

OFFICE OF THE
FIRST SELECTMAN

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Toni Boucher
First Selectman

Joshua S. Cole
Second Selectman

Kimberley Healy
Selectwoman

Basam Nabulsi
Selectman

Ross H. Tartell
Selectman

TOWN HALL
238 Danbury Road
Wilton, CT 06897

**BOARD OF SELECTMEN
REGULAR MEETING MINUTES
Monday April 1, 2024**

PRESENT: First Selectman Toni Boucher, Joshua Cole, Kimberley Healy, Basam Nabulsi, Ross Tartell

GUESTS: Charlie Taney – President Norwalk River Valley Trail (NRVT), Stephen Parrinello & David Rintoul – Housing Committee, Public Works Director /Town Engineer-Frank Smeriglio, Assistant Director/Facilities Manager Jeff Pardo, Director Parks & Recreation-Steve Pierce, Town Administrator Matt Knickerbocker CFO-Dawn Norton

A. Call to Order

Ms. Boucher called the Meeting to order at 7:01pm.

B. Executive Session – Interviews

Ms. Boucher asked for a motion to go into Executive Session for interviews and invite Penelope Miller interviewing for Wilton Library Association and Mark Shaner for Parks & Recreation Commission). Motion moved by Mr. Tartell second by Ms. Healy and carried 5-0.

Out of Executive Session and back in Regular Session at 7:29pm

C. Public Comment

None

C. Consent Agenda

- Minutes
 - Board of Selectmen Meeting Minutes – March 19, 2024

Mr. Cole noted correction to BOS March 19, 2024 Meeting minutes in item D-3 to remove extra sentence “after review and discussion, motion moved by, seconded by”. Motion to move approval of minutes as amended made by Ms. Healy, seconded by Mr. Tartell and carried 5-0.

- Gifts
 - Wilton Hardware – Townwide Clean-up - \$100 in Gift Cards (2 Cards at \$50 each)
 - Wilton Hardware (for Heavy Duty Garbage Bags – Townwide Clean-up - \$280.64

- Kiwanis – Townwide Clean-up - \$500 (Gift Cards for use at Local Businesses-Raffle Prizes)

Motion made by Mr. Cole to approve the gifts to the town. Motion seconded by Mr. Tartell and carried 5-0.

Ms. Boucher thanked all for their generous donations.

D. Discussion and/or Action

1. NRVV Update

Charlie Taney gave an update on recent plans and developments on the NRVV. After update, Mr. Taney requested a contribution from the town to offset \$20,000 in expenses incurred regarding storm-related water and tree damage that happened in the last year. Looking for town to do a matching grant for maintenance. Ms. Boucher noted that the selectmen had already finalized the FY2025 budget, but noted the board could consider financial support in future budget discussions.

Ms. Boucher asked to add an item to the Agenda with regard to the Parks & Recreation request to apply for the Elderly and Disabled Demand Responsive Transportation grant from DOT for the Dial-a-Ride program. Motion moved by Mr. Nabulsi to insert a Discussion on Parks & Recreation request to apply for DOT Grant for the town's Dial-a-Ride Grant program as item 2 on the agenda. Motion updated to correct from item 2 to item 1A. Motion seconded by Ms. Healy and carried 5-0.

1A. Discussion on Parks & Recreation to apply for Grant from DOT for the Dial-a-Ride Program

Steve Pierce-Director Parks & Recreation reviewed the request to apply for Grant from DOT for the town's Dial-a-Ride program. He noted the grant would be in the amount of \$25,751 and would be used to subsidize the dial-a-ride program. After review and discussion, motion moved by Mr. Nabulsi to authorize the First Selectman or the appropriate member of the town to complete and the execute the application for the Elderly and Disabled Demand Responsive Transportation grant from the State DOT in the amount of \$25,751. Motion seconded by Mr. Cole and carried 5-0.

2. Housing Committee

Stephen Parrinello, chair of the Housing Committee updated the board on the status of the Housing Committee and discussed the committee's responsibilities and how the committee may be utilized going forward. Ms. Boucher indicated that the discussion is very timely given the board's attention on needs for town-owned property and significant development activity in town. Discussion amongst the board and Mr. Parrinello with David Rintoul providing additional input. The board agreed to reconvene to another time to continue discussions on the committee's role at a future BOS meeting.

3. Discussion of a Fund Balance Policy

CFO Dawn Norton began the discussion of a Fund Balance Policy (see attached slide presentation and draft policy). Ms. Norton noted the town does not currently have a fund balance policy in place and the purpose of the policy is to document the town's practice with respect to management of the General Fund and to help in maintaining the town's bond rating with the rating agencies.

4. Discussion on Bonded Capital

Ms. Boucher began the discussion on bonded capital. She gave an overview of the bonding process. She again stated that board will be voting only on bonding for FY 2025 but will also discuss FY2026 and onward. She also noted that project requests

for Ambler Farm have been moved to FY 2026 which were previously split between FY2026 & FY2027. Requests were reviewed by Mr. Smeriglio, Mr. Pardo with CFO Dawn Norton providing additional input.

