

**GLASTONBURY BOARD OF FINANCE
REGULAR MEETING MINUTES
MONDAY, NOVEMBER 14, 2018**

The Glastonbury Board of Finance with Julie Twilley, and Town Manager, Richard J. Johnson, in attendance, held a regular 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

Dr. Alan Bookman, Superintendent of Schools, said he listened to the previous meeting and wanted to respond to some misinformation. He said that the Board of Education has indeed put in the equivalent premium. He said that he learned that the contracted vendor had miscalculated the increase and they owed an additional 15% above their equivalent premium. In an effort to smooth out peaks and valleys from a budget perspective, he said that they decided to put 9% one year and 6% the next, an appropriate action by the Board. He also noted that there are timing issues with the Board of Education funding with regard to healthcare expenses which can inflate losses, first in that many do not put money in over the summer, second that they are expecting a stop loss check of almost \$600,000 and lastly, he noted the upfront payment for stop loss. He said that they had two bad years and were told to expect two bad years out of seven. He emphasized that he and Mr. Johnson went to the attorneys regarding mimicking OPEB for health insurance and learned there were legal issues.

2. Communication: Minutes of October 24, 2018

Accepted as Presented

3. Communication: Q3 FIA Reports for the Pension Plan

Ms. Twilley reviewed her report dated November 6, 2018.

4. Communication: Pension Report – September 2018

Ms. Twilley reviewed her report dated October 19, 2018. Vice Chairman Soper questioned if they should reduce the rate of return down from 6.625%, Mr. Johnson suggested putting on the December agenda for background and have their financial consultants prepare information. Vice Chairman Soper thought that was fine noting that he wasn't sure he was comfortable baking in the management fee of 40 basis points. Ms. Sanford also said the pressure was still on and questioned why they should feel comfortable with their current rate of return.

5. Communication: Month End Investments – September 2018

Ms. Twilley reviewed her report dated October 31, 2018. Mr. McIntosh said that they are getting pitifully low returns due to state regulations that limit their investment opportunities. He suggested they work with the state to provide some additional freedom to towns with excellent bond ratings.

6. Communication: Financial Summary for 4 months - October 2018

Ms. Twilley reviewed her report dated November 7, 2018.

7. Communication: Education Reconciliation – September 2018

Ms. Twilley reviewed her report dated November 5, 2018.

8. Communication: Capital Projects – October 2018

Ms. Twilley reviewed her report dated November 6, 2018. Vice Chairman Soper asked about the library project. Mr. Johnson said that it was approved at referendum, the design may move forward the start of the new year, bid late summer and begin to issue notes in 2021.

9. Communication: Self Insurance Reserve Fund – October 2018

Ms. Twilley reviewed her report dated November 5, 2018. Vice Chairman Soper said he wasn't aware the Board of Education was spreading their payment over two years. Ms. Sanford said she didn't remember the stop loss in the budget last year either. Mr. Johnson noted that it isn't wrong to phase in the increase over two years. Mr. McIntosh echoed the comment by Mr. Johnson adding that they should consider the reserve. Mr. Zeller said that the Board of Education budgeted 9% but they actually paid out less.

10. Communication: Transfers Approved by Town Manager Since Last Meeting *None*

11. Action: Transfers over \$5,000 *None*

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

a. Request of Jim Zeller: BOE Funding of Health Insurance

Mr. Zeller questioned why collaboration wasn't sought instead of seeking a legal opinion as if it was confrontational. He continued saying that the Superintendent stated that he knew it was illegal. He said that he called the State Department of Education and learned it was not illegal if the Board of Education agrees. He felt it could be very good for all involved and encouraged a conversation prior to getting legal opinions. Mr. Johnson said that after the legal opinion, the Town Council had not indicated they intend any further action.

Regarding the Board's request for a change in budget format, Mr. Zeller said that the Board of Education voted to respond. Chairman Constantine said that they should wait to get the written response. Mr. Zeller said that the Board of Education is acting contrary to the Town Charter preventing access to information for them to make a decision. He said that the Board of Education has said that the request is easy to do and also, that budget information is easy for anyone to find online. He said that he looked online and struggled to find what he was looking for. He said that he has heard comments about this request being outside of the Board of Finance authority but he felt getting budget information, so they can make an informed decision, is not outside their authority adding he is not trying to run education. He said that they all want the best product for the best price and are asking for the information for a good reason. He emphasized that refusing to provide the information they need is not helpful.

13. Communication: Pension Plan Experience Study and/or Asset Allocation

Ms. Twilley reviewed her report dated November 7, 2018. Vice Chairman Soper said that he was not in support of spending money now for an asset allocation study as they are getting the information from FIA but perhaps a plan experience study in the future, might be a good idea. He suggested, instead, to work now with their consultant to determine if their assumptions are off, for example, cost of living. Mr. Johnson said he and Ms. Twilley would do that and alert them if they learn anything is off.

14. Board of Finance Committee Reports – Public Building Commission

Mr. Johnson said that the library and the aquatics center are coming.

Chairman Constantine asked about the K-9 Unit and Mr. Johnson said that the initial costs are being funded through donations and then it would be \$5-10,000 annually. Chairman Constantine asked about MDC and Mr. Johnson provided an update.

15. Adjournment

Motion By: Mr. McIntosh

Seconded By: Vice Chairman Soper

BE IT RESOLVED, that the Glastonbury Board of Finance hereby adjourns their meeting of November 14, 2018, at 5:25pm.

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

Respectfully submitted,

Kimberly Meanix Miller

**Kimberly Meanix Miller
Recording Clerk**

Audio recording available in the Town Clerk's Office, for anyone seeking more information about the meeting.