



Town of Glastonbury

2155 MAIN STREET • P.O. BOX 6523 • GLASTONBURY, CT 06033-6523 • (860) 652-7500
FAX (860) 652-7505

Richard J. Johnson
Town Manager

ITEM #7
08-07-2018 Meeting

August 1, 2018

The Glastonbury Town Council
2155 Main Street
Glastonbury, CT 06033

Re: Town Manager's Report

Dear Council Members:

The following will keep you up to date on various topics.

1. **Town Manager Expense Report**

A copy of my expense report for the three months April through June 2018 was forwarded separately. I will appreciate Council recognizing receipt of this report on Tuesday evening.

2. **Capitol Region Council of Governments**

The attached reports summarize the various benefits of CRCOG membership and 2018 Legislative Agenda.

3. **Staff Recognition**

Recent thank you letters to members of staff attached for your information.

4. **Street Lights**

At the April 18, 2017 meeting, Council heard a presentation concerning potential Town purchase of street lights and retrofit with energy efficient LED lighting. The concept is for the Town to purchase the street lights and poles (as applicable) at the net book value (after depreciation) established by Eversource. The Town would fund this purchase along with the LED retrofit to achieve significant annual utility savings. Acquisition costs would be partially offset by a utility rebate. The pro forma developed in 2017 estimated a breakeven point of approximately 10 years and initial investment of \$900,000 net of rebate. The general thought was the payback period of 10+ years was long and the Town was assuming a significant ongoing responsibility.

Eversource recently updated the net book value which declined \$38,000± since late 2016. The pro forma continues to indicate a 10± year breakeven point. While I am confident Glastonbury would successfully manage the street light program, current information is not materially different than presented in 2017.

Eversource is prepared to retrofit street lights with LED fixtures. This will bring a savings of \$6,000 yearly. Unless advised otherwise, the retrofit by Eversource will proceed.

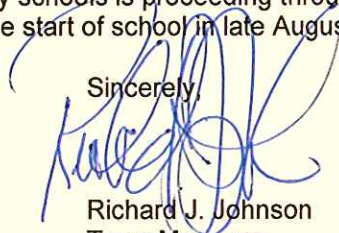
5. **Annual Audit**

The attached communication by Blum & Shapiro is forwarded as required by the Annual Audit for the Fiscal Year ended June 30, 2018.

6. **Elementary School Air-Conditioning**

The project to install air-conditioning at elementary schools is proceeding through final testing. All systems are expected to be fully operational by the start of school in late August.

