

**AGENDA
SPECIAL MEETING
BOARD OF FINANCE
TUESDAY, September 29, 2020
7:30 PM
ZOOM**

AGENDA

Executive Session GLDC

1. To approve the minutes of BOF Meeting held on August 24, 2020
2. Public Comment
3. Tax Collector Report
4. Finance Director Report
5. Treasurer's Report
6. Debt Management Policy Update
7. Capital Projects Process Update
8. OPEB Trust Follow Up
9. Other business
Public Comment

Join Zoom Meeting
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Meeting ID: 945 3227 9926

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Minutes of Board of Finance, 08/24/2020

AGENDA: [Board of Finance](#)

RECEIVED 08/31/2020 9:57am

Kathleen R. Miserendino - Redding Deputy Town Clerk

**BOARD OF FINANCE
REGULAR MEETING MINUTES
MONDAY, 8/24/2020 7:30PM
ZOOM MEETING**

Filed subject to approval.

Present:

Dr. Kimberly Yonkers, Chair; Ward Mazzucco, Vice Chair; Rob Dean; Jenifer Wyss; Jamie Barickman; Ed Miller

Also Present:

Steve Gniadek, Finance Director; Pat Moisio, Tax Collector; First Selectwoman Julia Pemberton; Chris Parkin, Redding BOE; Peg O'Donnell, Selectwoman; Michael Thompson, Selectman; Members of the Public

Chair Yonkers called the meeting to order at 7:30PM.

1. To Approve the Minutes of the BOF Meeting held on Monday, July 27th

MOTION:

Mr. Mazzucco made a motion to approve the minutes of the Monday, 7/27/2020 BOF Meeting with the added corrections:

Mr. Mazzucco said the fifth paragraph under item 4 should be changed from, "Mr. Mazzucco asked if Personal Property taxes can be collected from every resident since many people are working from home. Discussion followed concerning this. This would require a state statute", to, "Mr. Mazzucco asked if personal property taxes can be collected from people who use business property working at home. Discussion followed and the consensus was that it

would be difficult to enforce, relative to the amount of potential revenue”.

Mr. Mazzucco said in the second paragraph under item 6, the sentence, “As of today, the Town is on track to collect all it’s tax revenue,” should be changed to, “As of today, the Town is on track to collect all its tax revenue”.

Mr. Barickman said in the seventh paragraph under item 5, the sentence, “The current balance in the Debt Reserve Fund to approximately \$1.1 million”, should be changed to, “The current balance in the Debt Reserve Fund increased to approximately \$1.1 million”.

Mr. Dean seconded the motion. There were five yes votes (Yonkers, Mazzucco, Wyss, Dean, and Barickman) and one abstention (Miller). The motion carried.

2. Public Comment

Chair Yonkers opened the floor to Public Comment.

Peter Bonfanti asked the BOF two questions:

1. Has the BOE or BOF done an analysis of alternatives to a phone system?
2. Why is the school maintenance budget separate from the town maintenance budget?

Chair Yonkers said this will be addressed at a future point in the meeting.

3. Tax Collector’s Report

Pat Moisisio addressed the BOF.

As of Friday, 7/31/2020, 45.6% of the FY 2020-2021 budget had been collected. As of Monday, 8/24/2020, 52.8% of the FY 2020-2021 budget has been collected. Collections are tracking ahead of FY 2019-2020.

There were some collection issues with the Lockbox system and the bank, causing delays. Tropical Storm Isaias caused issues as well.

Mr. Barickman asked Ms. Moisisio if she could compare the Town’s month by month collections rate versus the projected scenarios of collection rates that were discussed in the months prior to FY 2020-2021. Discussion followed concerning this.

Ms. Wyss asked Ms. Moisisio about escrows and how tax collection works for homes in escrow. Ms. Moisisio said when a home is in escrow, the bank pays the taxes on the home. If the homeowner is late on mortgage payments, the bank will continue to make tax payments. The difference is added to the

homeowners' mortgage balance. Foreclosure on a home would happen before the tax payments stop.

4. Finance Director's Report

Steve Gniadek addressed the BOF.

Insurance: The Town switched the carrier of its Life, Short-Term Disability, and Long-Term Disability insurance from Anthem to Mutual of Omaha. The coverage is the same and results in an annual savings to the Town of \$12k, or 23%.

Medical Insurance: Due to a decrease in claims caused by COVID-19, the Town will be receiving a one-time 10% premium credit, which will amount to approximately \$12k.

CCM Rebate: CCM has given the Town a rebate of 50% of its annual dues, or approximately \$3k.

