



STATE OF CONNECTICUT
TREASURER SHAWN T. WOODEN

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**STATE TREASURER SHAWN WOODEN AND CONNECTICUT
CONFERENCE OF MUNICIPALITIES HOST CONVERSATION ON
PUBLIC FINANCE DURING COVID-19 WITH MUNICIPAL
OFFICIALS**

Hartford, CT – Tuesday, October 27, 2020 – Today, Connecticut State Treasurer, Shawn T. Wooden, joined the Connecticut Conference of Municipalities (CCM) in hosting a conversation to update municipal officials on the state of Connecticut finance and investments, status of the Short-Term Investment Fund (STIF), Municipal Employees Retirement System (MERS), and the state and national economic outlook. The conversation was moderated by the First Selectman of East Lyme, Mark C. Nickerson.



(Left) State Treasurer Shawn T. Wooden, (Right) First Selectman of East Lyme, Mark C. Nickerson

“Thank you to the Connecticut Conference of Municipalities for engaging with us to have this critical conversation with municipal officials on the state of our finances during this pandemic and our outlook for the future,” said State Treasurer Shawn Wooden. “While Connecticut is on a better path to recovery compared to other states, I am deeply disappointed in Congress’ inability to come together and provide towns and cities, small businesses and families, the relief they need. I continue to monitor and assess Connecticut’s cash projections for Fiscal Year 2021, but we do not yet know what the future holds. Since taking office, I have made mitigating risk,

maximizing returns and protecting liquidity a priority. During these uncertain times, we will continue taking steps to support our State's path to fiscal stability."

Over 100 local elected officials, finance and economic development officers, board and commission members, and other CCM members participated in the webinar. Presentations were made by Laurie Martin, Chief Investment Officer, Steve Meier; Assistant Treasurer and Senior Principal Investment Officer with Tom Fiore, Sections Director of Economic Capital, and Revenue Forecasting at the Office of Policy and Management; and Mike Terry, Principal Investment Officer, of the Office of the Treasurer.

"We are pleased to have Treasurer Wooden join us for this very important conversation regarding public finance in the state of Connecticut," said Joe DeLong, CEO and Executive Director of CCM. "Like the state, municipalities rely on the most up-to-date information in order to make informed investment decisions and are appreciative of Treasurer Wooden shedding some light on the current financial markets and economic environment in his conversation with First Selectmen Mark Nickerson of East Lyme and our membership this morning."

Among the many topics discussed was the Federal Reserve's Municipal Liquidity Facility (MLF) program, which was created to help the flow of credit to states and local governments impacted by the pandemic as part of the CARES Act. The \$500 billion program only allows, however, for the State and two municipalities designated by the Governor to borrow directly from the MLF and was not a feasible source of support. In order for Connecticut to participate in the MLF, it must certify that it is unable to access the markets at more affordable interest rates. As a result, Treasurer Wooden has proposed legislation to provide assistance to municipalities should the need arise.

"During this health, economic, and financial markets, crisis, all four of the major rating agencies reviewed and affirmed their credit ratings and stable outlooks for Connecticut's General Obligation bonds, citing the State's sizable Budget Reserve Fund as a contributing factor to help position the State to weather the economic downturn resulting from the ongoing pandemic," continued Treasurer Wooden. "Given that the interest rates of our three recent 20-year bond transactions are comparable to the 3-year rate offered through the MLF, we would not be able to make this certification. My office has drafted a Municipal Revenue Assistance (MRA) proposal to amend current state statutes to provide a framework that would allow municipalities to borrow for pandemic related revenue impacts through a state facilitated process. We're hopeful there will not be a need, but have drafted the necessary MRA legislation that would allow the state to provide assistance to municipalities."

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Under the leadership of Connecticut's State Treasurer Shawn T. Wooden, the Office of the Treasurer is dedicated to safeguarding the state's financial resources and taxpayers' dollars, while maximizing returns and minimizing risks for pension beneficiaries and operating at the highest professional and ethical standards. Through investments and cash management, the office continues to enhance the state's fiscal stability, financial literacy, college savings, and its approach to leveraging business partnerships to combat social issues such as gun violence, climate change, and equal opportunity for economic growth. Learn more about the Office of the Treasurer [here](#) and follow along on [Facebook](#), [Instagram](#) and [Twitter](#).