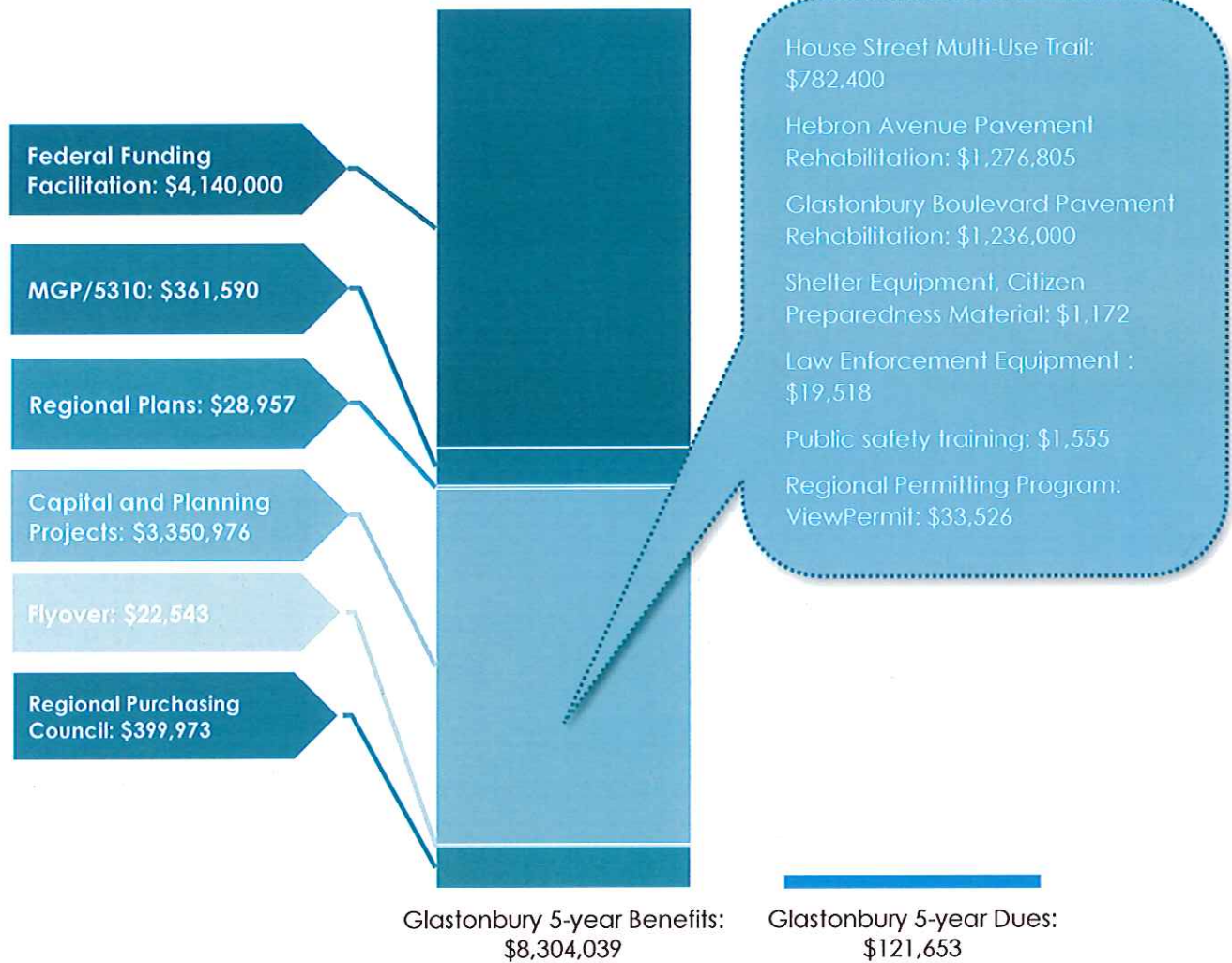
Sincerely,



Richard J. Johnson
Town Manager

RJJ/sal
Attachments

Five-Year Membership Benefits FY 2014-2018



Descriptions

Flyover: CRCOG managed a statewide aerial photography flight. This represents your portion of that benefit.

Regional Plans: CRCOG undertakes a number of regional planning projects. These include: Natural Hazards Mitigation Plan; Regional Complete Streets Plan; MetroHartford Future (CEDs); Regional Sustainable Code Development.

Transit Programs: CRCOG assists the Department of Transportation with municipal coordination and project selection for the FTA 5310 program and the Municipal Grant Program.

Federal Funding Facilitation: As the region's designated Metropolitan Planning Organization, CRCOG plays an important role in facilitating federal funding for projects in the region.

CRCOG 2017-2018 Department Highlights

Homeland Security and Public Safety

Advanced the Get Ready Capitol Region Citizen Preparedness Initiative.



Bolstered regional teams- SWAT, Dive, Bomb, Incident Management, Command Post, Incident Communication.

Performed a large scale West Farms Mall SAVERS exercise and an infectious disease exercise series.

Managed and administered federal homeland security grant funds on behalf of the 41 communities who make up the Capitol Region Emergency Planning Council.



Involved in the statewide Puerto Rico and Islands Evacuee Relief effort. Participated in work groups and assisted communities in our region as necessary.

Began administering a DPH grant in the amount of \$1.2 million on behalf of all the hospitals and local public health agencies in Region 3. Includes Hospital Emergency Preparedness (HEP) and Public Health Emergency Preparedness (PHEP) funding. Created a Health Care Coalition to manage the process.

Municipal Services

Expanded Job Order Contracting to 45 communities and saved CRCOG members \$1 million in CRPC bids.



Began administering the Crumbling Foundations Testing Reimbursement Program and continued support of the Ad-Hoc Working Committee on Crumbling Foundations.

Improved and advanced the HR Portal, including the addition of benefits information to the salary survey.

Installed and continued configuration of the Electronic Document Management Pilot.

Managed Human Services Coordinating Council and Regional Election Monitor; continued support of the Central Connecticut Solid Waste Authority.



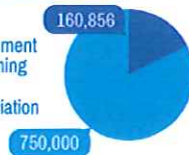
Increased IT Cooperative participation with 61 towns participating in various programs. Savings to municipalities for the various programs range from 5% to 68%.

Policy Development and Planning

Improved redevelopment potential of contaminated properties through environmental site assessments and remediation planning under the Metro Hartford Brownfields Program. DECD and EPA grants provided \$160,856 in assistance this year to complete assessments and planning at twenty sites in eight municipalities.

FY 2018 Brownfields Investment
Total: \$910,856
23 Sites, 11 Communities

Assessment & Planning
Site Remediation



Established Metro Hartford Brownfields Revolving Loan Fund and Subgrant Program, and awarded \$750,000 in new loans and subgrants to fund clean-up of site contamination in three towns.

Promoted and supported transit oriented development (TOD) through a state grant to encourage municipalities, neighborhoods, and anchor institutions to better connect people, places and jobs. Highlighted TOD successes in the region.

