

2019 SEP 19 A 9:43
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KENT TOWN CLERK
BY
TOWN CLERK

Board of Finance
Minutes Regular Monthly Meeting
September 17, 2019

Present: Jim Blackketter, Ed Epstein, Fran Goodsell, Mark McWhinney, Nancy O'Dea-Wyrick, Mark Sebetic.

Public and Invited Guests: Bruce Adams, Debbie Devaux, Barbara Herbst, Martin Lindenmayer, Jean Speck.

Chairman Mark Sebetic called the meeting to order at 7:02 p.m.

Agenda: Mr. Blackketter made a motion to approve the agenda as submitted. Mr. McWhinney seconded the motion, and the motion was approved unanimously.

Minutes: July 16, 2019: Mr. Blackketter made a motion to approve the minutes of the July 16, 2019 monthly meeting as presented. Ms. O'Dea-Wyrick seconded the motion, and the motion was approved unanimously.

April 16, 2019 Revision: Board clerk Lesly Ferris noted a correction is needed on Page 2 of the April 16, 2019 meeting minutes, second paragraph. It should read \$72,943 not \$472,943 due to a clerical error. Mr. McWhinney made a motion to correct the minutes of the April 16, 2019 minutes, Page 2, second paragraph, to read "\$72,943." Mrs. Goodsell seconded the motion, and the motion was approved unanimously.

Correspondence: There was no correspondence.

Reports: Tax Collector: Tax Collector Debbie Devaux provided a written report (attached). Ms. Devaux said she anticipates only about \$30,000 would remain in uncollected real estate taxes after October, adding the Town does not have "oodles of back tax money."

Board of Education: Board of Education chairman Marty Lindenmayer reported:

- \$19,000 from the unexpended funds would be used to do a study on the proposed upgrade to the school building entryway to update the office and improve the traffic flow into the building.
- The planned window replacement project was delayed due to delays at the state level. The windows and entryway work both hopefully would be done in the next year.
- The new school year is off to a great start; enrollment is 211 students.
- Four students from out of town are attending Kent Center School at the new non-resident tuition rate of \$2,500/student. Mr. Sebetic questioned the logic of this reduced tuition rate. Mr. Lindenmayer said this is a way to increase the number of students in the classroom. Mr. Sebetic stated, "doesn't it make more sense to cut staff?" Mr. Lindenmayer said the school would be looking at staffing, adding that too small a class size is ridiculous, as well. Mr. Sebetic added that the school may have to make some unpleasant decisions because he doesn't think the Town can continue to afford this.
- Teacher contract negotiations begin next week.
- Kent and Falls Village voted no on a proposed two-year extension of the superintendent's

contract. The other school boards voted to extend the contract so the superintendent's contract now runs through 2022. Mr. Lindenmayer said Kent has had conversations with superintendent Pam Vogel about improved communications.

First Selectman Bruce Adams noted his surprise this summer to see a brand new bus in the school parking lot and asked about its cost and where this expenditure was in the budget. Mr. Lindenmayer said the 14-passenger bus cost about \$58,000 and was funded from money remaining in the 2018-19 budget. He said the bus would be used for transportation to:

- music programs
- science programs
- some sports programs
- student field trips

Mr. Sebetic questioned why the school board would spend \$58,000 on a bus when that board already decided it needed money to spend on the entryway project. Mr. Lindenmayer said this was additional money remaining in the budget. Mr. Sebetic said if there was money left in the budget, it should go back to the general fund. Ms. O'Dea-Wyrick said she feels the liability of transporting kids is very high.

Board of Selectmen: Mr. Adams gave a verbal report:

- The Town was able to reapply for a grant for \$30,900 to purchase a flat-bottom boat for the Kent Volunteer Fire Department. Mr. Adams said one condition would be that the Town would be able to use the boat if needed, and there would be a signed agreement between the Town and the department before the funds would be released.
- The Streetscape Committee has been meeting weekly, and its goal is to have a recommendation to bring to the October 1 Board of Selectmen meeting.
- The Schaghticoke Indian Tribe plans to submit a petition to the Bureau of Indian Affairs (BIA) for federal recognition. Mr. Adams said the Town is being proactive about this potential and already has been having meetings. He said there may be a need for some additional funding.

Mr. McWhinney questioned the status of the Templeton Farms tax abatement lawsuit. Mr. Adams said it appears there is an agreement which is a "good compromise."

