

**GLASTONBURY BOARD OF FINANCE
SPECIAL MEETING MINUTES
WEDNESDAY, OCTOBER 24, 2018**

The Glastonbury Board of Finance with Finance Director, Julie Twilley, and Town Manager, Richard J. Johnson, in attendance, held a special meeting at 4:00 p.m. in meeting room A, Town Hall, 2155 Main Street, Glastonbury, Connecticut.

Roll Call

Members

Mr. Constantine “Gus” Constantine, Chairman
Mr. Jared Soper, Vice Chairman
Mr. Walter Cusson *{excused}*
Mr. James McIntosh
Ms. Jennifer Sanford
Mr. James Zeller

1. Public Comment Session

No one spoke

2. Communication / Action Items Pertaining to Retirement Income Plan

a. Communication: Material provided by Becky Sielman of Milliman

Ms. Sielman reviewed her reports submitted to the Board. Vice Chairman Soper asked if all new employees were in the hybrid plan. Mr. Johnson replied saying no and reviewed the breakdown. Vice Chairman Soper asked about the accuracy. Ms. Sielman indicated that the projections were based on quantitative analysis on asset allocations chosen. Vice Chairman Soper asked about developing options based on liabilities. Ms. Sielman said that the approach should start with determining risk and volatility they are willing to have which will determine the investment options. Mr. McIntosh noted that the volatility should cancel out and questioned if they could simply ignore it altogether. Ms. Sielman said that is one approach but not one the town has chosen to pursue noting that a robust study is often done every 5 years or so at a cost of \$5-\$20K. Vice Chairman Soper praised Mr. Johnson and previous Boards of Finance that reduce the investment assumption.

b. Communication: Material provided by Chris Kachmar of FIA

Mr. Kachmar briefly reviewed his report saying that they are still recommending replacement of Aberdeen and reducing the foreign investment from 25% to 20% over a three-month period.

i. Action Item: Replace Aberdeen Emerging Markets with Cape Ann Developing Markets

Motion By: Mr. Zeller

Seconded By: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance hereby directs FIA to replace Aberdeen Emerging Markets with Cape Ann Developing Markets.

Result: Motion passes unanimously. {5-0-0}

ii. Action Item: Confirmation of desired Asset Allocation

Motion By: Mr. Zeller

Seconded By: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance hereby directs FIA to reallocate investments to 20% within International Equities and 36.5 within Domestic Equities over the coming three months, as laid out in the Cash Flow Worksheet on page 4 of the handout provided at the meeting.

Result: Motion and second withdrawn,

Motion By: Mr. Zeller

Seconded By: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance hereby directs FIA to reallocate investments to adjust the target asset allocation to 20% within International Equities and 36.5 within Domestic Equities over the coming three months, as laid out in the Cash Flow Worksheet on page 4 of the handout provided at the meeting.

Result: Motion passes unanimously. {5-0-0}

iii. Action Item: Re-ratify Investment Policy Statement

Mr. Kachmar reviewed the investment policy briefly saying it is in good working order. Mr. McIntosh asked for some clarifications which were answered.

Motion By: Mr. Zeller

Seconded By: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance hereby re-ratifies the Investment Policy Statement without changes.

Result: Motion passes unanimously. {5-0-0}

3. Communication: Minutes of September 12, 2018 *Accepted as presented*

4. Communication: Pension Report – August 2018

Ms. Twilley reviewed her report dated September 21, 2018.

5. Communication: Month End Investments – August 2018

Ms. Twilley reviewed her report dated September 11, 2018.

6. Communication: Financial Summary (Revenues & Expenditures) for 3 months - September 2018

Ms. Twilley reviewed her report dated October 12, 2018.

7. Communication: Education Reconciliation – August 2018

Ms. Twilley reviewed her report dated September 25, 2018.

8. Communication: Capital Projects – September 2018

Ms. Twilley reviewed her report dated October 10, 2018. Mr. Zeller ask about the Bond Commission taking up the MDC Property. Mr. Johnson said that it is a possibility late November or early December.

9. Communication: Self Insurance Reserve Fund – September 2018

Ms. Twilley reviewed her report dated October 16, 2018. Mr. Zeller asked if both sides were struggling. Ms. Twilley said that a lot was timing given that CT Prime required the entire annual payment up front and they are hopeful it will even out.