Conducted three major regional planning initiatives to make our region more economically competitive, vibrant, and resilient: Comprehensive Economic Development Strategy, Complete Streets Policy and Action Plan, and Natural Hazard Mitigation Plan.



Transportation

Obligated approximately \$21.9 million in federal STP Urban funds for transportation projects in FFY 2017 and approved \$10.9 million in new bridge projects under LOTCIP.

Issued a LOTCIP project solicitation for \$25.5 million for roadway reconstruction, pavement rehabilitation, stand-alone sidewalk, and bicycle-pedestrian projects.

Completed FFY 2018-2021 Transportation Improvement Program.

Received positive Federal Certification for the Hartford Transportation Management Area

LOTCIP Expenditures



Programmed \$6.4 million in FY 2017 funding and continued to ramp up municipal projects for delivery under LOTCIP in FY2018.



CRCOG 2018 Legislative Agenda Update

May 25, 2018

The 38 cities and towns making up the Capitol Region Council of Governments understand Connecticut's state budget constraints. We believe CRCOG and the other COGs can help address these issues efficiently and effectively if provided with the right tools.

The tools CRCOG needs fall into two general categories:

- Removal of all barriers for inter-town service sharing and provision of a reliable,
- Steady revenue stream to the region that is independent of both state and municipal sources.

We have included more specific tools under "Metropolitan Regional Empowerment," below, and ask the legislature to act in this session to grant CRCOG and other Connecticut COGs the ability to help our state deal with the present crisis and future anticipated needs in our regions.

Metropolitan Regional Empowerment

- * **Expand Shared Services Offerings.** Support expanding shared services such as:
 - Technology and services based on the Nutmeg Cloud IT/software
There were no changes to budget line item for CT Network.
 - Police, Fire, and EMS communications including conducting a regional PSAP study for operations and funding (including governance, equipment needs)
Not part of submitted legislation/bill activity.
 - Reinstate the Regional Performance Incentive program
No changes in the budget adjustments to the RPIP.
 - Use COG boundaries as framework for other district services such as workforce development and human services delivery
Not part of submitted legislation/bill activity.
 - Receiving a fair share of national Homeland Security funds
Not part of submitted legislation/bill activity.

Stable Funding for Councils of Governments. To be vibrant and effective, Councils of Government need long-term stability in funding. A direct, reliable source of funding, not dependent on either the State or municipalities, is needed.

Senate Bill 543: Councils of Governments line item was reduced from \$5,000,000 to \$4,106,250 in the adopted bi-partisan budget. Actual amount to be disbursed based on state budget status.

Senate Bill 543: The Municipal Revenue Sharing Account (MRSA). The enacted budget delays the sales and use tax revenue diversion to this account until fiscal year 2022.

- * **COGs as Counties for Purposes of Federal Funding.** Secure State approvals necessary for federal declaration Councils of Governments shall be considered counties for receiving federal grants.
Did not get voted on in the 2018 session. CRCOG continues to support this.
- * **Codify Council of Government Roles.** Codify roles in water and solid waste planning in state law.
Did not get voted on in the 2018 session.

We are also asking legislators to address the following priorities in the 2018 session:

Transportation

- * **Lockbox.** A transportation lockbox is an essential component for securing additional crucial transportation investments. The CRCOG region needs state or federal or new local sources of funding to maintain good repair and make improvements for roads, bridges, and transit to support economic growth.

The lockbox will be on the ballot in November 2018 following the passage of the resolution to establish a constitutional lockbox.

- * **Tolling, Regulatory Authority, and Design-Build-Operate-Maintain Framework.** Revenues to the Special Transportation Fund are crucial to ensure a state of good repair, continue building a best-in-class transportation system, and encourage economic development. Tolling is a sustainable revenue option that all of our neighboring states use. Initiating the environmental process to establish tolling, working to define a regulatory structure, and ensuring a streamlined approach to delivery is in-place are focus areas that should be advanced.

Despite significant focus on tolling as a method by which to ensure that the Special Transportation fund remains solvent, there was no vote held in either chamber on the institution of tolls.

Acceleration of the new car sales tax was included in the recently adopted budget adjustments. The phase in begins in fiscal year 2019. Senate Bill 543 is the budget

revision bill. This makes the Special Transportation fund solvent for the next five years absent any changes.

- * **Capital Funding for Transportation Projects.** Support continued funding for the Town Aid Road Program, Local Bridge Program, and Local Transportation Capital Improvement Program (LOTICIP).

No adjustments made to Town Aid Road.

(See attached document on LOTICIP funding.)

