

**BOLTON BOARD OF FINANCE  
REGULAR MEETING  
THURSDAY, FEBRUARY 18 , 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, Robert DePietro, and Richard Tuthill

**Board of Selectmen Present:** First Selectman Sandra Pierog and Selectman Robert DePietro

**Board of Education Members Present:** Superintendent of Schools Kristin Heckt (joined meeting at 7:27 p.m.)

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

**Others Present:** Nick Lavigne CVC

1. Call to Order: E. Bradley called the meeting to order at 7:18 p.m.
2. Public Participation: S. Pierog reported updates from the Health District recorded 222 total cases of coronavirus in Bolton since 2/15/2021, an increase of 111 cases since 1/1/2021. She said 70% of the over 75 population have received one dose of the vaccine and 12% of the overall population, including first responders and nursing home residents have been vaccinated.
3. Approval of Minutes:
  - 3.1 Approval of January 21, 2021 Meeting Minutes: The January 21, 2021 regular meeting minutes were amended as follows (in bold):

~~5.~~ **6. New Business:**

~~3.1 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.~~

**R. Tuthill MOVED for unanimous consent of the December 17, 2020 regular meeting minutes as amended. The Chair asked for any objections. Hearing no objection, the Chair said the minutes are passed.**

R. Tuthill MOVED for unanimous consent of the January 21, 2021 regular meeting minutes as amended. The Chair asked for any objections. Hearing no objection, the Chair said the minutes are passed.

4. Elected Official and Town Staff Reports
  - a) BOE Update: Superintendent Heckt reported, as of January 31, 2021, the BOE budget is 49% expended for FY 2021. She said the students are doing as well as they can be doing. She is concerned with each student and are they making progress, doing well socially and emotionally.

Superintendent Heckt emphasized that even when we come out of this pandemic in education, there will be a number of years where we will have to play catch-up for kids. Resources will be needed to support what we need to do to make sure the kids are ok. She said, as a collective society, we have the moral and ethical responsibility to do that for our students.

Superintendent Heckt said she is so proud of the teachers, paraprofessionals, administration, custodians, cafeteria staff, and bus drivers. They continue to focus on what is right and best for the students.

Regarding CT CHIP, J. Kelly said the town had a proposed 17% increase from Cigna for the upcoming year health insurance coverage. Since then, the largest entity in the CT CHIP program has tentatively decided to bail out for the upcoming fiscal year and the increase has been adjusted up to 23%.

Superintendent Heckt added that upward proposed adjustment caused the rest of the entity to go out to bid. The town has asked CIGNA for a re-quote as a whole entity and as individual entities as well as asking other insurance carriers for quotes.

The BOE and Town have currently budgeted at the 17% increase for health insurance for the upcoming fiscal year. E. Bradley asked that the BOF be kept posted as they go through the process.

b) Revenue Summary: J. Collins reported, as of January 31, 2021, the current tax levy collected was at 100.37%. The current motor vehicle levy collected was at 95.85%, supplemental motor vehicle levy collected was at 71.33%. The Governor's Executive Order has extended the time to pay supplemental motor vehicle levy to 4/1/2021.

S. Pierog reported the town has a preliminary figure for the grand list from the Assessor, which is subject to Board of Tax Review, who will meet in two weeks. Final grand list numbers should be available for the March BOF meeting. S. Pierog noted personal property and real property percentages are up and the effects of crumbling foundations are still affecting the grand list.

J. Collins reported the town has received the 2<sup>nd</sup> payment of ECS and the total grants anticipated amount is on target. E. Bradley noted the Town will probably not hit the budgeted target of \$75,000 on interest revenue.

c) Town Update: Administrative Officer Joshua Steele Kelly reported the town is 45.79% expended as of January 31, 2021. He said staff continues to be fiscally responsible. The Elections line item is 58.33% expended and over-expended compared to all three prior fiscal years due to this having been an election year with additional costs associated with the pandemic. As requested at the January meeting, the Highways and Streets budget has been broken out into "snow/storm" budget and "other".

K. Gourley asked what a referendum costs the town. J. Collins responded costs have been between \$2,000 -\$2,500 per referendum. She added the cost would probably be more now due to additional staff, PPE and other precautions needed for COVID protections.

d) Other: No other discussion.

5. Ongoing Business:

a) Refunding Update:

R. Tuthill asked why the term “refunding bonds ” and not “refinancing bonds ” is used. For clarification, J. Collins explained it is called refunding because the town is not actually refunding the bonds it has. What happens is the town sells the original bonds and the money from that sale is used to purchase lower interest rate bonds. The town is technically selling and then buying bonds. J. Kelly said it is common nomenclature in municipal bond issuance that it would be considered a refunding.