Treasurer: Treasurer Barbara Herbst presented the following written reports (attached):

- Treasurer Office Activities July and August
- Actual vs Budget
- Building Inspector's Report 2018-2019
- Town of Kent Capital Project Balances FY2018-19, as of 9/17/19
- Moody's Issuer Comment, 8 August 2019 for Town of Kent

Mrs. Herbst said the auditors will be in Kent Friday. She said there is \$244,522 in surplus funds in the FY 2018-19 budget.

New Business: FY2018-19 Budget Transfers: Mrs. Herbst presented three additional budget

transfers. Mr. Blackketter made a motion to approve the Fiscal Year 2018-2019 budget transfers, dated August 6, 2019. Mr. Epstein seconded the motion, and the motion was approved unanimously.

Old Business: Park and Recreation Parks' Master Plan Subcommittee: Mrs. Goodsell said Park and Recreation was planning to seek Town funding. Mrs. Ferris reported the commission at its meeting last night agreed to contact several universities to ask if one would like to take on the project as a graduate project.

Public and Invited Guests: Ms. O'Dea-Wyrick expressed concern about safety and the Town's liability on Kenico Road where the road project hasn't been completed. Mr. Adams said he agrees but has no comment. He added this is a Town crew issue, and he doesn't have an answer but will try to get an answer.

Mr. Epstein said he would like formally to invite the candidates for first selectmen and the Finance Board to the next Board of Finance meeting and get them the meeting minutes. Mr. Blackketter made a motion to formally invite the candidates for first selectmen and the Board of Finance to the next Board of Finance meeting and provide them with meeting minutes. Mr. Epstein seconded the motion, and the motion was approved unanimously. Mr. Sebetic asked Ms. Ferris to send the invitations and minutes.

Ms. O'Dea-Wyrick made a motion to adjourn the meeting at 7:58 p.m.

Lesly Ferris
Board Clerk

Minutes are not considered final until approved. Refer to the minutes of the ensuing meeting for any changes/corrections.

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BY [Signature]
TOWN CLERK

TAX COLLECTOR

September 17, 2019

Date	Collection Rate	Collected Back Tax	Collected Interest/ Liens	
9/26/2018	56.3%	\$24,223.	\$13,183.	\$305.
9/17/2019	56.2%	\$53,549	\$20,449.	\$546.

Date	Active Uncollected Back Taxes
-------------	--------------------------------------

9/26/2018	\$100,088.
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9/17/2019	\$143,604.	Note:	Tax Sale 10/22	\$34,538.
			1 delinquent	\$54,713
			Total	\$89,251.

Active Uncollected \$54,353.

Deborah Devaux

Tax Collector

Treasurer Report for BoF meeting 9.17.19

1. Treasurer Office Activities July and August:

- a. Close-out process for Fiscal year.
- b. Completed setting up new Fiscal Year in software
- c. Final ***Audit Field Work*** is scheduled to start September 20th
- d. Issued ***200 accounts payable*** checks.
- e. Issued ***268 payroll and payroll liability*** checks.
- f. Recorded ***130 transactions initiated by BoE.***
- g. Recorded ***29 deposits*** totaling ***\$6,139,619***

2. Actual vs Budget

Revenue

Revenue is always strong in July and August due to tax collections and Transfer Station Permit fees. \$5,979,539 of tax revenue and \$80,490 in Transfer Station Permit fees were received as of 8/31/2019

Expense

Expenses are on track with budgeted amounts.

July is the month that most of the Associations request their annual grants. \$262,694 has been released which represents 74% of budgeted grants.

On the back is a summary actual vs budget through 6.30.19

Treasurer Report for BoF meeting 9.17.19

	Jul '18 - Jun 19	Budget	% of Budget
Total Income	12,746,270.17	12,869,312.00	99.04%
A · General Government	1,193,381	1,229,416.00	97.07%
B · Public Safety	235,786	250,816.00	94.01%
C · Public Works	1,575,391	1,656,487.00	95.1%
D · Health and Welfare	106,035	106,531.00	99.54%
E · Recreation	177,446	187,633.00	94.57%
F · Sanitation	115,597	115,935.00	99.71%
G · Board of Education	7,124,768	7,294,308.00	97.68%
H · Debt Service	625,486	625,486.00	100.0%
I · Transfer to Capital	758,700	758,700.00	100.0%
J · Transfer to Dog Fund	7,500	7,500.00	100.0%
K · Current Year Capital Projects	636,500	636,500.00	100.0%
Total Expense	12,556,590	12,869,312.00	97.57%
PRELIMINARY BUDGET SURPLUS FY '19	189,680	0.00	100.0%
60 DAY COLLECTIONS	54,842		
	244,522		