Capital Projects Fund: Over time, there has accumulated an unspent balance of \$212k in one of our Capital Fund accounts. This balance is the result of underspending for projects primarily due to LoCip reimbursements and accrued interest. There are two options for the use of these funds:

1. Pay down principal on existing bonds
2. Utilize the funds for future approved Capital Projects

This is a potential funding source for the School Phone System once approved at Town Meeting. The Covid-19 related alternate approval process as defined by Executive Order could be utilized in place of a Town Meeting.

FY 2020 Audit: An audit presentation is in the planning stage for the October 2020 BOF meeting.

Encumbrance Policy: The Town uses Purchase Orders to encumber expenses for products/services, ordered or started, but not completed in the prior fiscal year, and paid in the current fiscal year.

Discussion followed concerning the importance of a clear and precise encumbrance policy for the Town and the Schools.

5. Treasurer's Report

Wes Higgins was absent from this meeting. The documents were shared with the BOF.

Chair Yonkers opened the floor to comments from the BOF.

Mr. Dean said Mr. Higgins' reports demonstrate the trends that have been consistent for the Town.

6. Debt Management Policy Update

Ms. Wyss said she has created a first draft and circulated this draft with the subcommittee members. She needs subcommittee input prior to sharing it with the BOF.

7. Capital Projects Process

Mr. Gniadek said Mr. Higgins produced a flow chart that explains the Capital Projects Process. Mr. Gniadek created a form that will be utilized by the Town for Capital Projects.

Mr. Gniadek said 80% of Capital Projects should be planned.

Chair Yonkers asked Mr. Gniadek how Capital Project requests will be monitored. Mr. Gniadek explained how the request will move through the Town and be presented to the Boards.

Discussion followed concerning how this process will be open to the public and how the boards will interact with requests.

8. School Phone Systems

Chair Yonkers said the Town can fund the phone system through the Capital Projects Fund or can lease it.

Mr. Parkin said the phones at the schools are obsolete because parts can no longer be obtained for them. The total cost of replacement is just under \$60,000.

MOTION:

Mr. Mazzucco made a motion to approve the capital expenditure of \$60,000 for the phone system at the schools as presented, provided that the First Selectwoman can provide a legal opinion from Town Counsel that shows this can be approved without voter input, and to be funded by the Capital Projects Fund. Mr. Barickman seconded the motion. Discussion followed. Mr. Mazzucco added that the capital expenditure must be approved by the BOS. The vote was unanimous, and the motion carried.

9. OPEB Trust Follow Up

Chair Yonkers asked the BOF how they should move forward. Discussion followed concerning fees, initial starting amounts for the trust, and managing firms.

MOTION:

Mr. Mazzucco made a motion to table this discussion until the next meeting pending counsel providing an estimate for the cost of a trust document. Mr. Gniadek providing another vendor, and initial funding options.

10. Encumbrance Policy – Town and Schools

There was no additional discussion on this topic.

11. Other Business

There was no discussion of other business.

12. Public Comment

Chair Yonkers opened the floor to public comment.

Peter Bonfanti asked why the school building maintenance is in the BOE budget and not the town's budget. Chair Yonkers said the BOE or Scott Reiss can answer this question. Discussion followed concerning the Town's Physical Plant and why there is a separation between the Schools and the Town concerning maintenance.

Mike D'Agostino asked the BOF about Bond Premiums and how they can be used.

Chair Yonkers

MOTION:

Mr. Mazzucco made a motion to adjourn to executive session. Mr. Mazzucco invited First Selectwoman Pemberton, Selectwoman Peg O'Donnell, Selectman Michael Thompson, and the Board of Finance to attend this executive session.

The regular meeting ended at 9:34PM.

13. Executive Session to discuss pending tax appeal litigation.

The BOF held their executive session to discuss pending tax appeal litigation.

Submitted by,
Zachary Smith

TOWN OF REDDING

FINANCE DEPARTMENT

Memorandum

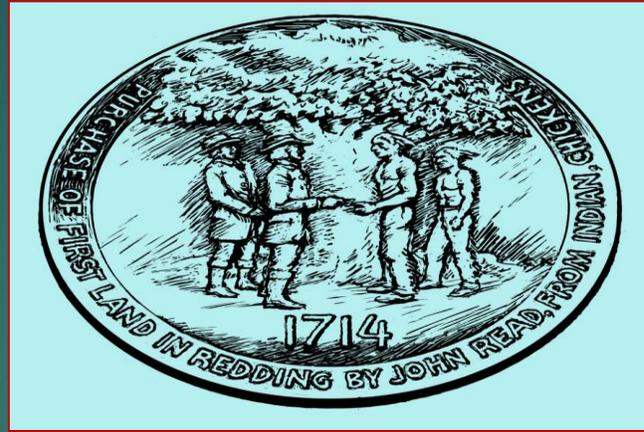
To: Town of Redding Boards of Finance and Selectmen
From: *Steve Gniadek*
Date: September 29, 2020
Re: **September 2020 Monthly Report**

