll call vote, MOTION CARRIED 6:0:0.

4. Elected Official and Town Staff Reports
 - a) BOE Update: As of December 31, 2020, the BOE budget is 41% expended for FY 2021. The projected budget under expenditure is \$318,251. The BOE application for an additional \$46,850 for Coronavirus Relief Funding was awarded on 12/14/2020 and has been fully funded by the state.
 - b) Revenue Summary: J. Collins reported, as of December 31, 2020, the current tax levy collected was at 100.32%. The current motor vehicle levy collected was at 95.28%, supplemental motor vehicle levy collected was at 32.78% and the interest and fees are at 58.59%.
- S. Pierog reported Executive Order 9R granted a three-month extension to April 30, 2021 for supplemental motor vehicle tax bills that became due and payable on January 1, 2021.

J. Collins said the town has started to receive some grants, including the Pilot, Pequot, and Veterans grants.

c) Town Update: Administrative Officer Joshua Steele Kelly reviewed town expenditures as of December 31, 2020. The town is 42.18% expended as of December 31, 2020 which is the lowest percentage in the three-year look-back period. The Land Use and Elections line items are over 50.00% expended and over-expended compared to all three prior years. J. Kelly reported the Elections Department is more expended due to this having been an election year with additional costs associated with the pandemic. He explained the Director of Community Development in the Land Use Department has been working additional hours to complete the Sustainable CT bond certification which he reported has been received.

R. Tuthill requested additional line-item breakouts from the Highway and Street budget for 1) repaving and routine maintenance costs and 2) snow removal costs. J. Kelly said he will work on this for the next meeting.

d) Other: No other discussion.

5. Ongoing Business:

a) Budget Calendar: The members reviewed and discussed the current draft of the FY2022 budget calendar. S. Pierog reported the current executive order suspending in-person open meeting requirements expires February 9, 2021. The Board of Selectmen will not know if the Town can have an actual budget referendum until, at least, this date.

5. New Business:

a) Consider and Act Upon FY2022 Board of Finance Budget:

K. Gourley MOVED to approve the proposed FY2022 Board of Finance Budget totaling \$2,200. R. Munroe SECONDED. Hearing no objection, the MOTION CARRIED 6:0:0.

6. Adjournment: E. Bradley adjourned the regular meeting at 8:00 p.m.

Next Regular Meeting: February 18, 2021 Regular Meeting - 7:15 PM

Respectfully submitted by Linda H. McDonald, Board Clerk

Linda H. McDonald.

PLEASE SEE THE MINUTES OF SUBSEQUENT MEETINGS FOR THE APPROVAL OF THESE MINUTES AND ANY CORRECTIONS HERETO.