S. Pierog explained the current bonds that are outstanding had a call feature which allowed the town to call them in, essentially buy them back and now the town is selling a new round of bonds at a much lower interest rate.

J. Kelly noted the bond sale was completed yesterday. J. Collins reported the town saved \$27,930 in interest payments this year with the sale and \$23,238 will be saved next year. The interest rate is fixed for the life of the bond, not a variable rate.

J. Kelly reported on February 10, 2021 Moody’s Investment Service upgraded the town’s general obligation debt to Aa2 from Aa3. The opinion stated: “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.”

S. Pierog thanked J. Collins and J. Kelly on their hard work relating to the bond rating upgrade.

b) Charter Revision Discussion:

E. Bradley reported the Charter Review Committee (CRC) has been reviewing and making suggestions for changes to the Town Charter. The CRC recently held a public hearing and will evaluate comments made from the public at their next meeting and then submit their recommendations to the Board of Selectmen (BOS). E. Bradley explained the CRC has proposed replacing the Board of Finance with a Finance Committee comprised of 3 BOS members and 3 BOE members and one member appointed by BOS and one member appointed by BOE. Also, currently, if a budget fails at referendum, the budget can only be revised down. The CRC proposal is that the budget could go up or down after a failed referendum vote. K. Gourley noted the verbiage in the Town Charter would be to “revise” the budget after a failed referendum. C. Danna asked who would set the mil rate if the BOF did not exist and that would have to be addressed by the CRC in the Charter revision.

S. Pierog explained the BOS will get a report from the CRC and then hold a public hearing. The BOS will get a chance to revise the Charter after that and then build and write the referendum ballot question(s). September 3, 2021 is the last date to submit the ballot question to the Secretary of State.

Discussion followed on forwarding comments to the BOS as individuals or as a statement from the whole board. S. Pierog said comments can be made by elective officials until the referendum ballot questions are set by the BOS. The BOS will hear the comments from the CRC on March 2, 2021.

R. DePietro MOVED the Board of Finance Chair draft a united position on behalf of the Board of Finance in response to the Town Charter revisions the Charter Revision Committee presented at their public hearing and submit the position to the Board of Selectmen. R. Lally SECONDED.

After discussion, the motion was amended as follows:

R. DePietro MOVED the Board of Finance Chair draft a united position on behalf of the Board of Finance in response to the Town Charter revisions the Charter Revision Committee presented at their public hearing for review at next regular Board of Finance meeting on March 18, 2021. R. Lally SECONDED.

R. Tuthill called for unanimous consent. E. Bradley objected. By roll call vote, MOTION CARRIED 7:0:0.

c) CAPA Update:

J. Kelly reported CAPA has met twice and has a preliminary draft that they were moving forward to the BOS for approval. But given new information, the CAPA committee will re-convene in a few weeks to discuss the possible track project addition that may be installed at Bolton High School. The Town is waiting on an up-to-date cost estimate from the town engineer to figure out how and where it might fit into the capital plan.

R. Tuthill noted there is a line item in the capital budget of 1.25 million to fix drainage problem at the school. He said the project is larger than just drainage issues and includes preparations for increasing the playing size and lighting at the soccer field.

d) FY2021 Budget:

J. Collins shared the foreseeable problem of anticipated lower interest revenue. She said, currently, Columbia student enrollment is less than anticipated resulting in \$45,635 lower tuition revenue than what was budgeted. She reported the revenue from the Town Clerk's office is running above what was budgeted.

e) Budget Calendar: No changes were made to the budget calendar.

6. New Business:

a) Consider and Possibly Act Upon Fund Balance Policy Changes:

E. Bradley said one thing that has come to light through the Moody process of bond rating is they take a look at the town's fund balance, where it needs to be and that factors into the bond rating. She said J. Kelly has identified that some work might have to be done on the Unreserved and Undesignated Fund Balance Policy to strengthen it and make it more attractive in the future.

J. Kelly explained, according to the Moody's bond rating, they calculated the available fund balance for the town totals 4 million or 18.4% of revenue. This is below the national median of 42.6% for the rating category and the state median of 20.1%. He said, he and J. Collins have

been able to collect a number of fund balance policies adopted by other municipalities in the state that are considered to be more robust.

J. Kelly said he would like to have a consideration of reviewing the fund balance policy to bring it in line with something that has demonstrated effectiveness and will help the town propel itself forward.

Consensus was for J. Kelly to prepare a draft policy for the March meeting, possibly using a power point or executive summary presentation highlighting the significant changes from the current policy so the board can do a comprehensive review.

7. Adjournment: E. Bradley adjourned the regular meeting at 9:18 p.m.

Next Regular Meeting: March 18, 2021 Regular Meeting - 7:15 p.m.

Upcoming Special Meetings: March 25, 2021 and March 30, 2021 – 7:15 p.m.

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.