- **GFOA (Government Financial Officers Association) Certificate of Achievement** – the Town has been awarded the Certificate for Excellence in Financial Reporting for our CAFR FY 2019. It is the sixth consecutive year achieving this award. My thanks to all involved in the preparation and review of the CAFR.
- **Estimated Surplus** for FY 2020 as of September 15, 2020:

Town	\$ 814,000
BOE	467,000
Reg 9	<u>939,000</u>
TOTAL	\$2,220,000
- **Capital Projects Fund** – over time, there has accumulated an unspent balance of \$ 212K in one of our Capital Fund accounts. This account was used to fund the School Phone Upgrade for up to \$ 60k, leaving a balance available to use on other approved projects of \$ 152k
- **OPEB Trust** – was only able to find 2 other vendors, Hooker and Holcomb and Center Harbour Group – Morgan Stanley. I supplied each with a short questionnaire. Morgan Stanley chose not to participate, stating the “absence of a current Investment policy Statement (IPS) was a factor in the decision. The following page contains a comparison of H&H and FIA

OPEB Trust Vendor Comparison

	H&H	FIA	P&C
Clients in Fairfield County	Fairfield Danbury	Westport Weston	
Fees (BPS)	40	35	
Minimum Investment Amount	None	None	
Minimum Annual Fee	\$4,000	\$3,500	
Investment Management Fees (BPB)	4-15	7	
Custodial Fees using Brokerage Platform	0	0	
OPEB Trust Agreement			\$2000- \$3500



Treasurer's Report to the Board of Finance

SEPTEMBER 2020

Fund Balance August 31st, 2020

Operating Funds

<u>LOCATION</u>	<u>ACCOUNT OR TYPE</u>	<u>AMOUNT</u>	<u>ACCRUAL RATE</u>	<u>CASH INCOME</u>
Webster Bank	General Fund	\$8,280,562	0.00%	\$ -
	Investment Account	\$15,537,431	0.28%	\$ 4,585.90
	Tax Collection Account	\$0	0.00%	\$ -
subtotal		\$23,817,993		\$4,586
Janney Montgomery	Investments	\$3,126,979	1.68%	\$ 3,161.92
	Cash	\$2,640	0.10%	\$ -
Bank of NY Mellon	CT STIF	\$8,900	0.25%	\$ 1.00
U.S. Bank	Stone Castle as advisor	\$2,186,638	0.01%	\$ 239.61
<u>TOTAL</u>	-	<u>\$29,143,150</u>	<u>0.33%</u>	<u>\$7,988</u>

