

**GLASTONBURY BOARD OF FINANCE
SPECIAL MEETING MINUTES
THURSDAY, JANUARY 31, 2019**

The Glastonbury Board of Finance with Finance Director, Julie Twilley, and Town Manager, Richard J. Johnson, in attendance, held a special meeting at 4:30 p.m. in Meeting Room A, 2155 Main Street, Glastonbury, Connecticut.

Roll Call

Members

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

1. Town Capital Projects

Before beginning discussion on CIP, Mr. Johnson followed up on a January 29, 2019 BOF meeting request for census data and a question about The Tannery and One Glastonbury Place tax revenues. Mr. Johnson stated that the assessor will likely come in on the BOF’s next regular meeting to discuss the new grand list.

Ms. Sanford inquired about any updates on the GHS facilities (locker room/field house) option. Mr. Johnson stated that the projected budget for the locker room facility is \$2.6 million. Mr. Johnson explained that, generally, these projects are funded through the CIP, but other times, they would be funded through the general fund. A discussion ensued about the feasibility of lowering the cost and how to pay for it. Ms. Sanford expressed discomfort with the idea of the BOF becoming a banker by borrowing from the general fund. Mr. Zeller expressed the Board’s confusion in the CIP getting wrapped into debt and transfers. Mr. Johnson explained that there is an appropriation and transfer to the Capital Reserve Fund and a separate action by the Town Council to approve the projects that will be funded through the capital program. Mr. Zeller inquired how much the mill rate would change if the Board decreases the recommended capital transfer of \$6.25 million by \$250,000. Mr. Johnson stated that if the Board were to agree to the \$2.6 million, they would have to either eliminate certain projects or go out to bonds.

Mr. Soper inquired how long the Town Manager would recommend borrowing from the general fund, should the Board choose to go that route. Mr. Johnson stated no more than 3 years. Mr. Cusson commented that perhaps going to a referendum on this issue may not be the best approach, if the project is really needed. Mr. Soper stated that the best way to finance the locker room project is through bonding. Mr. McIntosh and Mr. Cusson agreed. Mr. Zeller expressed interest in going out to referendum.

Mr. Cusson asked what projects could be bundled apart from the locker room and the kitchen. Mr. Johnson suggested the Gideon Welles heating and cooling project. Mr. Constantine asked what the recommended limit on the general fund is. Mr. Johnson replied 12%. Mr. Soper noted that the general fund is in the low end of maintaining the Town's AAA rating. He also summarized the Board's options for funding the locker room project: either pay it out in cash now, bond it, or borrow from the general fund over the next 3 years.

Mr. Zeller asked what the current unassigned budget is. Mr. Johnson stated \$8 million from the sale of Gateway and a potential for another \$1.2 million from another land sale. Mr. Zeller expressed concern with Eastbury being included in the budget for roofs and boilers. Mr. Johnson stated that the BOE sent over that document and asked it to be forwarded to the BOF. The Board discussed the issue of purchasing a new fire rescue boat for the Town. Mr. McIntosh expressed concern with the cost. Mr. Zeller said that it makes financial sense on a regional level.

Mr. Cusson asked about the Old Maids Lane water line and what the sale agreement was about. Mr. Johnson stated that the Town purchased land in order to extend water along Old Maids Lane, which is right against the bulky waste facility. Mr. Soper asked the Town Manager if the Town Council had any significant discussion on any other items on the Town Manager's budget. Mr. Johnson responded that the only other question was on the fire rescue boat and the trees, which became an issue because of drought in prior years and invasive insects. Mr. Johnson said that he felt it was appropriate to put this extraordinary ongoing operating cost in the CIP. Mr. Soper also inquired if the Town Manager is anticipating any costs this year that would require an emergency withdrawal from the Capital Reserve Fund. Mr. Johnson replied no, stating that the Town has a positive cash flow of about \$25,000 a year.

Mr. Zeller asked Mr. Johnson about the traffic calming line item, and the Board discussed ideas for improving busy intersections and pedestrian safety in Town. Ms. Sanford commended the fantastic increase in the grand list but did not like the thought of raising taxes again. She asked the Town Manager if there is anything not included in his budget list that he feels the Town would be better off funding today as opposed to five years in the future. Mr. Johnson stated no. A discussion then ensued about the Self Insurance Reserve Fund.

The Board then went through and approved each line item of the Town Manager Recommended Projects: 2019-2020 document, dated January 17, 2019. Mr. Soper asked if the 6.25 for CIP is adequate. Mr. Johnson stated yes. Mr. Zeller inquired about the public safety tower listed as revenue in the expenditure section. Mr. Johnson explained that this is a 100% revenue offset and was placed in the capital project account so that everyone can see it. Mr. Soper stated that he is uncomfortable not funding contingency and then going back and taking it off the balance sheet. He believes that the investment revenue line is too high because the Town will not receive as much revenue as they are projecting. Mr. Johnson stated that he wished there were additional money to cut back on the budget to allow for flexibility to respond to unknowns during the year but recognized that this is not what a contingency does. Since contingencies require the same formal 2-step approval process as unassigned funds, Mr. Johnson stated that he chose to pull from the unassigned fund instead. Ms. Sanford expressed concern with diluting the budget process, which the Town Manager acknowledged. In regard to Mr. Soper's question about income being overstated, Mr. Johnson responded that it is a 2.35% investment assumption.

2. Any Other Remaining Items

None

3. Adjournment

Motion by: Mr. Cusson

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance hereby adjourns their meeting of January 31, 2019, at 6:32 p.m.

Result: Motion passes unanimously (6-0-0).

Respectfully submitted,

Lilly Torosyan

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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 Financial and Administrative Services Office.