Town of Bolton - FY2021 Revenue Statement - January 31, 2021

	Adopted Budget	Revised Forecast	Actual to Date	Balance Due To Adopted Budget	Balance Due To Revised Forecast	% COLLECTION TO REVISED FORECAST
General Fund Revenue						
Property Taxes						
Current Property Tax	\$15,388,282.00	\$15,388,282.00	\$15,445,229.97	\$56,947.97	\$56,947.97	100.37%
Motor Vehicle Tax	\$1,595,871.00	\$1,595,871.00	\$1,529,604.55	(\$66,266.45)	(\$66,266.45)	95.85%
Supplemental MV Levy	\$175,000.00	\$175,000.00	\$124,825.55	(\$50,174.45)	(\$50,174.45)	71.33%
Prior Year's Taxes	\$75,000.00	\$75,000.00	\$64,905.62	(\$10,094.38)	(\$10,094.38)	86.54%
Interest & Fees	\$50,000.00	\$50,000.00	\$32,254.71	(\$17,745.29)	(\$17,745.29)	64.51%
Total Taxes	\$17,284,153.00	\$17,284,153.00	\$17,196,820.40	(\$87,332.60)	(\$87,332.60)	99.49%
State of Connecticut						
Education Grants						
ECS	\$2,683,216.00	\$2,683,216.00	\$1,341,608.00	(\$1,341,608.00)	(\$1,341,608.00)	50.00%
Adult Education	\$4,062.00	\$4,062.00	\$2,943.00	(\$1,119.00)	(\$1,119.00)	72.45%
Total State of CT Ed	\$2,687,278.00	\$2,687,278.00	\$1,344,551.00	(\$1,342,727.00)	(\$1,342,727.00)	50.03%
Other Grants						
Pilot: State Property	\$24,288.00	\$24,288.00	\$24,288.00	\$0.00	\$0.00	100.00%
Elderly Tax Relief	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-100.00%
Disabled	\$697.00	\$697.00	\$706.43	\$9.43	\$9.43	101.35%
Veterans Grant	\$3,276.00	\$3,276.00	\$3,031.08	(\$244.92)	(\$244.92)	92.52%
Pequot	\$3,244.00	\$3,244.00	\$1,081.33	(\$2,162.67)	(\$2,162.67)	33.33%
Misc. State Grants	\$5,000.00	\$5,000.00	\$17,996.00	\$12,996.00	\$12,996.00	359.92%
DOT Transportation Grant	\$11,494.00	\$11,494.00	\$0.00	(\$11,494.00)	(\$11,494.00)	0.00%
Municipal Projects	\$24,859.00	\$24,859.00	\$0.00	(\$24,859.00)	(\$24,859.00)	0.00%
Municipal Stabilization	\$11,053.00	\$11,053.00	\$11,053.00	\$0.00	\$0.00	100.00%
Law Enforcement	\$2,000.00	\$2,000.00	\$80.00	(\$1,920.00)	(\$1,920.00)	4.00%
Total Other Grants	\$85,911.00	\$85,911.00	\$58,235.84	(\$27,675.16)	(\$27,675.16)	67.79%
Other Town Revenue						
Tuition	\$216,848.00	\$216,848.00	\$98,920.74	(\$117,927.26)	(\$117,927.26)	45.62%
Town Clerk	\$80,000.00	\$80,000.00	\$80,132.75	\$132.75	\$132.75	100.17%
Selectmen Fees	\$12,745.00	\$12,745.00	\$7,859.00	(\$4,886.00)	(\$4,886.00)	61.66%
Building Official Fees	\$60,000.00	\$60,000.00	\$43,012.33	(\$16,987.67)	(\$16,987.67)	71.69%
Library	\$2,000.00	\$2,000.00	\$0.00	(\$2,000.00)	(\$2,000.00)	0.00%
NCAAA	\$5,000.00	\$5,000.00	\$105.00	(\$4,895.00)	(\$4,895.00)	2.10%
Building Official Service	\$60,000.00	\$60,000.00	\$16,557.49	(\$43,442.51)	(\$43,442.51)	27.60%
Misc. Revenue	\$20,000.00	\$20,000.00	\$5,895.28	(\$14,104.72)	(\$14,104.72)	29.48%
Telephone	\$5,500.00	\$5,500.00	\$0.00	(\$5,500.00)	(\$5,500.00)	0.00%
Interest	\$75,000.00	\$75,000.00	\$18,878.22	(\$56,121.78)	(\$56,121.78)	25.17%
Rental	\$24,377.00	\$24,377.00	\$22,956.54	(\$1,420.46)	(\$1,420.46)	94.17%
Shared Services-Coventry	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Senior Donations	\$2,000.00	\$2,000.00	\$0.00	(\$2,000.00)	(\$2,000.00)	0.00%
Total Other Town Revenue	\$563,470.00	\$563,470.00	\$294,317.35	(\$269,152.65)	(\$269,152.65)	52.23%

	Adopted Budget	Revised Forecast	Actual to Date	Balance Due To Adopted Budget	Balance Due To Revised Forecast	% COLLECTION TO REVISED FORECAST
TOTAL GENERAL FUND REVENUE	\$20,620,812.00	\$20,620,812.00	\$18,893,924.59	(\$1,726,887.41)	(\$1,726,887.41)	91.63%
BOARD OF EDUCATION GRANTS						
Excess Cost Grant	\$35,100.00	\$35,100.00	\$0.00	(\$35,100.00)	(\$35,100.00)	0.00%
Federal Grants	\$214,119.00	\$214,119.00	\$248,908.62	\$34,789.62	\$34,789.62	116.25%
SHEFF	\$66,375.00	\$66,375.00	\$13,000.00	(\$53,375.00)	(\$53,375.00)	19.59%
CHOICE Grant	\$400,000.00	\$400,000.00	\$0.00	(\$400,000.00)	(\$400,000.00)	0.00%
ERASE	\$1,900.00	\$1,900.00	\$0.00	(\$1,900.00)	(\$1,900.00)	0.00%
Total Board of Education Grants	\$717,494.00	\$717,494.00	\$261,908.62	(\$455,585.38)	(\$455,585.38)	36.50%
ADDITIONAL TOWN GRANTS						
Town Aid Roads	\$ 200,010.00	\$ 200,010.00	\$99,987.30	(\$100,022.70)	(\$100,022.70)	49.99%
Total Additional Town Grants	\$200,010.00	\$200,010.00	\$99,987.30	(\$100,022.70)	(\$100,022.70)	49.99%
TOTAL BOARD OF EDUCATION AND OTHER TOWN GRANTS	\$917,504.00	\$917,504.00	\$361,895.92	(\$555,608.08)	(\$555,608.08)	39.44%