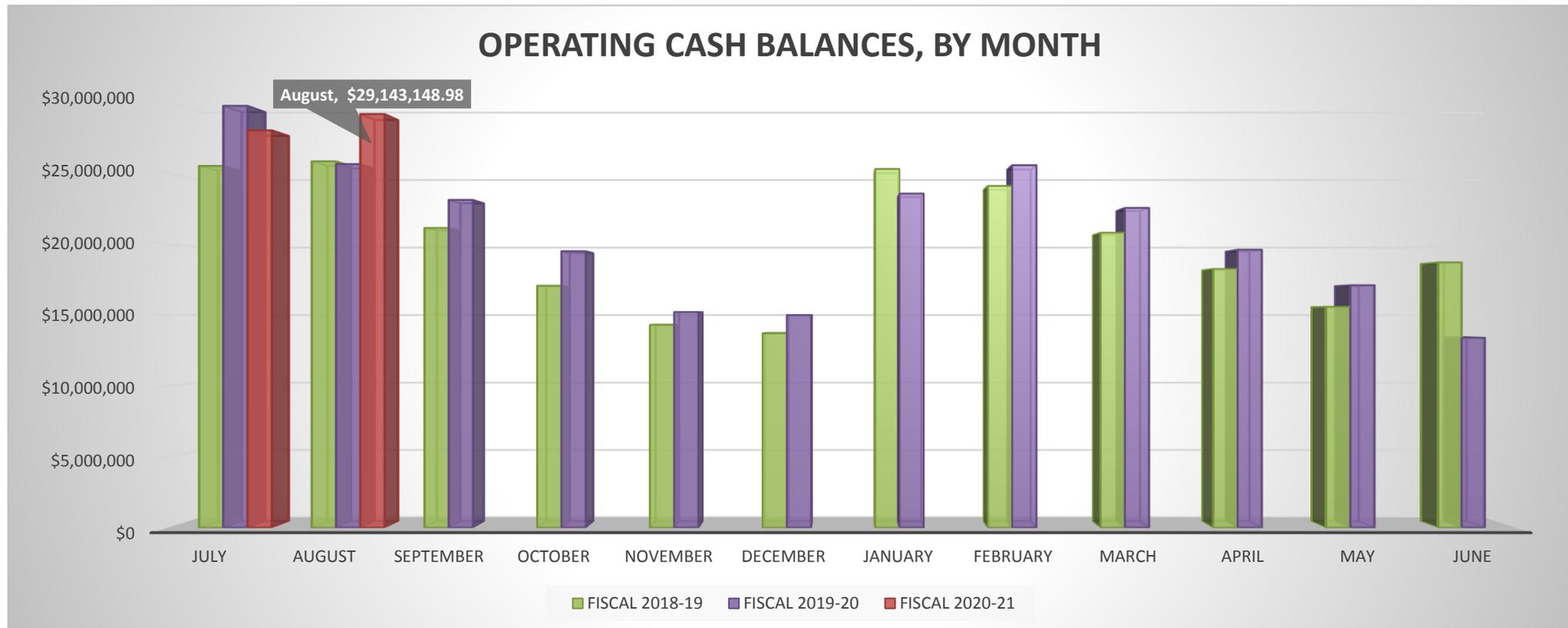
Fund Balances August 31, 2020

Capital or Designated Funds

<u>LOCATION</u>	<u>ACCOUNT OR TYPE</u>	<u>AMOUNT</u>	<u>ACCRUAL RATE</u>	<u>CASH INCOME</u>
Webster Bank	Capital Non-Recurring	\$ 709,650	0.28%	\$ 155.86
	Debt Service Fund	\$ 1,092,044	0.28%	\$ 200.00
	Capital Projects-School	\$ 211,732	0.28%	\$ 46.50
	Capital Projects-Town	\$ 3,764,391	0.28%	\$ 918.75
	Georgetown Sewer Assesment	\$ 12,598	0.00%	\$ -
	Georgetown Sewer Use	\$ 138,397	0.00%	\$ -
	Police Fund	\$ 134,661	0.00%	\$ -
	Special Revenue	\$ 13,396	0.00%	\$ -
	Town Road Aid	\$ 306,728	0.00%	\$ -
	Trust and Agency	\$ 181,578	0.00%	\$ -
CT STIF	Capital Non-RE	\$ 222,603.76	0.25%	\$ 21.25
TOTAL		\$ 6,787,777	0.25%	\$ 1,342.36

