

**BOARD OF FINANCE
REGULAR MEETING – JANUARY 9, 2024
COMSTOCK COMMUNITY CENTER – ROOM 31 AND VIA ZOOM**

PRESENT: Matthew Raimondi, Stewart Koenigsberg, Sandra Arkell, Timothy Birch, Rudy Escalante, Prasad Iyer arrived at 7:05pm

GUESTS: CFO Dawn Norton, Town Administrator Matt Knickerbocker

Call to Order

Chairman Matt Raimondi called the BOF meeting to order at 7:01 pm.

Approval of BOF Regular Meeting Minutes of December 12, 2023

Mr. Raimondi asked for a motion to approve the Regular Meeting minutes of December 12, 2023. Motion moved by Mr. Birch, seconded by Mr. Koenigsberg and carried 5-0.

CFO – Audit Status & Financial Overview

CFO Dawn Norton gave an overview on the status of the Audit, and discussed the town's year-to-date revenue vs budget.

Town Administrator – Revaluation Status Update

Matt Knickerbocker gave an update on the revaluation process. He noted that the revaluation is behind schedule, but that notices to residents were being sent shortly. Discussion amongst the board and Mr. Knickerbocker regarding the revaluation. Mr. Knickerbocker to provide revaluation data to the BOF for review when complete.

Discussion on School & Municipal Infrastructure Funding

Mr. Raimondi began the discussion on school & municipal infrastructure funding with CFO Dawn Norton providing additional input. He reviewed the attached presentation with the board. He noted that the town is waiting to receive a report on the town's infrastructure which will be discussed at a later date with all three boards. Discussion on the options for funding, specifically: creation of a designated School & Municipal Infrastructure Fund which can be carried over year to year; bonding; direct funding via the BOE and BOS operating budgets; a combination of all three. After discussion, all board members agreed that a designated fund should be instituted as one of the funding mechanisms. Mr. Raimondi will discuss this new fund with town officials and report back to the board at a later date.

Discussion on a Potential BOF Survey

Mr. Raimondi discussed with the board the possibility of doing another BOF budget survey and reviewed a copy of the proposed survey. All members provided input on what type of questions should be included in the survey and encouraged residents to share their input. Ultimately, all members are in favor of doing another survey. Mr. Raimondi shared that the survey will be launched at the end of February or early March and will ask for a formal vote on the final survey document at a later board meeting.

Review Proposed Budget Timeline

**Minutes have not been reviewed by this Board and may be subject to revision in future minutes.*

Mr. Raimondi reviewed the proposed budget timeline with CFO Dawn Norton providing input. Discussion amongst the board on the timeline. Mr. Raimondi asked the board to vote on the proposed budget schedule with the exception of February 1, 2024. A motion was moved by Mr. Iyer. After further discussion, motion seconded by Mr. Escalante and carried 6-0.

Committee Reports

Pension Investment Committee Meeting – Mr. Koenigsberg gave a review on the Pension Meeting that took place on December 18, 2023

Public Comment

- Steve Hudspeth of Glen Hill Rd commented on the BOF suggested survey.
- Toni Boucher commented on school needs assessment and the potential town needs assessment, as well as the revaluation process.

Adjourn

There being no further business, Mr. Raimondi asked for a motion to adjourn the BOF meeting at 8:30 pm. Motion moved, seconded and carried 6-0.

Respectfully submitted,
Jacqueline Rochester
(from video recording)



THE TOWN OF
WILTON
CONNECTICUT

Board of Finance
School & Municipal Infrastructure Funding

January 9, 2024

Executive Summary

- On November 27, 2023, the Board of Finance (“BOF”) reviewed a School Facilities Needs Assessment report as commissioned by the Board of Selectman (“BOS”). During this meeting, we were informed that school infrastructure would require **~\$132.1m of upgrades over the next 10-15 years**. Net of expected state reimbursement, **the total forecasted cost to Wilton’s taxpayers would be ~\$105.4m**
- The BOS also commissioned a report to assess the town’s infrastructure as well, which is not yet complete. **We expect to receive this report later in January**. In February, the BOS and Board of Education (“BOE”) will present their prioritized projects, timing, and expected cost
- To finance these upgrades, the town has 2 existing options: **operating expenditures** (i.e., funding from within the budgets of the BOS and BOE) and **bonding**
- Additionally, this presentation includes a third option for **utilizing a new line item for the purpose of upgrading infrastructure** (i.e., the School & Municipal Infrastructure Fund). This line item would enable funds to carry over annually