**TAX COLLECTOR
1.31.2021**

	ADOPTED	COLLECTIONS YTD	REFUNDS	RETURNED ON-LINE PYMT	RETURNED CHECKS	Transfers	NET COLLECTION 1.31.2021	PERCENTAGE COLLECTED FY 21 BUDGET
CURRENT YR.LEVY	\$ 15,388,282.00	\$ 15,495,859.91	\$ (25,688.99)	\$ (9,763.58)	\$ (16,088.04)	\$ 910.67	\$ 15,445,229.97	100.37%
MOTOR VEHICLE	\$ 1,595,871.00	\$ 1,541,924.68	\$ (10,843.43)	\$ (1,203.88)	\$ (298.83)	\$ 26.01	\$ 1,529,604.55	95.85%
SUPP.MV LEVY	\$ 175,000.00	128,583.92	\$ (3,331.46)	\$ -	\$ (613.99)	\$ 187.08	\$ 124,825.55	71.33%
SUB TOTAL	\$ 17,159,153.00	\$ 17,166,368.51	\$ (39,863.88)	\$ (10,967.46)	\$ (17,000.86)	\$ 1,123.76	\$ 17,099,660.07	99.65%
PRIOR YEARS	\$ 75,000.00	\$ 66,441.19	\$ (359.62)			\$ (1,175.95)	\$ 64,905.62	86.54%
INTEREST & FEES	\$ 50,000.00	\$ 32,202.52	\$ -			\$ 52.19	\$ 32,254.71	64.51%
TOTAL	\$ 17,284,153.00	\$ 17,265,012.22	\$ (40,223.50)	\$ (10,967.46)	\$ (17,000.86)	\$ (0.00)	\$ 17,196,820.40	99.49%

PREVIOUS YEAR CURRENT YR LEVY COLLECTED

7.31.2020	8.31.2020	9.30.2020	10.31.2020	11.30.2020	12.31.2020
74.79%	82.27%	97.69%	100.02%	100.17%	100.32%
1.31.2021	2.28.2021	3.30.2021	4.30.2021	5.31.2021	6.30.2021
99.49%					
7.31.2019	8.31.2019	9.30.2019	10.31.2019	11.30.2019	12.31.2019
92.22%	99.97%	100.53%	100.68%	100.83%	101.31%
1.31.2020	2.29.2020	3.30.2020	4.30.2020	5.31.2020	6.30.2020
101.42%	101.65%	101.85%	100.03%	100.13%	100.18%