Operating Cash Balances

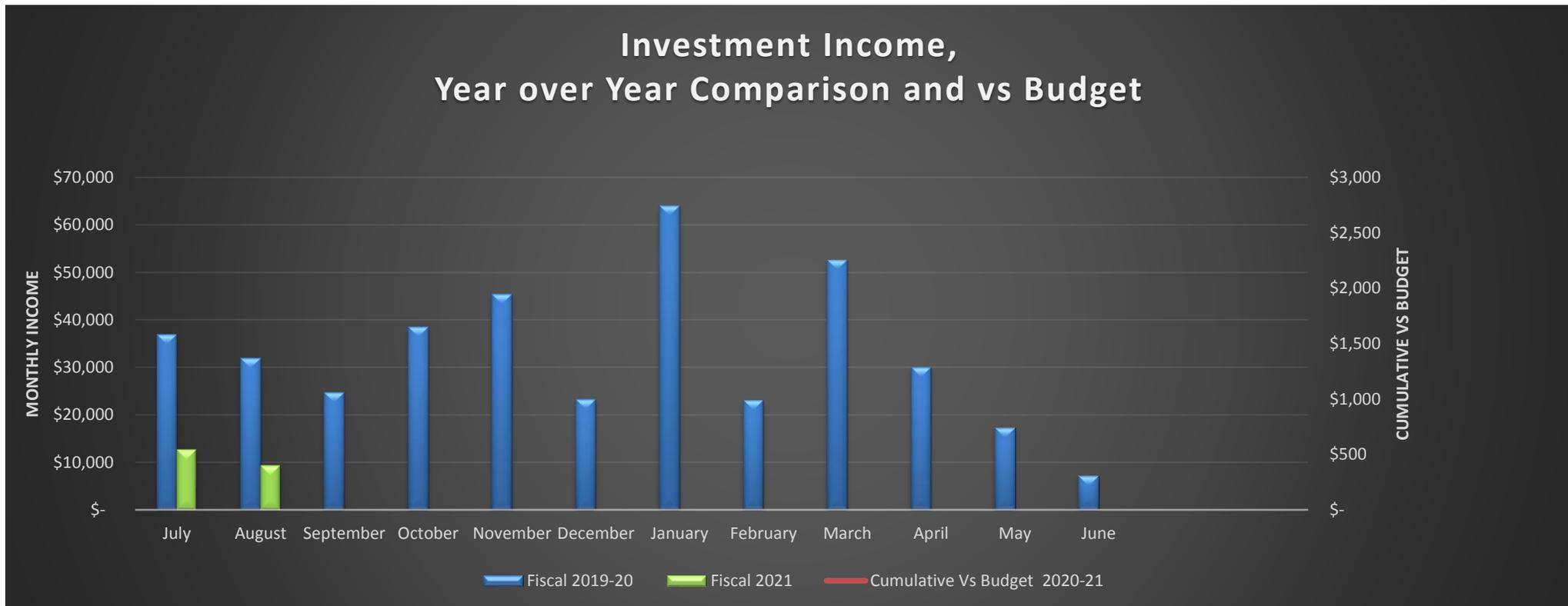
Monthly trends, FY 2021



Investment Income Trends

Monthly results, FY 2021

Investment Income, Year over Year Comparison and vs Budget



Town of Redding, CT
Debt Management Policy

~~Approved April 26, 2010~~ Revised and Approved (Date)

I. **PURPOSE:** The debt management policy for the Town of Redding, CT (Town) is established to help ensure that all debt is issued both prudently and cost effectively. The Debt Management Policy sets forth guidelines for the issuance and management of all financings of the Town. Monitoring and executing the policy is essential to ensure that the Town maintains a sound debt position and protects the credit quality of its obligations while providing flexibility in meeting the Town's capital needs.

Comment [JB1]: How do we include the R9 debt process since their borrowing is included in the total town borrowing amount?

Comment [SG2]: Suggest adding on page 3, Item 2, "Debt Service payments include Redding portion of Region 9 (Joel Barlow High School) debt"

II. **POLICY STATEMENT:** Certain capital expenditures shall be financed by long term debt to be repaid in accordance with the debt instrument. The Town will issue debt for the purposes of constructing or acquiring nonrecurring permanent capital improvements, major renovations, open space property, or other similar type projects it deems necessary. Current operating expenditures shall not be funded through the issuance of debt (except in limited circumstances by a tax anticipation note).

To qualify, the project as defined above needs to have a minimum useful life of ~~10~~ 7 years and cost at least \$100,000 individually, or in the aggregate for related items.

Comment [JW3]: Steve – Are the thresholds for entering into capital leases the same as projects that are being financed by bond issuances?

Capital leases are included in the table below as a financing option. Therefore, I want to confirm whether assets under capital leases are subject to the same thresholds.

If capital leases have a different threshold, I can revise the wording to clarify that these thresholds are specific to bond issuance. Additionally, we would then add the threshold for assets for which a capital lease is executed.

Capital expenditures which fall below these minimum bond thresholds, may be financed through one of the following:

- Budgeted operating expense
- State funds, such as LoCip (Local Capital Improvement Projects) or other grants
- Federal funds
- Capital non-recurring reserve (CNRE)
- Unassigned fund balance
- Contingency or other reserves that may exist

Comment [SG4]: Since minimum Capital Expense amount is \$25,000, this should also be the minimum for utilization of Capital Lease as financing source.

Comment [SG5]: Capital leases have a minimum of \$25,000 and are financed through the annual operating budget

Exceptions or changes to this policy require approval of the Board of Finance.

III. DEBT LIMITS

A. Legal Restrictions

All capital improvements financed through the issuance of long-term debt will be financed for a period not to exceed 20 years or in accordance with State Statutes. (S.7-371)

B. Public Policies

1. Type of debt that may be issued and purpose for which debt proceeds may be used:

Type of Debt that May be Issued	Purpose for Which Proceeds May be Used
Bond Anticipation Notes (BAN)	Provides interim cash flows on a short-term basis to facilitate the timing of bond sales. The proceeds from the BANs may be used for the purpose for which the associated bonds are authorized.
Tax Anticipation Notes (TAN)	Provides interim cash flows to finance a current operation before the Town collects tax revenues. Proceeds are to be used to bridge the gap between the mismatch between the receipt of property taxes and ongoing expenditures.
General Obligation Bonds	For the purposes of constructing or acquiring nonrecurring permanent capital improvements, major renovations, open space property, or other similar type projects that the Town deems necessary.
Municipal Leases (not to exceed 7 years)	Should be used for major equipment, rolling stock, and other capital items when it is cost justifiable to do so.

