

**GLASTONBURY BOARD OF FINANCE
SPECIAL MEETING MINUTES
WEDNESDAY, APRIL 24, 2019**

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

Also in attendance were Nina Cousins, Accounting Controller; Michael Bisi, Superintendent of Sanitation; and David Brown, taxpayer (for the PCS only).

Roll Call

Members

Mr. Constantine "Gus" Constantine, Chairman
Mr. Jared Soper, Vice Chairman
Mr. James McIntosh
Mr. Walter Cusson
Mr. James Zeller
Ms. Jennifer Sanford {Excused}

1. Public Comment Session

Taxpayer David Brown stated that he has spoken in favor of the BOF's reductions to the education budget. He expressed concern at taxes going up every year because of overspending on wasteful things, such as the boat house and the aquatics center, which he has started a petition to stop before it goes further. He asked the Board to take a stand against unnecessary spending on pool house and to fulfill the following requests:

1. Insist on a moratorium for issuing new bonds
2. Sign the petition on behalf of the taxpayers
3. Attend town meetings and raise the pool house issue as irresponsible spending

Mr. Constantine stated that signing a petition would mean that the BOF is prejudging an item before deliberating on it. Mr. McIntosh stated that he accepts the citizen's statement but the BOF cannot respond to it during a public hearing.

2. Action: Transfer for Cider Mill Pump Station Replacement

Mr. Johnson explained that this is a proposed transfer for the Cider Mill Pump Station Replacement. He explained that three bids were received that were significantly higher than the estimate and that they cannot identify anything that may be a particular cost driver, which makes them believe that this is an estimation bust. He also noted that all three bids they have received are tightly grouped, which gives a good indication that this is the cost of the project. Mr. Zeller remarked that the sewer sinking fund is in great shape, but his concern is whether this is a one-off or if they could run into this same situation with the GHS field house. Mr. Johnson acknowledged that though conducting an independent cost estimate is not a science, they made a big miss this time. Mr. Soper asked if they are in one of those periods when the bids come in more than estimated because some contractors are busy and hike up the price. Mr. Johnson said that may be the case here. Mr. McIntosh stated that the bidding experience does suggest a particularly tight period, and asked how urgent it is to replace the pumping

station right now, or if they could wait and rebid it in what may be a more favorable market. Mr. Michael Bisi explained the background of the station, which is over 40 years old and now runs the risk of spilling sewage in people's basements. He does not recommend delaying this project by another year. Mr. Johnson agreed, stating that it is highly likely that there will be issues with the station if they wait another year to address it.

Mr. Soper asked what the \$12.5 million in the sewer sinking fund is allocated for. Mr. Johnson stated that the sewer sinking fund derives its money over many years of sewer benefit assessments, and those revenues go into the sewer sinking fund for maintenance of the sanitary sewer system. The fund is intended to take care of the system. Mr. Soper asked what the projected shortfall will be in 20 years. Mr. Johnson replied \$38 million (\$50 million projected costs - the \$12 million they have now), but noted that, realistically, this worst-case scenario likely will not be the case. Mr. Soper asked what their liabilities are projected to be in the next 5 years. Mr. Bisi stated probably around \$10-12 million. Mr. Constantine asked if there are planned expansions to the sewer system. Mr. Bisi said there are not many expansions, but instead they are connecting up areas where they have had a significant septic failure and there is a sewer nearby.

Motion by: Mr. McIntosh

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance moves to approve the transfer of \$725,000 from the Sewer Sinking Fund Unassigned Fund Balance to the Cider Mill Pump Station Replacement.

Result: Motion passed unanimously. (5-0-0)

3. Action: Recommendation to Town Council of Auditor for FY Ending June 30, 2019

Mr. Cusson explained that he attended the meeting for selection of a new auditing firm and heard a presentation from RSM. He noted that one of the questions that was asked was about the name change, which RSM stated was because of a merger but it is still the same team. Mr. Cusson noted that there was another question about the staff and their techniques, and for the most part, it was good. He explained that RSM feels that the transfer process from Blumshapiro will go smoothly.

Mr. Johnson added that the Town has a self-established policy of switching to a different auditing firm every five years and there did not seem to be a very compelling reason to vary from this policy. Mr. Soper asked if they could amend that policy, if they desired. Mr. Johnson explained that they went with five years, thinking that it is nice number, but it could be something else, like four or six years.

When discussing the Town staff's interactions with RSM, Mr. Cusson described the rapport as "comfortable". Mr. McIntosh expressed discomfort with the word "comfortable." He stated that the test should be if things are done the way they should be done, not if it makes the client comfortable. Mr. Cusson explained that he asked RSM to give some examples of problems they have identified in other towns. He said that they brought up the areas of credit cards, areas where there is interaction with vendors and invoicing, and areas where cash is involved. He clarified that what he meant by "comfortable" was in regard to the interaction between Town staff and how their working relationship will go. Mr. Soper asked if Ms. Twilley and Ms. Cousins feel that they can maintain a working business relationship with RSM. Ms. Cousins said that her comfort level is that they have the requisite knowledge and experience to do the audit well, so she is "comfortable" in their knowledge and expertise.

Mr. Soper asked how comparable Blumshapiro and RSM are from a cost standpoint. Mr. Johnson said that they are pretty comparable. Mr. Soper expressed concern about their competitiveness, and inquired about the annual increase in their costs. Mr. Johnson explained that costs typically go up about \$1000-\$1500 every year. Mr. Zeller noted that there doesn't seem to be much competition. Mr. Cusson stated that it is not just a regional issue but a national one. He also noted that Ms. Twilley mentioned during the meeting that when Glastonbury does their RFQ, they set a very high bar in terms of qualifications, so some firms just do not meet that threshold to be considered.

Motion by: Mr. Cusson

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance moves to recommend to the Town Council the RSM auditing firm as Auditor for the fiscal year ending in June 30, 2019.

Result: Motion passed unanimously. (5-0-0)

Also discussed with the Town Manager was the concern over the Public Comment Session. The Board expressed desire to address it during their next regular meeting but no action was taken.

4. Adjournment

Motion by: Mr. Zeller

Seconded by: Mr. Cusson

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of April 24, 2019, at 4:51 p.m.

Result: Motion passed unanimously. (5-0-0)

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 Finance and Administrative Services Office.