FY2021 January 31, 2021	Adopted Budget	Revised Budget	Expense YTD	Balance	Encumbrance	Unexpended	% Expended	FY20	FY19	FY18
Administration	\$ 729,120.00	\$ 723,066.75	\$ 296,250.99	\$ 426,815.76	\$ 8,192.12	\$ 418,623.64	42.10%	50.93%	55.23%	56.12%
Board of Finance	\$ 2,200.00	\$ 2,200.00	\$ 280.00	\$ 1,920.00	\$ -	\$ 1,920.00	12.73%	16.59%	9.77%	14.09%
Financial Administration	\$ 231,238.00	\$ 231,238.00	\$ 123,569.53	\$ 107,668.47	\$ 276.10	\$ 107,392.37	53.56%	52.71%	54.21%	51.86%
Auditing	\$ 26,500.00	\$ 26,500.00	\$ 5,000.00	\$ 21,500.00	\$ -	\$ 21,500.00	18.87%	73.58%	0.00%	0.00%
Assessor	\$ 81,034.00	\$ 81,034.00	\$ 44,245.15	\$ 36,788.85	\$ -	\$ 36,788.85	54.60%	54.75%	53.64%	52.08%
Tax Collector	\$ 84,394.00	\$ 84,394.00	\$ 43,776.60	\$ 40,617.40	\$ 3,542.03	\$ 37,075.37	56.07%	49.84%	55.96%	50.66%
Fringe Benefits	\$ 974,958.00	\$ 974,958.00	\$ 496,863.70	\$ 478,094.30	\$ -	\$ 478,094.30	50.96%	54.96%	53.82%	52.96%
Town Clerk	\$ 137,079.00	\$ 137,079.00	\$ 74,853.01	\$ 62,225.99	\$ 3,250.00	\$ 58,975.99	56.98%	58.44%	59.43%	62.19%
Land Use	\$ 303,709.00	\$ 303,709.00	\$ 171,591.82	\$ 132,117.18	\$ 9,668.80	\$ 122,448.38	59.68%	59.00%	55.29%	51.22%
Planning & Zoning	\$ 7,120.00	\$ 7,120.00	\$ 460.00	\$ 6,660.00	\$ -	\$ 6,660.00	6.46%	8.90%	13.60%	16.16%
Zoning Board of Appeals	\$ 1,640.00	\$ 1,640.00	\$ 65.00	\$ 1,575.00	\$ -	\$ 1,575.00	3.96%	28.57%	4.51%	26.73%
Property Insurance	\$ 140,000.00	\$ 140,000.00	\$ 84,829.35	\$ 55,170.65	\$ -	\$ 55,170.65	60.59%	61.07%	65.18%	62.19%
Probate	\$ 5,786.00	\$ 5,786.00	\$ -	\$ 5,786.00	\$ -	\$ 5,786.00	0.00%	100.00%	96.67%	0.00%
Inlands/Wetlands	\$ 2,235.00	\$ 2,235.00	\$ 245.00	\$ 1,990.00	\$ -	\$ 1,990.00	10.96%	27.82%	18.75%	33.17%
Economic Development	\$ 2,000.00	\$ 2,000.00	\$ 590.00	\$ 1,410.00	\$ -	\$ 1,410.00	29.50%	36.50%	34.25%	17.50%
Elections	\$ 44,931.00	\$ 44,931.00	\$ 26,449.01	\$ 18,481.99	\$ 491.71	\$ 17,990.28	59.96%	26.29%	44.67%	33.12%
Parks/Town Building Ops	\$ 798,907.00	\$ 798,907.00	\$ 348,051.44	\$ 450,855.56	\$ 12,209.89	\$ 438,645.67	45.09%	50.30%	47.72%	46.01%
Police	\$ 404,927.00	\$ 404,927.00	\$ 67.28	\$ 404,859.72	\$ -	\$ 404,859.72	0.02%	0.75%	0.08%	0.33%
Fire Commission	\$ 210,797.00	\$ 210,797.00	\$ 86,969.47	\$ 123,827.53	\$ 20,602.91	\$ 103,224.62	51.03%	71.15%	64.28%	60.21%
Animal Control	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ -	\$ -	\$ -	100.00%	85.71%	85.71%	85.71%
Fire Marshal	\$ 29,500.00	\$ 29,500.00	\$ 6,902.99	\$ 22,597.01	\$ -	\$ 22,597.01	23.40%	12.38%	12.16%	36.31%
Emergency Management	\$ 19,293.00	\$ 19,293.00	\$ 9,626.27	\$ 9,666.73	\$ -	\$ 9,666.73	49.90%	0.00%	0.00%	0.00%
Highways and Streets	\$ 1,028,960.00	\$ 1,028,960.00	\$ 361,505.86	\$ 667,454.14	\$ 108,738.89	\$ 558,715.25				
<i>Snow/Storm*</i>	<i>\$ 150,000.00</i>	<i>\$ 150,000.00</i>	<i>\$ 30,680.55</i>	<i>\$ 119,319.45</i>	<i>\$ 44,362.75</i>	<i>\$ 74,956.70</i>	<i>50.03%</i>	<i>61.19%</i>	<i>62.94%</i>	<i>65.79%</i>
<i>Other**</i>	<i>\$ 878,960.00</i>	<i>\$ 878,960.00</i>	<i>\$ 330,825.31</i>	<i>\$ 548,134.69</i>	<i>\$ 64,376.14</i>	<i>\$ 483,758.55</i>	<i>44.96%</i>	<i>63.96%</i>	<i>58.27%</i>	<i>58.48%</i>
Public Building Commission	\$ 540.00	\$ 540.00	\$ -	\$ 540.00	\$ -	\$ 540.00	0.00%	0.00%	0.00%	0.00%
Public Health Admin	\$ 30,250.00	\$ 30,250.00	\$ 13,995.82	\$ 16,254.18	\$ -	\$ 16,254.18	46.27%	42.52%	41.41%	41.50%
Seniors / Social Services	\$ 180,563.00	\$ 180,563.00	\$ 79,157.43	\$ 101,405.57	\$ 3,300.00	\$ 98,105.57	45.67%	60.64%	56.48%	44.55%
Library	\$ 292,286.00	\$ 292,286.00	\$ 155,048.31	\$ 137,237.69	\$ 10,739.42	\$ 126,498.27	56.72%	60.03%	61.93%	56.88%
Conservation	\$ 1,625.00	\$ 1,625.00	\$ 735.00	\$ 890.00	\$ -	\$ 890.00	45.23%	52.00%	52.21%	48.25%
Waste Collection	\$ 510,982.00	\$ 517,035.25	\$ 263,844.74	\$ 253,190.51	\$ -	\$ 253,190.51	51.03%	51.65%	47.17%	49.54%
Totals	\$ 7,314,534.00	\$ 7,314,534.00	\$ 3,059,479.63	\$ 4,255,054.37	\$ 289,750.76	\$ 3,965,303.61	45.79%	49.21%	53.66%	54.47%

Criteria for Highlight: Budget is both over 58.33% expensed (as 7/12 of the fiscal year has passed) and is more than 1% overexpended compared to all prior three years.