- * **Advance Critical Interstate Projects.** Support the Interstate 84 Viaduct Reconstruction and Charter Oak Bridge projects as they will provide significant congestion relief, improve safety, and encourage economic development.
Not part of submitted legislation/bill activity.
- * **Passenger Rail.** Monitor and continue to push State activities to assure rail service from New Haven to the Hartford region comes on line as scheduled May 2018 and that the three planned rail stations in our metropolitan region are completed.
Not part of submitted legislation/bill activity. Hartford Rail service to launch June 16, 2018.
- * **Boston Rail Connection.** Advance efforts and work with the State of Massachusetts to close the rail gap between Springfield and Worcester to allow frequent passenger train service from Hartford to Boston.
Not part of submitted legislation/bill activity.
- * **CTfastrak Support and Expansion** Continue the support of CTfastrak expansion to complete CTfastrak East and invest in CTfastrak service to Bradley Airport using existing HOV lanes.
No legislative action taken.
- * **Facilitate Transportation Grants Process.** Develop expedited grant and approval process for State grants in aid for transportation-related development projects including LOTICIP and Transit-Oriented Development (TOD), and support continuation of LOTICIP program as a successful alternative to STP-Urban Federal grants to Municipalities.
Not part of submitted legislation/bill activity.

Economic and Environmental Vitality

- * **PILOT.** Create a statewide Pilot Impact Equity (PIE) program to address heavily impacted communities for tax revenue losses due to State properties and farm/forests, MM&E reimbursement, hospitals and colleges, and PA 490 lands to be funded by a modest increase in sales taxes. All towns would be expected to absorb a 15% loss of nontaxable property without reimbursement for the public good. Also, restore state funding for Enterprise Zones.

The Commission on Fiscal Stability and Economic Growth recommended diversifying municipal revenue streams beyond the regressive property tax and stimulating regional service delivery (Recommendation #10). Section 56 of **SB 543 An Act Concerning Revisions to The State Budget For Fiscal Year 2019 And Deficiency Appropriations For Fiscal Year 2018 (PA 18-81)** establishes a panel to study and make recommendations regarding the proposals made by the Commission in its final report concerning the rebalancing of state taxes to better stimulate economic growth without raising net new taxes. The study is to include, but not be limited to, reviews of (1) options for expanding revenue sources for municipalities, and (2) base-broadening methodologies for the sales and use taxes, considering the work of the commission and the State Tax Panel convened pursuant to section 138 of public act 14-217.

SB 263 An Act Eliminating Certain Unclaimed and Seldom Claimed Tax Credits ends two economic development corporation business tax credit programs. It closes, on or after July 1, 2018, new applications for the 10-year credit available for developing or acquiring facilities for specified uses in the state's 18 enterprise zones and other designated areas, but allows businesses that were awarded the credit before this date to continue to claim it until the end of the 10-year period. The bill also eliminates the tax credit for establishing new businesses in the enterprise zones and makes several technical and conforming changes.

- * **Regional Asset Districts.** Create Regional Asset Districts to promote regional recreational and cultural facilities funded through food and beverage taxes and local property taxes. Funds to be distributed by COGs for infrastructure improvements for these facilities.

The Legislature did not take any action on this item. HB 5287 An Act Concerning a Municipal Option for Property Tax abatement for Arts and Culture, which died in the House, would have authorized municipalities to establish a property tax relief program for property used for arts or culture, including art galleries, art studios, installation galleries, performance venues, and retailers catering or relating to the arts. Under their programs, municipalities would be able to abate up to 100% of property taxes due on such property. Recommendation in the Fiscal Stability report.

- * **Brownfields.** Continue to support Brownfields testing and remediation funding to reuse impacted sites along transit and rail corridors and in other areas.

SB 268 An Act Increasing the Term Limit for Loans Under the Targeted Brownfield Development Loan Program (PA 18-85) makes programmatic changes to state and municipal brownfield remediation programs. It extends the maximum period for repaying certain Department of Economic and Community Development (DECD) loans from 20 to 30 years and requires certain recipients of CT DECD grants to remediate brownfields under one of four state liability relief programs. It authorizes municipalities to enter into agreements with people and entities (i.e., prospective purchasers) proposing to acquire a brownfield for statutorily permitted property tax incentives and expands the range of programs they may enter as a condition for receiving an incentive. It also sets conditions

allowing a notice of activity and use limitation (NAUL) to be used in areas where a prior holder of interest in the property holds an interest that allows activities that the NAUL otherwise prohibits. A NAUL is a legal instrument generally used to minimize exposure to contamination by controlling the kind of activity that can occur on contaminated property. The instrument is executed and recorded in municipal land records.

- * **Advance Sustainability.** Support sustainability approach through continuing energy conservation projects, micro-grids and ZREC projects for Towns/Boards of Education.