2. Purpose for which debt proceeds are prohibited:

- Current operating expenditures shall not be funded through the issuance of debt.
 - **Exception:** As noted above, a TAN may be issued to provide interim cash flows to finance a current operation before the Town collects tax revenues. Statutory provisions exist that limit the term of the TAN to the same year as the expenditure.

3. Types of debt prohibited

- Commercial lines of credit (as prohibited by CT State Statute)

4. Relationship to and integration with the Capital Plan

- The Long-Term Capital Financial Planning Committee shall provide the Board of Finance with a copy of all capital requests made by the Town, schools, and WPCC at the start of each annual budget season. The capital plan should be updated, at a minimum, on an annual basis and should include both immediate and anticipated future capital needs.
- The capital plan will assist the Finance Director and the Board of Finance in analyzing potential funding sources for the capital requests.
- The capital plan will assist the Finance Director, Town Treasurer, and the Board of Finance in analyzing the projected future debt levels of the Town.

C. Financial Restrictions, Ratios, and Planning Considerations

Comment [JB6]: I read that not every state considers a lease a type of debt. Does Connecticut? Is it really a type of debt borrowing?

Comment [JJW7]: Wes/Steve/Julia – do you know the answer to Jamie’s question?

Capital leases are included in the Long-Term Liabilities footnote in the CAFR.

In the Basis for Conclusions in GASB Statement No. 87, specifically B2 states that the accounting and financial reporting guidance for leases in this Statement is based on the foundational principle that leases are financings. (See additional information in paragraphs B2 to B6 of Statement 87).

Comment [SG8]: GASB 87 dictates this, which would apply to all states

Comment [SG9]: Of the 8 items listed, I think 1 and 6 are OK. For Items 2 and 3, I’m not sure how you come up with the percentages. If they are just arbitrary, there is no benefit. Item 4 is mostly covered by CAFR tables 8-12. Value of Item 5? Not sure so why include. Item 7 not necessary if you agree with above. Item 8 "acceptable Range" too vague so who would define?

Comment [JJW10]: Item 8: In my original draft, it indicated that if the ratios fall outside a certain range/level, the Finance Director needs to develop a plan on how to bring the ratios back into a certain range and by when. That plan would then need to be presented to the BOF and monitored by the Finance Director on an ongoing basis. I am happy to rewrite and revert to the stricter policy.

1. Covenants and Laws—The Town shall comply with all covenants and requirements of the bond resolutions, and state and Federal laws authorizing and governing the issuance and administration of debt obligations.
2. Debt service payments as a percentage of general fund expenditures—The Town shall strive to limit annual general fund debt service payments to no more than % of the general fund expenditures.
3. Average Maturity of General Obligation Bonds—The Town shall strive to have at least % of outstanding general obligation bonds mature in less than years.
4. Analytical review should be conducted by the Board of Finance on an annual basis. The list below comprises ratios and other information that the Board of Finance may find relevant in conducting its analytical review. Those ratios and metrics should be looked at in context with each other and not in isolation. The Town recognizes that the ratios below are useful guides but not the exclusive means by which it should measure debt burden:
 - Debt Per Capita (long-term debt per capita, total debt per capita)
 - Annual debt service per capita
 - Ratio of bonded debt and other outstanding debt to net assessed value
 - Debt service payments as a percentage of budgeted and actual expenditures (in total and separately for school-related debt and town-related debt)
 - Debt maturity schedule
 - Bond ratings
 - Per capita income
 - Median household income
 - Debt per capita as a percentage of per capita income
 - Debt per capita as a percentage of median household income
5. The Town's debt burden also should be compared to Towns in the immediate vicinity of the Town, with the same (or similar) bond rating, and to Towns with the same District Reference Group. The comparison should incorporate the list of ratios and metrics in the list above, where appropriate.
6. The Town will employ data taken from the Town's latest CAFR and the latest State of Connecticut Municipal Fiscal Indicators Report to compile the above ratios and develop trend lines. <https://portal.ct.gov/OPM/IGP-MUNFINSR/Municipal-Financial-Services/Municipal-Fiscal-Indicators>
7. The compilation and preparation of the above data is the responsibility of the Town's Finance Director and shall be provided to the Board of Finance on an annual basis, no later than the start of the annual budget process.
8. If the debt management indicators are deemed by the Board of Finance to be outside of an acceptable range, the Town's Finance Director shall recommend and submit to the Board of Finance for approval a plan to bring the debt management indicators to more appropriate levels within a specific time frame.