Capital Project Balances

Town of Kent
FY 2018 - 2019

as of 9/17/2019

Capital Project	FYE 2018 Balance Fwd	Appropriation	State Grants / Donations	Interest Income	Expenditures	Transfers between projects	Projects to Close in FY 2018-2019	FYE 2019 Balance YTD	5 year reserve should have
1 Reserve Fund (5 Year Plan)	791,214	631,400		47,505		(549,200)		920,919	1 \$1,261,600
	-							-	
2 HWY Bridge Kent Hollow #18	(1,054)							(1,054)	2 HWY Bridge Kent Hollow #18
3 HWY Bridge Kent Hollow #16	(8,828)	20,000				80,000		91,172	3 HWY Bridge Kent Hollow #16
4 HWY Bridge Tanguay	5,804							5,804	4 HWY Bridge Tanguay
5 HWY Garage (roof, siding)	200,000							200,000	5 HWY Garage (roof, siding)
6 HWY Truck # 5		37,000	5,000		190,000	148,000		-	6 HWY Truck # 5
7 HWY Truck # 6	50,000				44,461			5,539	7 HWY Truck # 6
8 HWY Carter Road #06153	2,328		2,846		2,147			3,027	8 HWY Carter Road #06153
9 Kenico Road	343,855	17,000			353,860	68,000		74,995	9 Kenico Road
10 Fuller Mountain	348,192							348,192	10 Fuller Mountain
11 HWY Garage (doors)		4,800				19,200		24,000	11 HWY Garage (doors)
12 KCS Laptops	39,939		12,500					52,439	12 KCS Laptops
13	-							-	13
14 KCS Entryway Security	-		72,943					72,943	14 KCS Entryway Security
15 KCS Windows	380,676				25,558			355,117	15 KCS Windows
16 KVFD Aerial Truck	2,607							2,607	16 KVFD Aerial Truck
17 KVFD Engine 1	187,500	37,500				150,000		375,000	17 KVFD Engine 1
18 KVFD Rescue Boat	10,000							10,000	18 KVFD Rescue Boat
19 LoCIP - Bos	6,374		1,182					7,556	19 LoCIP - Bos
20 P/R - Tennis Courts	975							975	20 P/R - Tennis Courts
21 Emery Park	150,000							150,000	21 Emery Park
22 Revaluation	(2,695)	8,000			12,500	32,000		24,805	22 Revaluation
23 Streetscape					26,476	40,000		13,524	23 Streetscape
24 Town Hall (AC, pkgng lot, generator)	77,850				2,482			75,368	24 Town Hall
25 Town Plan	5,000	3,000				12,000		20,000	25 Town Plan
26 Zoning Regs	4,103							4,103	26 Zoning Regs
								-	
								-	
Grants								-	
								-	
								-	
27 Kent Visitor Center	(24,370)		28,626		4,256			-	27 Kent Visitor Center
								-	
	2,569,469	758,700	123,097	47,505	661,741	-	-	2,837,030	

NOTES

2,837,029.82

9/17/2019

MOODY'S

INVESTORS SERVICE

ISSUER COMMENT

8 August 2019

RATING

General Obligation (or GO Related) ¹

Aa2 No Outlook

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Town of Kent, CT

Annual Comment on Kent

Issuer Profile

The Town of Kent is located in Litchfield County in west central Connecticut, bounded on the west by the New York state line, approximately 40 miles west of Hartford. The county has a population of 184,454 and a moderate population density of 201 people per square mile. The county's median family income is \$94,908 (1st quartile) and the June 2019 unemployment rate was 3.4% (2nd quartile) ². The largest industry sectors that drive the local economy are health services, retail trade, and manufacturing.

Credit Overview

Kent's credit position is very strong, and its Aa2 rating slightly exceeds the median rating of Aa3 for US cities. Notable credit factors include limited debt and pension liabilities, a healthy financial position, a strong wealth and income profile and a modestly sized tax base.