SB 9 An Act Concerning Connecticut's Energy Future replaces the state's current net metering framework for renewable energy projects with a tariff-based model moving forward based on project solicitations through PURA. While municipalities are still able to credit up to five municipal or school district buildings (and an additional five so-called "critical facilities") as part of their renewable energy project applications, eligible projects are capped at 2 MW each. The bill also increases the state's Renewable Portfolio Standard targets, extends the LRCEC and ZREC programs, and reconfigures the funding mechanism for the Conservation and Load Management program by establishing a new conservation adjustment mechanism.

- * **Update Prevailing Wage Provisions.** CRCOG along with CCM and COST supports updating the threshold for renovation projects to \$500,000. CRCOG further supports having the project minimum threshold indexed automatically to inflation in the construction industry. CRCOG further supports combining the prevailing wage threshold for renovation projects and CHRO projects into a single threshold. While town views may vary on this issue, the consensus of CRCOG is to request an update to the threshold.

The legislature did not take any action on this issue.

Education

- * **School Town Service Integration.** Require closer collaboration or integration of school and town administrative functions to reduce duplication costs.

Legislation was adopted last year that encourages closer cooperation between towns and school districts for certain administrative functions and contracting for good and services. Legislation raised this year that would have made this process more prescriptive was not called for a vote by the Senate.

- * **Special Education Funding.** Have the State assume all costs of special education with appropriate adjustments in ECS funding to reflect reduced special education expenditures at the local level.

The Education Cost Sharing line item was reduced by \$402,723 from the original FY19 appropriation (a smaller reduction than was recommended by the Governor).

The Excess Cost line item was reduced by \$1,500,000 from the original FY 2019 appropriations (this reduction was in line with the Governor's recommendations).

A proposed bill that would have required the state to assume the full cost of Special Education was not passed out of Committee.

- * **Individual Education Plan (IEP) Appeals Process.** Empower Regional Education Service Centers to serve as the sole appeal process for decisions on individual education plans to avoid unnecessary legal expenses and delays.
There were no changes made to the Burden of Proof regulations governing Special Education appeals.

Technology

- * **Expand Nutmeg Network.** Support expansion of Nutmeg Network to additional towns, libraries and schools in the region.
There were no changes made to the budget line item for the CT Network.
- * **Advance Digital Equity.** Address digital equity issues by requiring Internet providers to provide low-cost service to households with the free or reduced lunch program.

There was no action taken on this issue, although the legislature did debate so-called "net neutrality" legislation that would prohibit fixed and mobile broadband internet access providers from, among other things, blocking lawful content, applications, services, and devices; impairing or degrading lawful internet traffic based on its content, application, or service (i.e., throttling); and engaging in paid prioritization. It would have also required providers to publicly disclose accurate information on their network management practices, performance, and commercial terms sufficient, as determined by the Public Utilities Regulatory Authority (PURA), for end users to fully and accurately determine whether the service complies with the bill's provisions. Although it passed the Senate, the bill was not called for a vote on the House.

- * **Accelerate the State use of strategic IT.** Require each state agency to develop a Strategic IT Plan and develop a common grant portal, one-door access for Human Services.

HB 5517, AAC Executive Branch Data Management and Processes establishes the position of Chief Data Officer within the Office of Policy and Management and requires that, not later than December 31, 2018, and every two years thereafter, the Chief Data Officer, in consultation with the agency data officers and executive branch agency heads, shall create a state data plan. The state data plan shall (1) establish management and data analysis standards across all executive branch agencies, (2) include specific, achievable goals within the two years following adoption of such plan, as well as longer term goals, (3) make recommendations to enhance standardization and integration of data systems and data management practices across all executive branch agencies, (4) provide a timeline for a review of any state or federal legal concerns or other obstacles to the internal sharing of data among agencies, including

security and privacy concerns, and (5) set goals for improving the online repository established pursuant to subsection (i) of this section. Each state data plan shall provide for a procedure for each agency head to report to the Chief Data Officer regarding the agency's progress toward achieving the plan's goals. Such plan may make recommendations concerning data management for the legislative or judicial branch agencies, but such recommendations shall not be binding on such agencies.

The bill allows any municipality to voluntarily opt to comply with the provisions of this section and, upon submission of written notice of the agency's or municipality's decision to the Office of Policy and Management, the provisions of this section shall apply to such agency or municipality. Any municipality that voluntarily opts to comply with the provisions of this section may opt out of complying with this section upon submission of written notice of the agency's or municipality's decision to the Office of Policy and Management. The Office of Policy and Management shall create and maintain a list of all agencies subject to the provisions of this section, including those agencies and municipalities that have voluntarily opted to comply, and shall publish such list on the office's Internet web site and update such list as necessary.

