

AGENDA

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GLASTONBURY BOARD OF FINANCE MEETING

AGENDA OF REGULAR MEETING

Thursday, January 16, 2020, 4:00 PM

Riverfront Community Center, 300 Welles Street, Glastonbury, CT - Conference Room

Board Members: Constantine Constantine; Chairman, Jennifer Sanford; Vice Chairman, Walter Cusson, Robert Lynn, James McIntosh, and James Zeller.

1. Public Comment Session (sign in sheet provided)
2. Communication: Minutes – November 20, 2019 (December 2019 Meeting Canceled)
3. Communication: Pension Report – November 2019
4. Communication: Month End Investments – November 2019
5. Communication: Financial Summary (Revenues & Expenditures) for 6 months - December 2019
6. Communication: Education Reconciliation – November 2019
7. Communication: Capital Projects – December 2019
8. Communication: Self Insurance Reserve Fund – December 2019
9. Communication: Transfers Approved by Town Manager Since Last Meeting
10. Action: Transfers over \$5,000 (none)
11. Communication: Bank Collateralization Report
12. Communication: \$4.685m Bond Authorization Note
13. Communication: Audit Review Meeting
14. Communication: Board Members Requested the Following Item be Discussed
 - a. Request of Jennifer Sanford: FIA Deep Dive Review of Pension
15. Action: Review of CIP Criteria
16. Action: Establish 2019 and January 2020 Regular Meeting Schedule
17. Action: Establish FY2019/2020 Budget Calendar
18. Board of Finance member Committee Reports, comments and remarks (no action to be taken)
19. Adjournment

**GLASTONBURY BOARD OF FINANCE
REGULAR MEETING MINUTES
WEDNESDAY, NOVEMBER 20, 2019**

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

Also in attendance were Chris Kachmar from FIA and Ms. Narae McManus, Controller.

Roll Call

Members

Mr. Constantine "Gus" Constantine, Chairman
Ms. Jennifer Sanford, Vice Chairman
Mr. Robert Lynn
Mr. James McIntosh
Mr. James Zeller
Mr. Walter Cusson

1. **Public Comment Session (sign in sheet provided)** *None*

a. Action: Election of Officers

Motion by: Mr. Cusson

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance hereby adds Item 1a. the "Action: Election of Officers" to the agenda.

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

Nomination by: Mr. McIntosh

Seconded by: Mr. Zeller

Mr. Constantine "Gus" Constantine as Chairman.

Mr. Constantine called for other nominations. Hearing none, he closed the nominations.

Result: Mr. Constantine was elected as Chairman by a unanimous vote (6-0-0).

Nomination by: Mr. Zeller

Seconded by: Mr. McIntosh

Ms. Jennifer Sanford as Vice Chairman.

Mr. Constantine called for other nominations. Hearing none, he closed the nominations.

Result: Ms. Sanford was elected as Vice Chairman by a unanimous vote (6-0-0).

2. Action / Communication: Chris Kachmar from FIA
a. Communication: October Flash Report

Mr. Kachmar reviewed the October Flash Report. He noted that the tone of the markets has been constructive, with it being a solid year for both domestic and international markets. He explained that interest rates continue to have a downdraft with YTD bonds broadly up, close to 9%. Mr. McIntosh asked, since the Federal Reserve is lowering interest rates, they may be faced with lower returns on fixed rate investments, so should the Board consider changing their allocations. Mr. Kachmar said potentially, but he does not know if it quells up just yet to making dramatic changes in allocation. He noted that the Town's portfolio is designed to bring them to their actuarial target. Mr. Lynn asked if their portfolio is above average, in terms of overall risk. Mr. Kachmar replied that data is noted in their formal quarterly reports, not these flash reports. In the portfolio at the end of October, Mr. Kachmar noted that they have completed 4 of the 6 drawdowns on their contributions. He reminded the Board that, as per their endorsement, the big change in the target allocation level was more domestic equity at the expense of international equity.

In regard to commodity managers, Mr. Kachmar recommended the Board do a pure swap of the Credit Suisse fund for the Parametric fund. He noted that while DFA is the cheapest of the three funds (DFA, Parametric, and Credit Suisse), given their particulars and track records expressed in returns, Parametric has done the best job of the three. Mr. Zeller inquired about the expense ratio. Mr. Kachmar stated that it is not a huge difference, with about \$1,700 a year in savings. Ms. Sanford clarified that, even though the savings are small, Mr. Kachmar still recommends moving to this other fund, due to how they handle collateral. Mr. Kachmar said that is correct; he explained that Parametric's approach to managing exposure is a little more eclectic and involved in managing and diversifying their program than Credit Suisse's.

b. Action: Credit Suisse vs. Other Commodity Manager

Motion by: Mr. McIntosh

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby approves the transfer of funds from the Credit Suisse Commodity Return Strategy Fund to the Parametric Commodity Return Strategy Fund.

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

c. Action: Pension Committee Members

Mr. Constantine and Mr. Lynn expressed interest in serving on the Pension Committee.

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

MOVED, that the Glastonbury Board of Finance hereby appoints Mr. Constantine and Mr. Lynn as pension committee members.

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

3. Communication: Minutes – October 16, 2019

Ms. Twilley noted that Mr. Soper was mistakenly listed as Vice Chairman on the minutes. The minutes were accepted as amended.