Fixed annual costs; including Auditing, Property Insurance, Probate and Animal Control; are exempt from this review process.

*Includes Overtime and Salt & Sand

** All Other Accounts

CREDIT OPINION

11 February 2021

 Rate this Research

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Bolton (Town of) CT

Update following upgrade to Aa2

Summary

The [Town of Bolton, CT](#) (Aa2) benefits from a sound financial position, supported by stable property tax revenues, formal policies and conservative budget management. While the tax base is limited and small relative to similarly rated peers, resident income and wealth levels are strong. Long-term liabilities are very low, as are fixed costs, providing the town with notable operating flexibility.

On February 10, we upgraded the town's outstanding general obligation debt to Aa2 from Aa3. Concurrently, we assigned a Aa2 rating to the Town of Bolton, CT's \$2.7 million General Obligation Refunding Bonds, Issue of 2021.

Credit strengths

- » Ongoing trend of positive operating results
- » Strong resident income levels
- » Very low long-term liabilities and fixed costs

Credit challenges

- » Limited tax base with minimal future development
- » Recent population declines coupled with aging population
- » Reserves are well below national medians

Rating outlook

Moody's does not typically assign outlooks to local governments with this amount of debt outstanding.

Factors that could lead to an upgrade

- » Tax base expansion
- » Increased resident income and wealth levels
- » Sustained trend of positive operating results leading to growth in reserves

Factors that could lead to a downgrade

- » Tax base deterioration
- » Declines in reserves or liquidity
- » Significant increase in debt or capital needs

Key indicators

Exhibit 1

Bolton (Town of) CT	2015	2016	2017	2018	2019
Economy/Tax Base					
Total Full Value (\$000)	\$610,929	\$615,311	\$623,372	\$628,760	\$638,185
Population	4,959	4,950	4,947	4,928	4,911
Full Value Per Capita	\$123,196	\$124,305	\$126,010	\$127,589	\$129,950
Median Family Income (% of US Median)	176.5%	175.3%	161.7%	156.3%	164.8%
Finances					
Operating Revenue (\$000)	\$20,874	\$21,354	\$21,722	\$23,637	\$21,927
Fund Balance (\$000)	\$2,434	\$2,799	\$3,106	\$3,710	\$4,032
Cash Balance (\$000)	\$2,090	\$1,363	\$6,147	\$6,351	\$6,482
Fund Balance as a % of Revenues	11.7%	13.1%	14.3%	15.7%	18.4%
Cash Balance as a % of Revenues	10.0%	6.4%	28.3%	26.9%	29.6%
Debt/Pensions					
Net Direct Debt (\$000)	\$12,152	\$11,296	\$11,942	\$11,186	\$10,353
3-Year Average of Moody's ANPL (\$000)	\$0	\$0	\$0	\$0	\$0
Net Direct Debt / Full Value (%)	2.0%	1.8%	1.9%	1.8%	1.6%
Net Direct Debt / Operating Revenues (x)	0.6x	0.5x	0.5x	0.5x	0.5x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	0.0x	0.0x	0.0x	0.0x	0.0x

FY2020 FV (\$000) = \$633,650

Source: Moody's Investors Service, Town audits

Profile

Bolton is located in Tolland County, 15 miles east of [Hartford](#) (Ba3 stable). The town's estimated population is 4,911.

Detailed credit considerations

Economy and tax base: limited tax base with strong income levels

Bolton's mostly residential, limited \$633 million tax base will likely remain stable due to its favorable location in Tolland County, 15 miles east of Hartford and its easy access to major transportation routes including I-84. The tax base, which is below the median for the rating category, has increased at a compound annual rate of 0.7% over the last five years. Future growth will be driven by residential development following the recent sale of several large parcels of land.

Positively, resident income levels are strong, but have declined in recent years relative to state and national levels. As of fiscal 2019, median family income represented 126.8% of the state and 164.8% of the nation. Wealth as measured by full value per capita at \$129,027 exceeds national medians. Despite elevated unemployment rates nationally due to the pandemic, the town's unemployment rate as of December 2020 was 4.9%, below state (6.5%) and national (7.5%) rates. The town's population has experienced moderate declines in recent years, decreasing 1.4% since 2010.