The bill also provides that, on or before May 1, 2019, and not less than annually thereafter, each town that possesses or contracts for services for the creation or maintenance of a digital parcel file shall transmit such file to the regional council of governments of which it is a member. If a town is not a member of a council of governments, such file shall be transmitted to the Secretary of the Office of Policy and Management. The digital parcel file shall include, but need not be limited to: (1) Any information from the assessor database that (A) uniquely identifies each property in the digital parcel file, (B) identifies the size of each property, (C) identifies the address of each property, (D) identifies the value of the land, buildings and other improvements for each property, and (E) identifies the year in which buildings were constructed for each property; and (2) any other information deemed necessary by the applicable regional council of governments.

"Digital parcel file" means a computer file or files containing a graphic vector representation of the boundary information originally depicted and maintained on a town assessor's maps, including, but not limited to, fee ownership, public and private rights of way, and easements, that are typically created in and maintained using a geographic information system or computer aided design software.

On or before July 1, 2019, and annually thereafter, each regional council of governments shall submit a report to the Secretary of the Office of Policy and Management and to the joint standing committee of the General Assembly having cognizance of matters relating to planning and development, that lists each town that (1) has failed to provide its digital parcel file, and (2) does not possess a digital parcel file.

Glastonbury Parks and Rec,

Thank you for your support of the 2018
Safe Grad Party where our new graduates
can celebrate drug and alcohol free.
We are proud to make this party free
of charge. Your generous contribution
makes this possible.

Regards,

The Safe Grad Committee

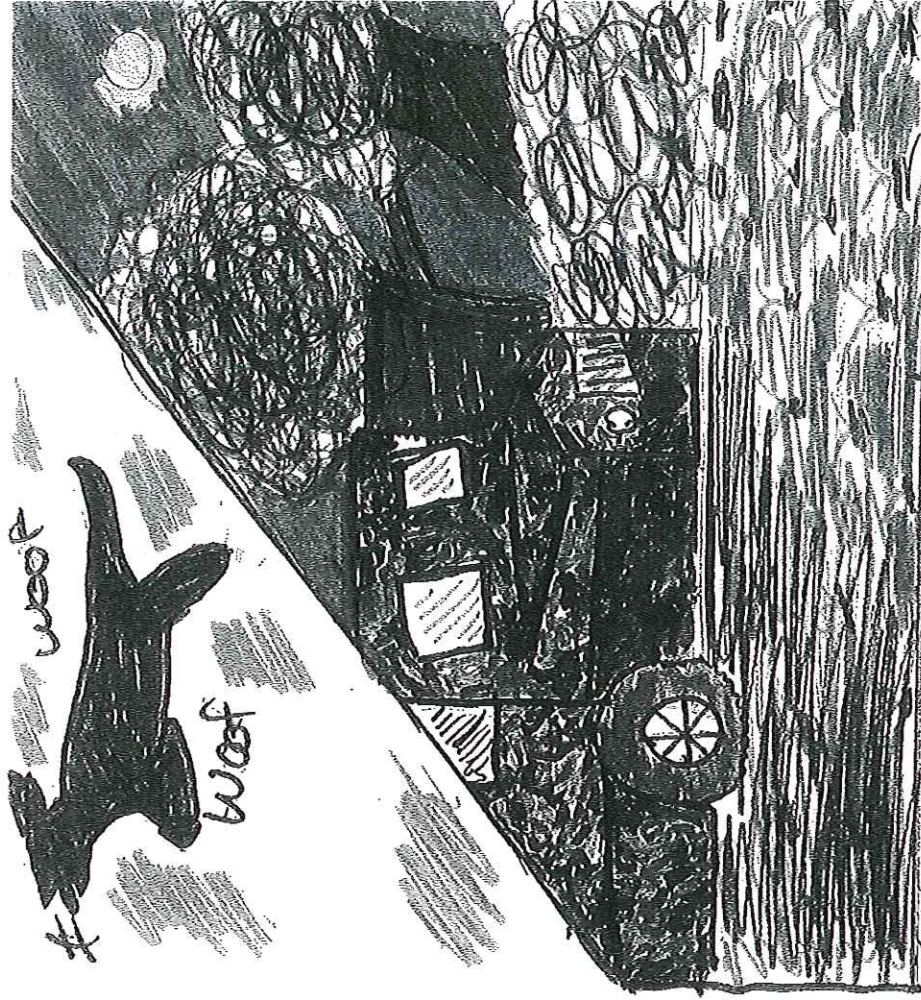
Dear officers,

Thank you so much for taking the time to come to Camp Courant to inform our campers of what you do as police officers! I know that our staff learned something new, as well. We all enjoyed the activities and presentations. We greatly appreciate the fact that you come down to our Camp each year.

