

MIDDLEFIELD BOARD OF FINANCE
405 Main Street
Middlefield, Connecticut 06455

Minutes of the Tuesday, September 26, 2023 Regular BOF Meeting

405 Main St #3, Middlefield, CT 06455

Attendance:

Members		Others	
X	Skelps, Michael	X	Jim Irish
X	Kowal, Melissa	X	Beth Moncata, Incoming Finance Director
X	Lowry, David	X	Susan MacNamara
X	Boyle, Kevin	X	Bob Yamartino
A	Lee Matterazzo		
A			

A=Absent
X=Present

This meeting is held via in person. Michael Skelps called the meeting to order at 7:00 pm.

The Pledge of Allegiance was recited.

Approval of Agenda: Melissa made the motion to approve, David Seconded. Motion carried unanimously.

Minutes from last BOF meeting (August 10) were reviewed. Dave made the motion to approve the minutes as submitted. Melissa seconded. Motion carried unanimously. Dave suggested including any spreadsheets, or handouts as part of future minutes.

Mike discussed the previous financial modeling of how the cell tower lease funds, and said that he had done some other modeling. He said any model was limited in its ability to forecast, and that each year, any transfers to the general fund would be calculated based on the rate earned and the amount of time left in the 50 year window. The intention is to calculate any transfers based such that those transfers increase with inflation over the 50 year window. The board seemed inclined to have the balance in the fund at zero at year 50, rather than preserving the original \$2.2 million balance. The most recent contribution from the old cell tower lease was

\$52,000, so that could be a starting point for the first transfer. The most recent investment return is at 5.5%. Historical rates range from 0.01% to 8%, with the most recent years averaging 0.5%. Kevin suggested that any policy created by the Board sets some limits and rules on how transfers are calculated in various years. Bob was looking at different options, such as laddered bond funds. Bob said we could also invest in municipal bonds, even outside of Connecticut, but we should seek highly-rated bonds (e.g. A or better) with Federal protection. Bob said he was planning to hire an investment consultant to advise regarding the best way to safely invest these funds.

Mike asked who is currently making the investment decisions. Bob said that there had been an investment advisory committee identified, but with Al's impending departure, that committee never met. Mike said that the committee should be re-established and include two members of the Board of Finance in order to represent the Board and to report back to the Board.

Melissa said we should be aware of any fees and make sure we keep fees to a minimum. She also said that the town should ensure key individuals such as Treasurer, Finance Director and First Selectman should be bonded.

Mike said establishing the policy, the committee, rules and process would be ongoing for a while.

Beth reviewed the FY23 year end transfers. Certain line items were over budget, and transfers were proposed to balance the budget items. No interdepartment transfers were required, and no transfers exceeded the threshold to require a town meeting. Beth said that going forward, she would notify the departments when they were approaching their budget limit. Bob said he is interested in acquiring a Purchase Order system so that all planned purchases are approved in advance, rather than finding out a purchase has been made only when the bill is received. This would expedite and facilitate bill payment as well.

Motion was made to approve year end transfers for FY22-23 as presented with one change, sewer service transfer from operational contingency only of \$5,227 and no transfers from WPCA account. Motion was approved unanimously.

Chairman's report: None.

New Business: Bob discussed two public works employees getting promotions per the completed contract negotiation. Total net effect on pay is about \$3,000 increase in this fiscal year. STEAP grant of \$500,000 was received. This will allow us to replace the Laurel Brook pump station which will reduce ongoing operation and maintenance costs. Bob will ask Zygo to pay for future replacements of this pump going forward.

Bob said with all the property changes, the next revaluation (2026) is planned to be full revaluation, not a statistical one. The town will specify that one person should do all physical reviews and inspections so that valuations are consistent across the town. The goal is to make sure that all rules are applied correctly, including exemptions. This will go out to bid in 2024. The assessor will notify the state to make sure we are allowed to make this revaluation a full, physical one.

Dave made a motion to adjourn and Melissa seconded. The meeting was adjourned at 9:00 PM.