Financial operations and reserves: sound financial position following several years of surpluses

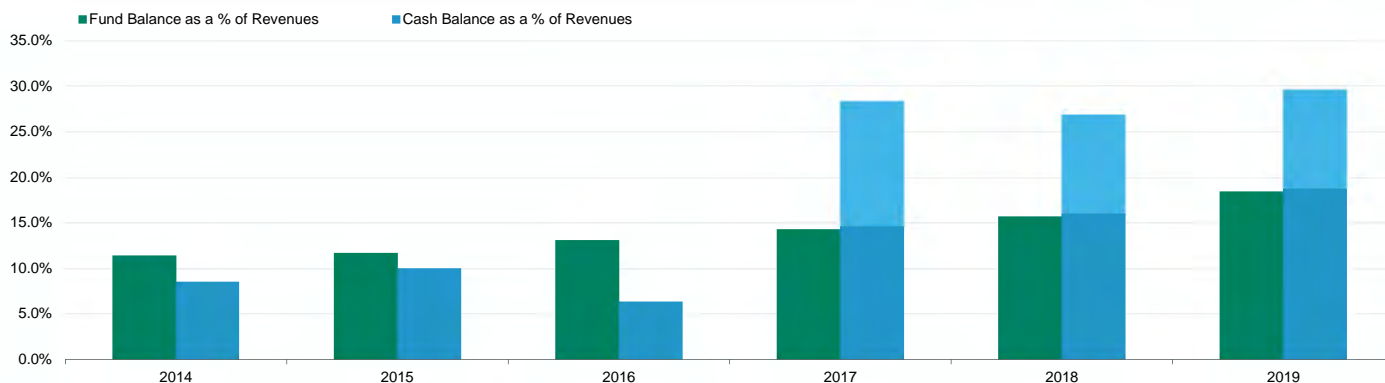
Following six consecutive years of general fund surpluses, Bolton's financial position is sound and will remain so given a historic willingness to raise tax rates and conservative budgeting practices. Following a \$348,000 surplus in fiscal 2019, available general fund

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

balance totaled \$4 million, or 18.4% of revenue. While reserves are well below national medians for the rating category (41.6%), they are closer to statewide medians (20.1%) and the long-term trend of balanced and/or surplus operations is expected to continue. Moreover, reserves are in compliance with the town's formal policy to maintain a minimum reserve level of 8.5%. The town maintains additional reserves in its capital projects fund, totaling nearly \$2 million in fiscal 2019, which will be used for future capital needs.

Exhibit 2

Long-term positive operating trends drive healthy reserves



Source: Moody's Investors Service

Unaudited results for fiscal 2020 project a \$471,000 surplus driven by strong revenue performance and expenditures under budget.

The fiscal 2021 budget represents a 3.1% increase over the prior year, which includes a \$250,000 contingency. Similar to prior years, the budget includes a \$2.3 million fund balance appropriation. Officials report that as of January 31, approximately 45% of the expenditure budget has been spent and as such, expect to replenish the majority, if not all, of the fund balance appropriation.

Liquidity

The town's net cash was \$6.5 million at the end of fiscal 2019 representing a healthy 29.6% of revenues. The majority of the difference between fund balance and cash is driven largely by payables to the capital project funds.

Debt and pensions: very low long-term liabilities and fixed costs

The town's debt burden 1.4% of full value, or 0.5 times operating revenue, is in line with statewide medians for the rating category and will increase, but remain manageable due to additional debt plans. The town's five-year capital improvement plan totals \$6.1 million, \$2.1 million of which will be funded with bond proceeds.

With no defined benefit pension plan offered by the town and OPEB being an implicit rate subsidy, fixed costs (comprised of debt, OPEB and defined benefit pension payments) are very low at 3.2% of revenues in fiscal 2019. Total long-term liabilities are very low, representing 0.6 times operating revenue.

Legal security

The town's general obligation bonds are payable by its unlimited ad valorem tax rate.

Debt structure

All of the town's debt is fixed rate. Amortization of principal is rapid at approximately 88% over the next 10 years.

Debt-related derivatives

The town is not party to any interest rate swaps or other derivative agreements.

Pensions and OPEB

The town does not offer a defined benefit pension plan to its employees. For teachers, the town participates in the State of Connecticut Teachers' Retirement System (TRS). Employer contributions to the TRS, which are covered by on behalf payments made by the state, totaled \$2.4 million in 2019.

The town does not provide OPEB to retired employees; however, employees are given the option to participate in the town's health insurance plan if they pay the full amount of the premium.