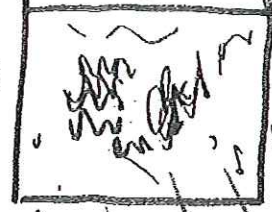
You could've gone anywhere else,
but you came here!

Thank you!

From,
Camp Courant
Staff +
Campers ~



Finger Prints ~

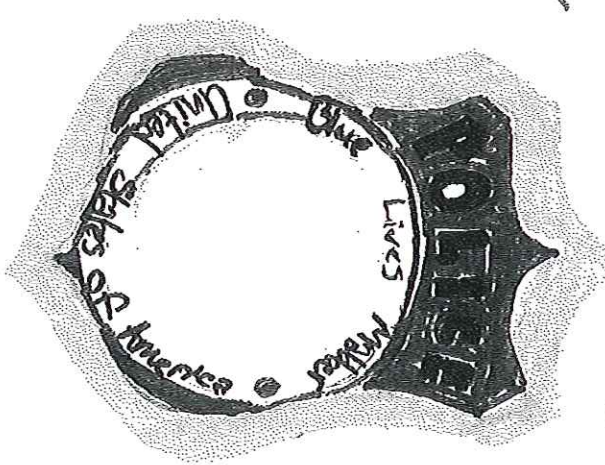


July 2018

Buy
Nyla Bynoe (12)
Oxvia Yotte (12)

Thank

You,



Officers!

Please email

SENT TO 7/2
OFF. BRANDER

WTC/375

Thank you Officer Brander
if it wasn't because of you we probably
would not have found the people who
stole my car. Thank you for your help

From
Arkady Barney

susan lauzier

From: Constance Bruce
Sent: Monday, July 02, 2018 7:35 AM
To: Marshall Porter
Subject: FW: Thank you!

From: Mark Catania
Sent: Sunday, July 1, 2018 8:42 AM
To: Constance Bruce <constance.bruce@glastonbury-ct.gov>
Subject: Fw: Thank you!

Hi Connie,

Can you pass this along to the Chief and make a copy for Cathy's file?

Much appreciated.

Mark

Captain Mark Catania
Glastonbury Police Department
2108 Main Street, Glastonbury, CT 06033
Phone: (860)652-4251 Fax: (860)652-4290
Email: mark.catania@glastonbury-ct.gov

From: Cathy Kodes
Sent: Friday, June 29, 2018 3:02 PM
To: Mark Catania
Subject: Fw: Thank you!

At least someone likes me! ;-)

From: Sheetal <sheetaldshah@yahoo.com>
Sent: Friday, June 29, 2018 10:03 AM
To: Cathy Kodes
Subject: Thank you!

Dear Cathy,

I have no words to express our gratitude to you, the police department and the nice lady who found our dog Cookie and informed you. It was the toughest one hour we spent looking for our little guy not knowing where he would be and whether he would be safe or if we would find him at all.

Thank you so so much for your help. We appreciate it very much.

With regards
The Shah family

57 Church hill road
Glastonbury CT 06033

To: Tax Collector



7-30-18

Thank-you!!

You have a
great attitude

you take
it all

In stride
Year after year
E. Weir

MEMO - COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To: Town Council and Board of Finance, Town of Glastonbury, Connecticut
From: Vanessa Rossitto, CPA, Audit Partner
Blum Shapiro & Company, P.C.
Date: July 18, 2018
Re: Auditing Standard No. 114, "The Auditor's Communication with Those Charged with Governance" regarding audit of Town of Glastonbury, Connecticut

We are engaged to audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Glastonbury, Connecticut for the year ended June 30, 2018. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our responsibilities under Auditing Standards Generally Accepted in the United States of America, Government Auditing Standards, the Uniform Guidance and the Connecticut State Single Audit Act.

As stated in our engagement letter dated June 12, 2018, our responsibility, as described by professional standards, is to express opinions as to whether the financial statements, prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve those charged with governance or management of their responsibilities.

In planning and performing our audit, we will consider the Town of Glastonbury, Connecticut's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Connecticut State Single Audit Act.

As part of obtaining reasonable assurance about whether the Town of Glastonbury, Connecticut's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance and the Connecticut State Single Audit Act, we will examine, on a test basis, evidence about the Town of Glastonbury, Connecticut's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the State of Connecticut Compliance Supplement applicable to each of its major federal and state programs for the purpose of expressing an opinion on the Town of Glastonbury, Connecticut's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the Town of Glastonbury, Connecticut's compliance with those requirements.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform an examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.