10. Communication: Transfers Approved by Town Manager Since Last Meeting

Ms. Twilley reviewed the transfers. Mr. McIntosh asked about the conference dollars saying that it was kind of expensive. Mr. Johnson said that it could include registration, airfare, hotel, and the like and usually, the staff come back with ideas that lead to direct savings.

11. Action: Transfers over \$5,000

a. Transfer \$1,011,000 from Sewer Sinking Fund Unassigned Fund Balance to the Cider Mill Pump Station Replacement CIP Account.

Mr. Johnson reviewed the budget transfer information.

Motion By: Mr. McIntosh

Seconded By: Vice Chairman Soper

BE IT RESOLVED, that the Glastonbury Board of Finance hereby approves the Transfer \$1,011,000 from the Sewer Sinking Fund Unassigned Fund Balance to the Cider Mill Pump Station Replacement CIP Account.

Result: Motion passes unanimously. {5-0-0}

b. Transfer \$10,000 from Contingency Account to PD Office Equipment/Furniture.

Mr. Johnson reviewed the budget transfer information. Mr. Zeller said that this seemed like a budgeted item. Mr. Johnson said that this is for the Police Chief and to the best of their knowledge, the existing furnishings are 40 years old, some of which was broken and removed from service and what remains is not ergonomically appropriate. He noted that the Chief cannot meet with his senior staff. He also said that coming into a new position, he speculated it would have been an awkward first request to redo his own office among all the department priorities.

Motion By: Vice Chairman Soper

Seconded By: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance approves the transfer of \$10,000 from Contingency Account to PD Office Equipment/Furniture,

Result: Motion passes unanimously. {5-0-0}

Mr. McIntosh raised that he is in the adjacent neighborhood for the sidewalks and asked his fellow Board Members if they thought he had a conflict. A consensus was reached that he did not have a conflict and he remained seated for the following agenda item.

c. Transfer \$18,000 from Capital Projects – Griswold/House Street Intersection to Capital Projects – Sidewalk Construction.

Mr. Johnson reviewed the budget transfer information to complete two small sections of sidewalk in the current year in the area of a new subdivision making key connections to the center of town. Mr. Zeller thanked Mr. Johnson and his staff for bringing this forward.

Motion By: Mr. Zeller

Seconded By: Ms. Sanford

BE IT RESOLVED, that the Glastonbury Board of Finance hereby approves the transfer of \$18,000 from Capital Projects – Griswold/House Street Intersection to Capital Projects – Sidewalk Construction.

Result: Motion passes unanimously. {5-0-0}

d. Transfer \$275,000 from the General Fund – Unassigned Fund to Parks & Recreation Contractual Services for Winter Storm Alfred grant reimbursement.

Mr. Johnson reviewed the transfer request explaining that after this event they were encouraged to apply for both FEMA and FWA and a subsequent audit found that the Town was reimbursed for the same expense from the two programs. Mr. Zeller confirmed that the Town didn't ask for anything that was not spent, there was just duplicate reimbursements.

Motion By: Mr. McIntosh

Seconded By: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby recommends to the Town Council approval of the transfer of \$275,000 from the General Fund – Unassigned Fund to Parks & Recreation Contractual Services for Winter Storm Alfred grant reimbursement.

Result: Motion passes unanimously. {5-0-0}

e. Transfer \$40,000 from the Town Attorney Primary to the Town Attorney Alternate account.

Mr. Johnson explained that they would like the ability to differentiate between the two budgets.

Motion By: Mr. Zeller

Seconded By: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance hereby approves the transfer of \$40,000 from the Town Attorney Primary to the Town Attorney Alternate account.

Result: Motion passes unanimously. {5-0-0}

f. Transfer \$15,000 from Capital Project – Salmon Brook Study to Capital Project – Police Building Windows.

Mr. Johnson explained the transfer saying the windows are sixty plus years old, it was competitively bid and a little more funding is needed to accomplish the project. Mr. McIntosh confirmed that they would be purchasing energy efficient windows.