Motion moved by Mr. Cole to approve the FY2025 bonding project requests as follows:

- Road Restoration in the amount of \$540,000
- Scribner Hill Road Bridge Replacement in the amount of \$1,600,000 for a subtotal of \$2,140,000
- Municipal Building Repair in a total aggregate amount of \$1,584,520 as listed and itemized in the 15-year bonded capital request as revised April 1, 2024

For a BOS total of \$3,724,520

- BOE District Roof Replacements, 98 Classrooms and Gym Addition, 1992 Classroom addition of \$1,902,935
- Middlebrook Chiller and Unit Ventilator replacement in the amount of \$3,261,041
- Middlebrook for Replacement of Ceiling Tiles as part of the Chiller work for \$600,000

For a BOE total of \$5,763,976

And a total bonded request for BOS and BOE of \$9,488,496.

Motion seconded by Mr. Tartell. As there were no further discussions, motion carried 5-0.

Ms. Boucher thanked all for their hard work. She will be presenting this information on the bonded requests

5. Appointments/Reappointments

- Wilton Library Association

Motion moved by Ms. Healy to appoint Penelope Miller to the Wilton Library Association to fulfill term being vacated by Ms. Healy. Motion seconded by Mr. Nabulsi and carried 5-0

E. Selectmen's Report

1. First Selectman

- Ms. Boucher invited Jeff Pardo to give an update to the board on the Police Building Project.
- Ms. Boucher noted that Registrars had a very successful Early Voting and reminded all that the Primary Vote is taking place on April 2, 2024 at WHS Clune Center
- Ms. Boucher noted the 26th Annual Townwide Clean-up day takes place on April 6, 2024 at 9:00am and starts at the Town Green

2. Selectmen/Selectwoman

Ms. Healy

Ms. Healy noted that the state was thinking of banning NIPS, but they have not done it as yet.

Mr. Tartell

Mr. Tartell noted that he attended Easter Services at Trinity Church on Wall Street.

Mr. Nabulsi

None.

Mr. Cole

None.

F. Public Comment
None

G. Adjournment

Having no further business, motion to adjourn at 9:28 pm. Motion moved by Ms. Healy, seconded by Mr. Tartell and carried 5-0.

Jacqueline Rochester
Recording Secretary
Taken from Video

FY 2025 Fund Balance Discussion with Board of Finance

March 22, 2024

FUND BALANCE OVERVIEW

- ***Moody's Change and Methods:***
- Moody's previously accepted our policy of maintaining an unassigned general fund balance of at least 10% of budgeted operating expenses.
- Moody's is now requiring we maintain an **"Available Fund Balance Ratio", as defined by Moody's, of between 25% and 35%.**
- **Available Fund Balance Ratio** is defined in Moody's *US Cities and Counties Methodologies* as **AVAILABLE FUND BALANCE + NET CURRENT ASSETS) / REVENUE**. These components are derived from the audited GAAP basis financial statements. (<https://ratings.moodys.com/api/rmc-documents/386953>)

➤ ***Definitions from Moody's US Cities and Counties Methodologies:***

- **Available fund balance** is the sum of a city's or county's available fund balance across all governmental funds. The available fund balance equals the sum of all fund balances that are classified as unassigned, assigned or committed in the total governmental funds section of a city's or county's audited financial statements. We exclude any non-spendable fund balance that is in the total governmental funds section, and typically exclude restricted fund balance in that section.
- We define **net current assets** as **unrestricted current assets minus current liabilities from a city's or county's business-type activities and internal services funds**. Long-term liabilities, including the current portion that we incorporate into the Long-term Liabilities Ratio, where disclosed, are not incorporated into the calculation of net current assets. This approach results in comparability between net current assets and available fund balance, even though each measure is derived from a different accounting presentation.
- The **denominator is revenue**, which is the sum of revenue from total governmental funds, operating and non-operating revenue from total business-type activities, and non-operating revenue from internal services funds, excluding transfers and one-time revenue, e.g., **bond proceeds or capital contributions**. The netting out of transfer activity minimizes double-counting, i.e., we do not count a transfer as revenue because it is likely already counted as revenue elsewhere in the financial statements. In excluding transfer revenue, we also minimize revenue volatility stemming from activity outside normal governmental activities.

FY 2025 Fund Balance Discussion with Board of Finance

March 22, 2024

FUND BALANCE OVERVIEW

- **Types of Fund Balances: *Included in the Available Fund Balance:***
 - **Non-spendable:** This represents amounts that cannot be spent due to form (i.e. inventories, prepaid amounts, and amounts required to be retained for perpetuity).
 - **Restricted:** This balance represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributions or laws and regulation of their governments.
 - **Committed:** This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority.
 - **Assigned:** This balance represents amounts constrained for the intent to be used for a specific purpose.
 - **Unassigned (undesigned):** This balance represents fund balance in the General Fund in excess of non-spendable, restricted, committed or assigned.