Planned Scope, Timing of the Audit and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of our audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

Other Attest Services

- Connecticut State Department of Education Agreed Upon Procedures

Nonattest Services

In addition to above services, we will also assist in performing certain nonattest services. These services do not constitute an audit under *Government Auditing Standards*. The services are as follows:

- preparing a draft of the financial statements,
- preparing a draft of the schedule of expenditures of federal awards (SEFA),
- preparing a draft of the schedule of expenditures of state financial assistance (SESFA),
- preparing and submitting the federal data collection form

Management agrees to oversee the nonattest services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Independence

There are no relationships between any of our representatives and the Town of Glastonbury, Connecticut that in our professional judgment impairs our independence.

Responsibilities under Auditing Standards Generally Accepted in the United States of America

Management's responsibilities include:

- The selection and application of accounting principles, the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance, and all accompanying information
- Establishing and maintaining effective internal controls, including internal controls over compliance

- Making all financial records and related information available to us and for the accuracy and completeness of that information
- The design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud affecting the government
- Identifying government award programs and understanding and complying with the compliance requirements

Auditor's responsibilities include:

- Express opinions on the financial statements based on our audit
- Plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement
- Performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements
- Consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

Audit Areas of Focus

- Cash
- Investments
- Receivables and revenues
- Capital Assets
- Payables, accruals, expenditures
- Payroll expenditures
- Debt
- Insurance and Self Insurance
- Grants – Federal and State Single Audit

Engagement Timing

- Our initial planning for the year-end audit will be performed during July 2018. Our focus will be on documentation of the internal controls as required by auditing standards, fraud inquiry interviews with management and key personnel, preparation of certain confirmations some overall analytical procedures and audit fieldwork as applicable to the federal and state single audits and procedures performed relevant to the tax collector's and tax assessor's offices.

- Audit Timing:

Trial Balance Files to BlumShapiro	9/17/18
Commencement of Fieldwork	9/24/18
End of Fieldwork	10/5/18
Issuance of Draft Financial Statements	10/19/18
Client Approval of Draft Statements	10/26/18
Issuance of Financial Statements	11/2/18
Issuance of Management Letter, if applicable	11/2/18
Post Audit Meeting with Management	TBD

Engagement Team

The engagement team that will be responsible for audit, and other services, is as follows including contact information to reach us:

- Vanessa Rossitto, Audit Partner
Direct Line: 860-561-6824
Email: vrossitto@blumshapiro.com
- Gerry Paradis, Concurring Reviewer
Direct Line: 860-570-6371
Email: gparadis@blumshapiro.com
- Jessica Aniskoff, Audit Manager
Direct Line: 860-570-6451
Email: janiskoff@blumshapiro.com

Other Communications

At the completion of our audit we will communicate in writing the following information related to our audit:

- Management judgments and significant sensitive accounting estimates
- Significant accounting policies
- The adoption of new accounting principles or changes in accounting principles
- Significant audit adjustments (recorded and unrecorded)
- Disagreements with management about auditing, accounting or disclosure matters
- Difficulties encountered in performing the audit
- Irregularities and illegal acts
- Consultation by management with other auditors
- Matters affecting independence of auditors
- Material weaknesses, significant deficiencies and control deficiencies

Knowledge of Fraud

- If management or those charged with governance has any knowledge of fraud or potential fraud, this information needs to be communicated to us. As part of the audit process, we will be meeting with management to discuss fraud risks and any further issues.

Industry Developments - Current Year (June 30, 2018) Accounting Standards

- **GASB Statement 75 - OPEB Accounting for Employers and Non-Employer Contributing Entities** The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.
- **GASB Statement 81 – Irrevocable Split-Interest Agreements** The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a

beneficiary of the agreement. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement.

- **GASB Statement 85 – Omnibus** The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements.
 - Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
 - Reporting amounts previously reported as goodwill and “negative” goodwill
 - Measuring certain money market investments and participating interest-earning investment contracts at amortized cost
 - Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
 - Recognizing on-behalf payments for pensions or OPEB in employer financial statements
 - Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
 - Classifying employer-paid member contributions for OPEB
 - Simplifying certain aspects of the alternative measurement method for OPEB
 - Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.
- **GASB Statement 86 – Certain Debt Extinguishment Issues** This Statement provides guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

Industry Developments - Future Accounting Standards - June 30, 2019

- **GASB Statement 83 – Certain Asset Retirement Obligations** This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.
- **GASB Statement 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements** The objective of this statement is to improve disclosure regarding direct borrowings and direct placements.

Industry Developments - Future Accounting Standards - June 30, 2020

- **GASB Statement 84 – Fiduciary Activities** The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

Industry Developments - Future Accounting Standards - June 30, 2021

- **GASB Statement 87 – Leases** This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. Under this Statement, a

lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Areas of Concerns

- If you have any concerns that you would like to discuss with Blum Shapiro, we will make ourselves available either by phone or in person to discuss such concerns.