Three Potential Funding Methods

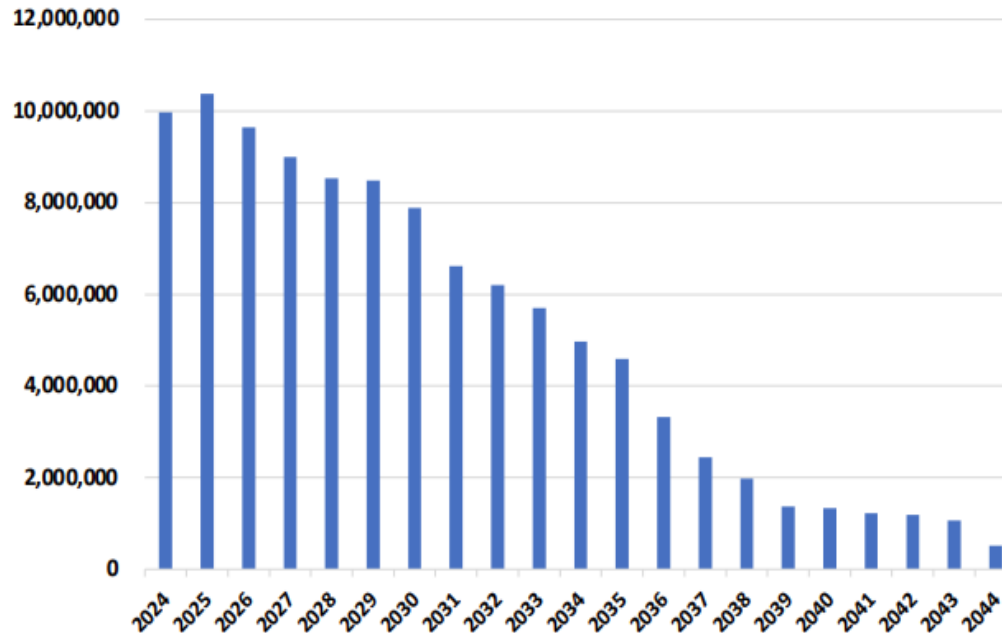
Item	Description	Current Status	Funding Mechanism
BOS / BOE Operating Expenditures	<ul style="list-style-type: none">The BOS & BOE could fund infrastructure improvements and maintenance out of their operating expendituresAs part of the operating budget, the BOS currently has an operating capital account which can carry over annually, while the BOE does not	<ul style="list-style-type: none">The BOE has historically budgeted \$400-500k. Note, this amount includes maintenance contractsThe BOS has historically budgeted ~\$1m in operating capital	<ul style="list-style-type: none">BOS / BOE request through budget process, subject to BOF approval and town voteNote: BOF has line-item authority over BOS items, but not BOE
Bonding	<ul style="list-style-type: none">Subject to meeting certain criteria, larger project can be financed through municipal bondingProjects which can be bonded typically have a useful life of >10 years	<ul style="list-style-type: none">Wilton currently has ~\$80m of debt outstanding and ~\$10m annual of debt serviceDebt service is expected to decrease \$500k-1m per year after FY25 (based on current approved debt levels); see p.4 for more detail	<ul style="list-style-type: none">Bonding resolution determined by the BOS, subject to town voteBOF can issue an opinion on the bonding resolution
School & Municipal Infrastructure Fund	<ul style="list-style-type: none">A new fund which can carry over annually for the purpose of addressing needed improvements in school and municipal infrastructureWhile funding the account would fall under the purview of the BOF, the BOS would oversee the spending	<ul style="list-style-type: none">Fund does not currently exist	<ul style="list-style-type: none">Funding amount determined by the BOFFunding mechanisms can include 1) transferring unused reserve; 2) transferring revenue favorability; and 3) budgeting an annual contributionSee pgs. 5-6 for more detail

Debt service forecast through FY44

Note: from 11/27/23 Tri-Board Meeting

Expiring Debt

- This chart shows the **estimated debt service for current debt plus the estimated debt approved at the 2023 ATM***.



Note: Bonding is authorized at May ATM, borrowed in Spring of the next fiscal year, debt service begins in the following fiscal year. Example, approve in May 2024, borrow in Spring 2025, debt service begins in FY2026.

***Net of bond premium.** Amortization reflected based on estimated timing of new debt. **Interest at 4%**

How would the potential fund function ?

Note: from 11/27/23 Tri-Board Meeting

How Might the School and Municipal Building Fund Function?

- ***Board of Selectmen creates the Fund for the designated purpose.***
 - Legal authority to create, terminate and determine how funds are withdrawn rests with the Board of Selectmen.
 - Monies in Fund are not required to be spent by the end of the year.
- ***Adopt an agreement between the boards***
 - Annual spending budgets from the Fund submitted by the BOE and DPW to the Board of Selectmen for approval. Then submitted to the Board of Finance for approval.
 - Annual contributions budgeted as a separate line item by the Board of Finance within the annual budget. Acts as a second reserve line item.
 - Agreement between BOS and BOE as to which department will be responsible for overseeing each budgeted spending project.

How would the fund be financed?

Note: from 11/27/23 Tri-Board Meeting

Proposal to Create School and Municipal Building Fund as and Additional Means Beyond Bonding to Fund Needed Work

- ***Transfer unused 1% annual budgeted reserve to a School and Municipal Building Fund***
 - We rarely use the 1% budgeted reserve. Approximately \$1.3+ million per year. **Potential of \$11+ million.**
 - Need the unused amounts for FY24 through FY2026 to build undesignated fund balance to meet Moody's fund balance range. After FY2026 unused amounts will be available.
 - Requires BOS and BOF to each vote to allocate the monies to the SMB Fund.
- ***Transfer revenue favorability to a School and Municipal Building Fund***
 - With an increase in new development, it is likely we will have budgeted favorability in building permit fees, as the timing is difficult to predict and budget.
- ***Budget an annual contribution to a School and Municipal Building Fund, when able***
 - BOF decision.
 - Will likely need to build the contribution amount over time.
- ***Consider adopting guidance to cap the dollar amount of grand list growth used to fund BOS and BOE operating expenses, with any excess used to fund additional debt service and possibly contributions to a School and Municipal Building Fund***
 - BOF decision
 - \$1,000,000 of new taxes supports the first year of \$11,000,000 of new 20-year debt at 4% interest.