ESG considerations

Environmental

Environmental factors represent a limited risk to Bolton's credit profile. According to data compiled by Moody's affiliate Four Twenty Seven, the town is exposed to increasing risk of hurricanes, which can result in property damage, and water stress, which can hinder future development. These exposures are mitigated by the town's revenue and capital raising capacity and federal government support for disaster recovery costs. The town also faces risk of extreme rainfall.

Social

Social considerations are key influencers of all local economies, financial and leverage trends and governance stability. Social factors are incorporated into the town's rating by way of wealth (full value per capita) and income (median family income) metrics. The town is proactive in taking steps to prevent and mitigate the impact of cyber events. We consider the coronavirus outbreak to represent social risk under our ESG framework, given the substantial implications for public health and safety.

Governance

Governance is a material consideration for all local government credits. Management practices long-term capital planning and typically budgets conservatively.

Connecticut cities have an institutional framework score ¹ of "Aa," or strong. Revenues are highly predictable and stable, due to a large reliance on property taxes. Cities additionally benefit from high revenue-raising ability due to the absence of a state-wide property tax cap. Expenditures primarily consist of personnel costs as well as education costs for those cities that manage school operations, and are highly predictable due to state-mandated school spending guidelines and employee contracts that dictate costs. Expenditure reduction ability is moderate as it is somewhat constrained by union presence.

Rating methodology and scorecard factors

The US Local Government General Obligation Debt methodology includes a scorecard, a tool providing a composite score of a local government's credit profile based on the weighted factors we consider most important, universal and measurable, as well as possible notching factors dependent on individual credit strengths and weaknesses. Its purpose is not to determine the final rating, but rather to provide a standard platform from which to analyze and compare local government credits.

Exhibit 3

Bolton (Town of) CT

Scorecard Factors and Subfactors	Measure	Score
Economy/Tax Base (30%) ^[1]		
Tax Base Size: Full Value (in 000s)	\$633,650	A
Full Value Per Capita	\$129,027	Aa
Median Family Income (% of US Median)	164.8%	Aaa
Finances (30%)		
Fund Balance as a % of Revenues	18.4%	Aa
5-Year Dollar Change in Fund Balance as % of Revenues	7.8%	A
Cash Balance as a % of Revenues	29.6%	Aaa
5-Year Dollar Change in Cash Balance as % of Revenues	21.6%	Aa
Management (20%)		
Institutional Framework	Aa	Aa
Operating History: 5-Year Average of Operating Revenues / Operating Expenditures	1.0x	A
Debt and Pensions (20%)		
Net Direct Debt / Full Value (%)	1.4%	Aa
Net Direct Debt / Operating Revenues (x)	0.4x	Aa
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value (%)	0.0%	Aaa
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues (x)	0.0x	Aaa
Notching Factors: ^[2]		
Other Scorecard Adjustment Related to Debt/Pensions		Down
	Scorecard-Indicated Outcome	Aa2
	Assigned Rating	Aa2

[1] Economy measures are based on data from the most recent year available.

[2] Notching Factors are specifically defined in the US Local Government General Obligation Debt methodology.

[3] Standardized adjustments are outlined in the GO Methodology Scorecard Inputs publication.

Source: US Census Bureau, Moody's Investors Service

Endnotes

1 The institutional framework score assesses a municipality's legal ability to match revenues with expenditures based on its constitutionally and legislatively conferred powers and responsibilities. See [US Local Government General Obligation Debt \(July 2020\)](#) methodology report for more details.

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

General Revenue	Estimated FY 21	Gov. Prop. FY 22	Gov. FY 22 v. FY 21
Adult Education	\$ 4,447.00	\$ 5,324.00	\$ (877.00)
ECS	\$ 2,683,216.00	\$ 2,683,216.00	\$ -
Pequot-Mohegan Grant	\$ 3,244.00	\$ 3,244.00	\$ -
PILOT: State-Owned Property	\$ 24,288.00	\$ 24,288.00	\$ -
Grants for Municipal Projects	\$ 24,859.00	\$ 24,859.00	\$ -
Municipal Stabilization Grant	\$ 11,053.00	\$ 11,053.00	\$ -
Total	\$ 2,751,107.00	\$ 2,751,984.00	\$ (877.00)