IV. DEBT STRUCTURING PRACTICES

- A. **Minimum Useful Life and Amount:** To qualify for financing, the project shall have a minimum useful life of ~~40~~ 7 years and cost at least \$100,000 individually, or in the aggregate for related items.

Comment [WH11]: Coverage runs about 4-6% currently and over 10% would obviously be worrisome to me. The downgrade triggers for this ratio calculated by the bond rating firms we use would be very important to know (available from our Fin Advisor)

Comment [JW12]: Subcommittee Members: Would appreciate your input on what is reasonable in 2. and 3. I think both are an important metric in monitoring the budget and debt service levels (now and in the future). That said, I am looking for input on the appropriate levels.

Comment [SG13]: By including a %, you would also need to address what happens when the % is exceeded. Only two options I see are to eliminate projects to get back under the threshold, or revise this policy with a higher rate, both of which defeat the purpose of this item

Comment [JB14]: Unsure what purpose the average maturity goal serves. Are we trying to establish goals that smooth out the maturity dates of the debt so that it never becomes a major burden to the operating budget or some other purpose? I am not clear.

Comment [JW15]: The intent for including this was to ensure that it does not become a burden to the Town.

Comment [WH16]: For principal about 10% (roughly double the level pay amount if debt is spread evenly over 20 yrs =5%) but for interest it gets more complex as rates rise and fall and the fact that the first few years while more bonds are still receiving interest the total interest amount is much larger than the projected later years due to the annual debt maturities. A Simple answer add another 3-5% to the 10% principal but be prepared to adjust because as rates change over time this will move around a bit. BTW we structure our bond issues recently to have high coupon rates in the first 5-7 years

Comment [JJW17]: According to the S&P presentation that Steve obtained, a factor with a positive impact on the initial score is as follows: Overall rapid annual debt amortization, with more than 65% coming due in 10 years.

Comment [JB18]: The metrics detailed in #4 and the benchmarks in #5 overlap with the metrics in the CAFR. Other than capturing the data, unless we establish specific target numbers, I am not sure what the analysis accomplishes. For me, the key metrics wou...

B. Maximum Term: Consideration should be given to the useful life of the asset(s) being financed in determining the bond term. The maximum term of the bond should be 20 years according to state statute. If debt obligations are being issued to refinance outstanding debt obligations, the final maturity of the debt obligations being refinanced shall remain the same maturity or a lesser maturity. The maximum term for municipal leases shall not exceed 7 years.

C. Debt service pattern: Unless otherwise justified and deemed necessary, debt service should be structured on a level or declining repayment basis so that debt service payments will be a predictable and manageable part of the operating budget.

D. Use of optional redemption features: For each transaction, the Issuer shall evaluate the costs and benefits of redemption provisions.

E. Bond insurance: For each issue, the Town will evaluate the costs and benefits of bond insurance or other credit enhancements. Any credit enhancement purchases by the Town shall be competitively procured.

V. DEBT ISSUANCE PRACTICES

A. Approval: Approval of the debt issuance must be obtained from the Board of Finance and Board of Selectmen.

B. Selection and use of professional service providers: The Town's Selectmen shall be responsible for solicitation and selection of Town Counsel, including bond counsel. The Finance Department shall be responsible for the solicitation and recommendation to the Board of Finance of professional services that are required to administer the Town's debt program (other than Town counsel which includes bond counsel). Examples of service providers include financial advisors, underwriters, and fiscal agents.

B-C. Costs of Issuance. The Town may choose to include costs of issuance as part of the total Ban or Bond funding. These costs can include services provided by the financial advisor, bond counsel, rating agency, underwriters, and banks.

C-D. Method of sale: The Town's Finance Department shall recommend to the Board of Finance a method of sale (for example, competitive bidding) that is most likely to achieve the lowest cost of borrowing while considering both short-range and long-range implications for taxpayers. The Board of Finance shall make the final decision on the method of sale.

D-E. Criteria for issuance of advance refunding and current refunding bonds: The Town will use refunding bonds, where appropriate, when restructuring its current outstanding debt. A debt refunding is a refinancing of debt typically done to take advantage of lower interest rates. Unless otherwise justified, such as a desire to remove or change a bond covenant, a debt refunding should not be pursued without a sufficient net present value benefit after expenses.

E-F. Use of credit ratings, minimum bond ratings, determination of the number of ratings, and selection of rating services: The Town will continually strive to maintain its bond rating by improving financial policies, budgets, and the financial health of the Town so its borrowing costs are minimized and its access to credit is preserved. The Town will maintain good communication with bond rating agencies about its financial condition, coordinate meetings and presentations in conjunction with a new issuance, as necessary.