Motion By: Vice Chairman Soper

Seconded By: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby approves the transfer of \$15,000 from Capital Project – Salmon Brook Study to Capital Project to Police Building Windows.

Result: Motion passes unanimously. {5-0-0}

12. Action Item: Waiver of Request for Qualifications Process

Mr. Johnson explained the request noting that this is done in conjunction with Eversource to achieve a sizable rebate. He said that Eversource has vetted the vendor and they are able to get it done faster and cheaper by using their preferred vendor. Ms. Sanford expressed concern about a precedent, but Mr. Johnson said that this was very unusual.

Motion By: Vice Chairman Soper

Seconded By: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby approves a waiver for the Request for Qualification Process for energy efficiency at the Waste Water Treatment Plant.

Result: Motion passes unanimously. {5-0-0}

13. Action Item: Waiver of Competitive Bidding Process

Mr. Johnson explained that the Chief provided compelling arguments as to the benefit of having equipment that is the same make and model for training and consistency purposes. He noted that it is essentially a sole source with poor alternatives on the market. Ms. Sanford said she respected the competitive bid process and while she understands the ease of training issue, she questioned if a better price would be revealed. Mr. Johnson said that they do hundreds and hundreds of purchases every year but occasionally, the competitive process isn't a good fit. He emphasized that he listens carefully to those with the expertise and experience with regard to the needs of public safety.

Motion By: Vice Chairman Soper

Seconded By: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance hereby approves the waiver of the competitive bidding process for the Fire Department thermal imaging cameras.

Result: Motion passes unanimously. {5-0-0}

14. Communication: CNG Rebate Check

Ms. Twilley reviewed her memo to the Board dated October 16, 2018.

15. Communication / Action: Board Members Requested the Following Items be Discussed

a. Request of Jim Zeller:

i. Communication: Update on the status of discussions with the Superintendent of Schools to facilitate amending the ToG budget process such that Health Care and Pensions for BoE and ToG Employees are funded directly by the Town Council in a manner similar to OPEB.

Mr. Zeller reviewed the history of this item and said he would like the opportunity to read the opinion and discuss at a future meeting. Mr. Johnson said that as the Board reviews the document, there is information relating to statutory towns and charter towns, they are a charter town but that the inclusion of the language with regard to statutory towns does not change the opinion that this would be problematic.

ii. Action: Request to Board of Education re. FY2019/2020 Budget Presentation [Discussion on whether the BoF wishes to have the BoE present its 19/20 budget in the format requested for the current budget (i.e., inclusion of a column showing the BoE's initial approved expenditure not simply its actual expenditure for at least one previous fiscal year for all lines).]

Mr. Zeller reviewed the history of this item saying that in the past, they have requested the Board of Education provide the additional column of information and asked if the other Members would like to request this again. He added that if there was a consensus in favor, he was willing to draft a letter to the Board of Education. A consensus was reached in support of asking the Board of Education for this information.

b. Request of Jared Soper – Minnechaug Golf Course and Riverfront Park

Mr. Johnson reviewed his memo to the Board dated October 16, 2018, noting that when questions come up, it is often easier to respond directly than to create reports. Vice Chairman Soper thanked the Town Manager for the reports. Mr. McIntosh said that the facilities are well run by the Town but stated that they aren't economically viable. He said that they don't compete on an even playing field with private vendors and often removes the opportunity for private vendors to compete. Chairman Constantine asked about the golf course and Mr. Johnson said that they would be putting together options for the Town Council to decide the best direction for the Town. Mr. Zeller asked that the role of the Board in setting the mil rate be discussed at the next meeting.

16. Board of Finance Committee Reports – Public Building Commission

Chairman Constantine said that they haven't met. Mr. Johnson said that they would be coming in to discuss an aquatic facility.

17. Adjournment

Motion By: Mr. Zeller

Seconded By: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance hereby adjourns their meeting of October 24, 2018, at 6:40pm.

Result: Motion passes unanimously {5-0-0}.

Respectfully submitted,

Kimberly Meanix Miller

**Kimberly Meanix Miller
Recording Clerk**

For anyone seeking more information about this meeting, a video on demand is available at www.glastonbury-ct.gov/video; click on Public Broadcast Video On Demand and an audio recording is available in the Finance and Administrative Services Office.