FY 2025 Fund Balance Discussion with Board of Finance

March 22, 2024

FUND BALANCE OVERVIEW

➤ **Discussion with Moody's Analyst:**

- The discussion with the Moody's analyst occurred after the 2023 ATM.
- We shared FY23 and FY24 actual Available Fund Balance Ratios would be below the 25% minimum because during the development of budgets for those years, the BOF followed the previous policy of maintaining an unassigned fund balance equal to 10% of budgeted operating expenses. Amounts in excess of 10% were used to reduce the amount of the budget funded by taxpayers.
- We noted, and the Moody's analyst agreed, it would require a few future budget years to return to an Available Fund Balance Ratio of 25% or higher.
- We committed to change our policies to reflect the new requirements, which included not using unassigned fund balance amounts to reduce property taxes while the Available Fund Balance Ratio was 25% or less.

POLICY MEMORANDUM

SUBJECT: GENERAL FUND - FUND BALANCE RESERVE POLICY

DATE: 04/01/2024

DISTRIBUTION: Board of Selectmen

BY: Dawn Norton, CFO

APPROVED: _____

I. PURPOSE

The Town of Wilton has a successful history of responsible fiscal management. The purpose of this policy is to document the Town's practice with respect to the management of General Fund – Fund Balance Reserve in accordance with professional standards set by the Government Accounting Standards Board ("GASB") and the following goals:

- Fund Balance is essential to preserve the credit-worthiness of the Town and meet the standards and expectations of rating agencies.
- Fund Balance reserves provide financial resources in the event of unexpected emergency situations such as natural disasters, economic uncertainty, or other similar condition in which additional reserves are needed to ensure continuity of operations and emergency response.

This policy is intended to provide for a fund balance which satisfies the cash flow and contingency needs of the community, support our positive bond rating with the rating agencies, and at the same time avoid over taxing the citizens through an excessively large fund balance.

Credit rating agencies determine the adequacy of the Town Fund Balance reserves using a complex series of financial evaluations. The size of the fund balance is an important, but not the only, consideration of the Town's rating. Other important factors are, reliability of a government's revenue sources, economic conditions, community wealth factors, cash position, debt ratios, management performance, and fiscal decisions made by the legislative body.

A towns ability to accurately plan and develop sufficient fund balance reserves is a common characteristic of a highly rated municipality.

This policy is also intended to codify the Town's compliance with GASB Pronouncement #54 which defines the components of Fund Balance as follows:

- **Non-spendable:** Amounts that cannot be spent either because they are not in spendable form (e.g. long-term receivables, prepaid expenses, inventory) or because they are legally required to be maintained intact (e.g. endowment fund).

- **Restricted:** Amounts that have legally enforceable constraints placed on their use by external parties or laws and regulations.
- **Committed:** Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (BoS and BoF).
- **Assigned:** Amounts intended to be used for specific purposes but are neither restricted or committed.
- **Unassigned:** Amounts that do not fall within any other classification.

II. POLICY RESPONSIBILITY

Board of Selectmen, (BoS)

Board of Finance, (BoF)

Town Administrator

Chief Financial Officer, (CFO)

III. PROCEDURE

- The Town will strive to maintain a minimum level of General Fund Unassigned Fund Balance as of June 30th of each fiscal year with a minimum of 15% with a target range of 15% to 17% of the current year's General Fund budgeted operating revenues.
- The Unassigned Fund Balance may be appropriated as authorized by the Board of Finance, as recommended by the Board of Selectmen and subject to the provisions of the Town Charter regarding non-budgeted appropriations.
- The use of General Fund Unassigned Fund Balance will be limited to one-time, non-recurring purposes such as land acquisition, capital projects, emergency/storm response and other one-time, non-recurring uses determined to be in the best financial interest of the Town of Wilton and in accordance with this policy and the Town Charter.
- The receipt of one-time, non-recurring revenues will not be used to finance ongoing operating expenditures, programs and activities or used to alleviate a mill rate increase or offset taxes.
- The Town will work toward establishing an Unassigned Fund Balance minimum of 15% of prior year general fund revenues.
- In the event that Unassigned Fund Balance is below 15% of prior year revenues, the Charter Reserve expenditures will be used to increase the Unassigned Fund Balance until the balance is at the minimum 15% or higher.
- In the event that using Unassigned Fund Balance to provide temporary funding for an unforeseen emergency causes the Unassigned Fund Balance to fall below the minimum threshold of 15%, the Town Manager in coordination with the CFO will develop a plan to replenish the Unassigned Fund Balance as part of the subsequent year's budget proposal. This plan will seek to restore Unassigned Fund Balance to the minimum 15% level within two years following the year in which the emergency event occurred.