VI. DEBT MANAGEMENT PRACTICES

A. Investment of bond proceeds: The Town shall comply with all applicable federal, state, and contractual restrictions regarding the investment of bond proceeds, including the Town's Investment

Comment [SG19]: I also think something should be added about the Town's utilization of outside Financial Advisor and Bond Counsel, and the ability to include their costs, and other costs associated with issuance, in the authorized Bond amount.

Comment [JJW20]: Steve – Great suggestion. Please draft what you would like to see in the policy.

Comment [JW21]: Jenifer added below – see C.

Comment [JB22]: I think we need to add the voters to the debt approval section. I don't think the BOF/BOS should make the unilateral decision to secure debt on behalf of the town without voter approval.

Policy.

- B. Continuing disclosure:** The Town shall provide disclosure information to the appropriate repositories and maintain compliance with disclosure statements as required by state and national regulatory bodies.
- C. Arbitrage rebate monitoring and filing:** The Town will, unless otherwise justified, use bond proceeds within the established time frame pursuant to the bond contract or other documents to avoid arbitrage. Arbitrage is the interest earned on the investment of the bond proceeds above the interest paid on the debt. If arbitrage occurs, the Town will comply with the arbitrage rebate requirements of the federal tax code and the Internal Revenue Service and will perform (whether internally or by contract with a third-party) arbitrage rebate calculations for each issue subject to rebate.
- D. Federal and State law compliance practices:** The Town shall comply with the state constitution and with all other legal requirements imposed by federal, state, and local laws, rules, and regulations, as applicable.
- E. Ongoing market and investor relations efforts:** The Town shall endeavor to maintain a positive relationship with the investment community. The Town shall communicate through its Comprehensive Annual Financial Report and annual budget the Town's indebtedness and future financial plans.

VII. USE OF DERIVATIVES

No derivative products will be utilized unless permitted by law, and after adoption of a swap or derivative policy by the Board of Finance. No derivative products shall be utilized without an analysis by an independent municipal advisor.

Other Post-Employment Benefits (OPEB) Data

Selected CT Municipalities (see link below for complete report)

Source: Municipal Fiscal Indicators 2014-2018, as of January 30, 2020

<https://portal.ct.gov/-/media/OPM/IGP/munfinsr/Municipal-Fiscal-Indicators/FI-2014-18->

Pages A-36 to A-60

Type of Benefits Provided

Selected Municipalities	Health	Insurance	Pay-as-You Go Funding	# of Participants
Redding	x	x	x	182
Bethel	x	x	x	456
Brookfield	x			414
Darien-non police	x			607
Darien-police	x			70
Easton	x	x	x	189
Monroe-police	x			45
Monroe-BOE	x		x	501
New Canaan	x			783
Newtown	x			528
Ridgefield	x			985
Westbrook	x	x	x	185
Westport	x	x		1,582
Weston	x	x		524
Wilton	x	x		810

of Towns

144

of Plans

160

90 to the 160 plans are pay-as-you go

70 of the 160 plans have some level of funding

Health = medical, dental, vision, prescription. Insurance = insurance other than health, inclu

Other than Redding, information is based on information provided in the June 30, 2018 audi

Note: It is difficult to make an apples-to-comparison among the municipalities due to differe
However, this is a data point for the BOF to consider as it is deciding whether to establish a

	Total OPEB Liability (Gross/not net of trust assets)	% of OPEB Liability Funded	\$ Liability per Participant
\$	3,263,983	0.0%	\$ 17,934
\$	14,276,984	0.0%	\$ 31,309
\$	20,308,218	4.6%	\$ 49,054
\$	6,327,361	55.1%	\$ 10,424
\$	8,062,050	52.3%	\$ 115,172
\$	2,450,991	0.0%	\$ 12,968
\$	2,376,153	29.3%	\$ 52,803
\$	10,137,039	0.0%	\$ 20,234
\$	27,914,072	45.4%	\$ 35,650
\$	9,195,376	26.8%	\$ 17,415
\$	28,394,035	16.1%	\$ 28,826
\$	3,287,067	0.0%	\$ 17,768
\$	145,369,632	43.3%	\$ 91,890
\$	10,479,379	83.4%	\$ 19,999
\$	6,922,254	108.0%	\$ 8,546
\$	8,614,235,436	7.9%	

ding life, disability, etc.

ted financial statements. Redding is as of June 30, 2019.

nces in plan benefits, plan participant type, actuarial assumptions, etc.
trust, future funding, etc.

DRG A Darien
 Easton
 New Canaan
 Redding
 Ridgefield
 Weston
 Westport
 Wilton