

**BOLTON BOARD OF FINANCE
SPECIAL MEETING
7:00 PM, Tuesday, August 16, 2016
Minutes & Motions**

Attendance: Members Robert Munroe, Morris Silverstein, Matthew Maulucci, Robert Flowers, Emily Bradley, and Robert Galle' were present. Member Robert DePietro was absent. Also present was Selectmen Sandra Pierog and Michael Eremita, Chief Financial Officer Jill Collins and Town Financial Advisor Mark Chapman, Independent Bond & Investment Consultants, LLC.

1. Call to Order: Chairman Robert Munroe called the meeting to order at 7:08 p.m.

2. Public Participation: None

3. Discussion with Mark Chapman – Independent Bond & Investment Consultants, LLC (Town's Financial Advisor): Mark Chapman gave a brief overview of the types of services his company provides to the Town and best practices. Mark also explained to the Board of Finance the type of Bonds the town currently has and possible future bonds. Highlights included the following:

- Consulting firm's work only with municipalities within CT and fee structure based on transactions
- Consultants fiduciary responsibility to Town of Bolton
- Moody's rating – Moody's reviewed Bolton this year, AA3 rating, partially result of smaller grand list (primarily residential), other factors reviewed included cash on hand and current policies/procedures
- Bonding – AA2 to AA3 = 10 basis points and AA2 to A = 15 basis points
- Moody's currently looking for fund balance of 11% or 8 weeks of operating expenses (our policy is 5 ½ weeks or 8 ½ to 10%, fund balance not at this level yet)
- In CT, peer groups in 2015 had fund balances of 13%
- Globally due to other factors, fund balance 30%
- GFOA supports a fund balance equal to 8 weeks of operational expenses, 15% for Bolton
- Moody's does not endorse using fund balance for operations but can justify a one-time expenditure
- Credit rate insurance – AA municipalities do not receive a benefit for this insurance
- Refinancing current debt depends on call ability and need to produce a net present savings of at least 3%
- Policies/Procedures suggested included fund balance, debt service and budget forecasting
- Debt service rule of thumb was maximum per year of 10% carrying cost of debt to budget

- Capital Reserve – Moody’s reviews if capital funding plan exists, our 1 mill may not be sufficient to meet our needs
- Current bonds- 2010 \$9 million Bolton High School and 2012 \$4.3 million (\$3.7 million Bolton High School and \$650,000 fire truck)
- Smaller borrowing amounts usually under 10 years
- Spend down requirements always exist – must spend funds borrowed within x years
- Town interest revenue – towns are limited by state and federal statutes as to types of investments, currently Bolton obtaining what interest it can but yield is not high

4. Adjournment: R. Galle’ moved to adjourn. R Flowers seconded. Adjournment was at 8:10 pm.

Respectfully submitted,

Jill Collins, Chief Financial Officer

Please see minutes of subsequent meeting for approval of these minutes and any corrections hereto.