**Town of Bolton, Connecticut
Board of Finance
Draft Budget Calendar
FY2022 Budget Review**

- 3/15/21 Board of Selectmen Budget Due to Board of Finance**
- 3/15/21 Board of Education Budget Due to Board of Finance**
- 3/18/21 Board of Finance Regular Meeting – with Board of Education re: FY2022 Budget
7:15 PM
- 3/25/21 Board of Finance Special Meeting – with Board of Selectmen re: FY2022 General Government,
Capital & Debt Budgets 7:15 PM
- 3/30/21 Board of Finance Special Meeting - Budget Deliberations (if necessary)
7:15 PM **(THIS IS A TUESDAY)**
- 4/01/21 Board of Finance Special Meeting - Budget Deliberations (if necessary)
7:15 PM
- 4/06/21 Board of Finance Special Meeting - Budget Deliberations (if necessary)
7:15 PM **(THIS IS A TUESDAY)**
- 4/07/21 Board of Finance Special Meeting - Budget Deliberations (if necessary)
7:15 PM **(THIS IS A WEDNESDAY)**

- 4/15/21 Board of Finance Regular – Budget Deliberation (if necessary)
7:15 PM
- 4/20/21 Board of Finance Special Meeting - Budget Deliberations (if necessary)
7:15 PM **(THIS IS A TUESDAY)**

- 4/19-4/23/21 Bolton Public Schools Spring Recess
- 4/23/21 Budget Filed with Town Clerk (5 days prior to Public Hearing)**
- 4/23/21 Public Notice Issued (5 days prior to Public Hearing)**
- 4/27/21 Public Hearing/Board of Finance Special Meeting (if necessary)**
Time: 7:15 PM (THIS IS A TUESDAY)

- 5/06/21 Board of Finance Special Meeting (if necessary)
7:15 PM

- 5/10/21 Board of Finance – Must adopt the budget on or before this date

- ?/??/?/?? Budget Filed with Town Clerk (5 days Prior to Referendum)**
- ?/??/?/?? Budget Question Due to Town Clerk (5 days prior referendum)**

- 05/20/21 Board of Finance Regular Meeting
7:15 PM

- ?/??/?/?? Budget Referendum**

**TOWN OF BOLTON POLICY
ON
UNRESERVED AND UNDESIGNATED FUND BALANCE**

The Town of Bolton Connecticut recognizes the importance of maintaining an appropriate level of unreserved and undesignated fund balance* to provide the required resources to meet operating needs and to allow for unforeseen needs of an emergency nature. After evaluating the Town's operating characteristics, lack of diversity in its tax base, reliability on non-tax revenue sources, working capital needs, impact on bond rating, local and economic outlooks, emergency and disaster risk and other contingent issues the Town has established this policy regarding the unreserved and undesignated fund balance of the General Fund for the Town of Bolton, Connecticut.

The unreserved and undesignated fund balance represents available financial resources that have not been obligated for a specific purpose and serves as a measure of current available financial resources. The Town will strive to achieve and maintain level of unreserved and undesignated fund balance of no less than 8.5% and no greater than 10% of the Town's general fund operating budget including capital improvements, debt and capital reserve. It is the intent of the Town to aim for the greater level of 10% of its operating budget. This amount equates to a minimum 1 month of operating expenses or a maximum 5.5 weeks of operating expenses from the current budget

Each year the Town through its Board of Finance will set aside a minimum of \$50,000 of its prior year's surplus along with accumulated interest income to accomplish this goal. In addition the Town will add to the reserve any annual savings from the contingency account. **Beginning July 1, 2017, the annual savings from the contingency account to be added to the reserve shall be capped at \$25,000 with any additional savings being added to the cash surplus.** Once the Town achieves its goal of an appropriate level of unreserved and undesignated fund balance, any excess funds may be utilized for other municipal fiscal purposes, such as additional capital improvement needs, debt reduction and emergency situations. In this manner, the Town will reduce the need to incur long-term debt and will avoid creating an operating funding gap for subsequent fiscal years.

This policy which has been adopted by the Board of Selectmen and the Board of Finance recognizes the financial importance of a stable and sufficient level of the unreserved and undesignated fund balance. However, the Town reserves the right to appropriate funds from the fund balance for emergencies and other requirements the Town believes to be in the best interest of the Town as approved by the Board of Selectmen and Board of Finance. In addition, this policy shall be reviewed and amended as may be necessary at least once every 5 years by these two boards.

Effective Date: July 1, 2009

*It should be noted that on the Town of Bolton's audit reports for the year ending June 30, 2007 and prior years, the unreserved and undesignated fund balance was labeled as the designated fund balance under the Fund Balances heading for the Town of Bolton's general fund on the governmental funds balance sheet. Beginning with the audit report for the year ending June 30, 2008, the label of unreserved and designated is utilized in the financial reports for the Town of Bolton's general fund.

Adopted by Board of Finance, February 19, 2009.

Adopted by Board of Selectmen, March 3, 2009.