Debt and Pensions: Overall, Kent has affordable debt and pension burdens, which are favorable relative to the assigned rating of Aa2. The town's Moody's-adjusted net pension liability to operating revenues (0x) is favorably well below the US median. Furthermore, the net direct debt to full value (0.2%) is materially lower than the US median, and decreased slightly from 2014 to 2018.

Finances: Kent's financial position is healthy and is a modest credit strength relative to its Aa2 rating. The cash balance as a percent of operating revenues (27.7%) is a little weaker than the US median, though this percentage rose between 2014 and 2018. Moreover, the town's fund balance as a percent of operating revenues (22.8%) falls short of other Moody's-rated cities nationwide. Connecticut local governments tend to have financial ratios lower than US medians because they generally derive a majority of revenues from stable property taxes and their financials typically incorporate school operations which are predictable.

Economy and Tax Base: Overall, the economy and tax base of Kent are very healthy and are aligned with the assigned rating of Aa2. The full value per capita (\$301,830) is materially above the US median, and increased dramatically from 2014 to 2018. Also, the median family income equates to a strong 138.3% of the US level. That said, the total full value (\$861 million) is weaker than other Moody's-rated cities nationwide.

Management and Governance: Connecticut cities have an Institutional Framework score ³ of Aa, which is high compared to the nation. Institutional Framework scores measure a sector's legal ability to increase revenues and decrease expenditures. Connecticut cities' major revenue source, property taxes, is not subject to any caps. Unpredictable revenue fluctuations tend to be minor, or under 5% annually. Across the sector, fixed and mandated costs are generally greater than 25% of expenditures. Connecticut has public sector unions

and additional constraints, which limit the ability to cut expenditures. Unpredictable expenditure fluctuations tend to be minor, under 5% annually.

Sector Trends - Connecticut Cities

While Connecticut cities have generally benefited from stable tax bases, populations are aging and new development is challenged by the high cost of living and doing business. Positively, resident wealth and income levels are high. Median financial reserves are smaller than the national median, which represents a pressure for cities in light of state funding uncertainty. Due to the state's biennium budget process, cities are able to plan for cuts in fiscal 2019, although additional cuts could be implemented at any time. Property tax revenues, the primary revenue source, will continue to rise slowly due to stabilizing real estate markets and absence of a cap on local government levies.

EXHIBIT 1

Key Indicators ^{4 5} Kent

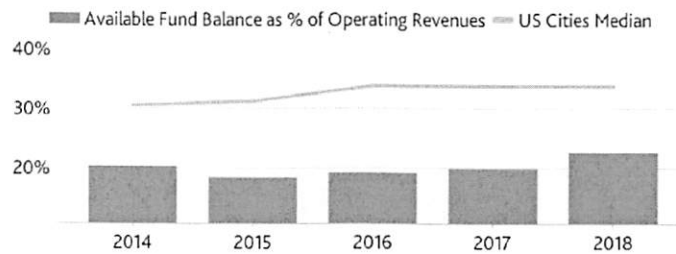
	2014	2015	2016	2017	2018	US Median	Credit Trend
Economy / Tax Base							
Total Full Value	\$701M	\$846M	\$838M	\$825M	\$861M	\$1,867M	Improved
Full Value Per Capita	\$237,841	\$290,239	\$291,073	\$289,241	\$301,830	\$89,200	Improved
Median Family Income (% of US Median)	148%	143%	140%	138%	138%	113%	Weakened
Finances							
Available Fund Balance as % of Operating Revenues	20.4%	18.5%	19.4%	20.1%	22.8%	33.9%	Stable
Net Cash Balance as % of Operating Revenues	22.5%	30.6%	23.3%	22.4%	27.7%	36.9%	Improved
Debt / Pensions							
Net Direct Debt / Full Value	0.5%	0.5%	0.4%	0.2%	0.2%	1.1%	Stable
Net Direct Debt / Operating Revenues	0.32x	0.34x	0.28x	0.15x	0.10x	0.88x	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Full Value	-0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Operating Revenues	-0.00x	0.00x	0.00x	0.00x	0.00x	1.51x	Stable
	2014	2015	2016	2017	2018	US Median	
Debt and Financial Data							
Population	2,951	2,917	2,881	2,853	2,853	N/A	
Available Fund Balance (\$000s)	\$2,320	\$2,153	\$2,327	\$2,554	\$2,980	\$7,419	
Net Cash Balance (\$000s)	\$2,559	\$3,573	\$2,800	\$2,848	\$3,630	\$8,404	
Operating Revenues (\$000s)	\$11,396	\$11,662	\$12,020	\$12,731	\$13,081	\$21,930	
Net Direct Debt (\$000s)	\$3,680	\$3,944	\$3,343	\$1,340	\$1,340	\$18,580	
Moody's Adjusted Net Pension Liability (3-yr average) (\$000s)	-\$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$32,507	

Source: Moody's Investors Service

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

EXHIBIT 2

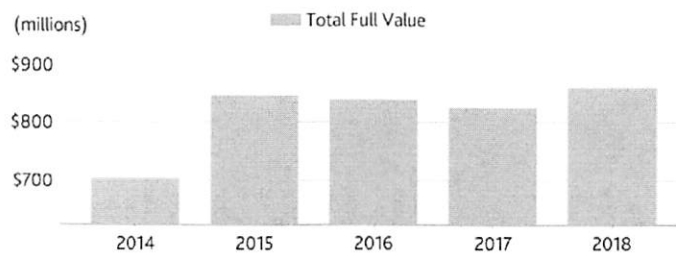
Available fund balance as a percent of operating revenues consistent from 2014 to 2018



Source: Issuer financial statements; Moody's Investors Service

EXHIBIT 3

Full value of the property tax base increased from 2014 to 2018



Source: Issuer financial statements; Government data sources; Offering statements; Moody's Investors Service

EXHIBIT 4

Moody's-adjusted net pension liability to operating revenues remained stable from 2014 to 2018



Source: Issuer financial statements; Government data sources; Offering statements; Moody's Investors Service

Endnotes

- 1 The rating referenced in this report is the issuer's General Obligation (GO) rating or its highest public rating that is GO-related. A GO bond is generally backed by the full faith and credit pledge and total taxing power of the issuer. GO-related securities include general obligation limited tax, annual appropriation, lease revenue, non-ad valorem, and moral obligation debt. The referenced ratings reflect the government's underlying credit quality without regard to state guarantees, enhancement programs or bond insurance.
- 2 The demographic data presented, including population, population density, per capita personal income and unemployment rate are derived from the most recently available US government databases. Population, population density and per capita personal income come from the American Community Survey while the unemployment rate comes from the Bureau of Labor Statistics.

The largest industry sectors are derived from the Bureau of Economic Analysis. Moody's allocated the per capita personal income data and unemployment data for all counties in the US census into quartiles. The quartiles are ordered from strongest-to-weakest from a credit perspective: the highest per capita personal income quartile is first quartile, and the lowest unemployment rate is first quartile.
- 3 The institutional framework score assesses a municipality's legal ability to match revenues with expenditures based on its constitutionally and legislatively conferred powers and responsibilities. See [US Local Government General Obligation Debt \(December 2016\)](#) methodology report for more details.
- 4 For definitions of the metrics in the Key Indicators Table, [US Local Government General Obligation Methodology and Scorecard User Guide \(July 2014\)](#). Metrics represented as N/A indicate the data were not available at the time of publication.
- 5 The medians come from our most recently published local government medians report, [Medians - Property values key to stability, but pension burdens remain a challenge \(March 2018\)](#) which is available on [Moody's.com](#). The medians presented here are based on the key metrics outlined in Moody's GO methodology and the associated scorecard.

BUDGET TRANSFERS

Budget
Transfer
#

From

Amount

To

Amount

Eight	BoF (014-406) Audit	700.00	RoV (013-201) Supplies	700.00
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Nine	Contingency (079-000)	250.00	Tn Hall (030-505) Maintenance	250.00
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Ten	Attny Fees (051-413) Litigation	4,100.00	DPW (045-680) Tree Work	4,100.00
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5,050.00

5,050.00

1 Voting Machine calabration ~ different for Primary, election, referendum (Streetscape Referendum)

2 Large unanticipated eleavator repair in May

3 A prolonged wet spring affected the health of many trees in many locations

Kenico Road, Fuller Mountain, Kenmont Road, Carter Road, Westwood Road, Maple Street, Brook Road
Doldorf Road, Spooner Hill, Macedonia Rd, Dugan Rd, River Road and Botsford Road

Approval

Board of Selectmen 8.6.19

Board of Finance