4. Communication: Pension Report – September 2019

Ms. Twilley reviewed the report dated October 18, 2019. Mr. McIntosh asked Mr. Lynn if he is familiar with the situation of the pensions of Town employees. Mr. McIntosh explained the history and Mr. Johnson elaborated.

5. Communication: Month End Investments – September 2019

Ms. McManus reviewed the report dated November 4, 2019. Mr. Zeller noted that, for 2019, the Town budgeted \$800,000. He asked what the Town's final earnings were. Ms. McManus said that the actual earnings were \$1,317,000.

6. Communication: Financial Summary (Revenues & Expenditures) for 4 months - October 2019

Ms. Twilley reviewed the report dated November 15, 2019.

7. Communication: Education Reconciliation – September 2019

Ms. McManus reviewed the report dated November 11, 2019.

8. Communication: Capital Projects – October 2019

Ms. Twilley reviewed the report dated November 15, 2019. Mr. Zeller inquired about the GHS kitchen upgrades. Mr. Johnson replied that the majority of the work will be done in the summer of 2020. Ms. Sanford asked what the "revised budget" on page 1 refers to. Ms. Twilley explained that the original budget is what was adopted, and the revised budget reflects what it is at year's end. Ms. Twilley offered to print out the one-paged budget document that shows just the CIP programs that were approved for the quarter of the year. Ms. Sanford said that would be her benchmark reference.

9. Communication: Self Insurance Reserve Fund – October 2019

Ms. Twilley reviewed the report dated November 6, 2019. Mr. McIntosh asked why there are different stop loss numbers for the BOE and the Town because the risks are the same. Mr. Johnson replied that the risks are the same, but the ability for the self-insurance fund to absorb the losses is different because of their different employee populations. Mr. Johnson explained that they could not sustain the losses on the Town's side, so they went with a bifurcated stop loss that was more commensurate with the size of the two employee groups. Mr. McIntosh asked if there was a premium for this. Mr. Johnson replied yes, but not something that did not make sense from a cost benefit standpoint. Mr. Lynn noted that the actuaries say they need \$5.6 million for the claims. Ms. Twilley explained the formula that they have always used, noting that it is a conservative look at what the total reserve should be.

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

a. Community Development – Training & Dues

11. Action: Transfers over \$5,000

a. Multi-Use Trail

Motion by: Mr. Cusson

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance hereby recommends to the Town Council the transfer of funds from Printing and Reproduction and Part-Time Wages to Training and Dues, in the amount of \$450.

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

b. Hebron Avenue Resurfacing

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby recommends to the Town Council a transfer of funds from the Capital Reserve Fund—Unassigned Fund Balance to the Capital Projects—Multi-Use Trail, in the amount of \$253,000.

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

c. Closing of Dam Maintenance CIP Account

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby approves the transfer of funds from the Capital Reserve Fund—Unassigned Fund Balance to the Capital Projects—Hebron Avenue Resurfacing Fund, in the amount of \$26,806.

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

12. Board of Finance member Committee Reports, comments and remarks (no action to be taken)

Mr. Constantine stated that the PBC has not met, so he has no report.

13. Adjournment

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of November 20, 2019, at 4:50 p.m.

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

Respectfully submitted,

Lilly Torosyan
Lilly Torosyan
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.

DEPARTMENT OF FINANCE & ADMINISTRATIVE SERVICES

BOF 1/16/20
Item # 3

December 23, 2019

TO: Board of Finance & Richard J. Johnson, Town Manager
 FROM: *JBT* Julie Twilley, Director of Finance & Administrative Services
 RE: Pension Investment Review - **November 2019**

As of November 30, 2019 the pension asset value is \$164,091,091, a net increase of \$10,791,838 from July 1, 2019. Through the month of November, the fund experienced an unrealized gain of \$5,087,714, which is indicative of the current market and there were realized losses of \$72,860. Investment income through November totaled \$1,106,567.

July 1, 2019 Balance	\$	153,299,253
Revenues:		
Employer Contributions	\$	8,170,908
Employee Contributions	\$	832,231
Total Contributions	\$	9,003,139
Investment Income	\$	1,106,567
Realized Gains/Losses	\$	(72,860)
Unrealized Gains/Losses	\$	5,087,714
Total Revenues	\$	15,124,560
Expenditures:		
Benefit Payments	\$	4,236,292
Administrative Fees	\$	35,652
Investment Management Fees	\$	60,778
Total Expenditures	\$	4,332,722
Net Increase/Decrease	\$	10,791,838
Ending Balance November 30, 2019	\$	164,091,091

Assuming a 6.5% long-term return on the plan's investments, the July 1, 2019 Unfunded Accrued Liability is \$58.2 million (GASB 68 financial reporting basis) and the corresponding funded ratio is 72.49%. The Town's policy for paying off the unfunded liability is such that there are 13 years remaining in our amortization schedule.

cc: Narae McManus, Controller
 Karen Bonfiglio, Finance Manager, Glastonbury Public Schools

Town of Glastonbury

Administrative Services
Accounting Division

December 24, 2019

To: Board of Finance
Richard J. Johnson, Town Manager

From: Narae McManus, Controller *NLM*

Subject: Monthly Investment Status

Pooled Investments

The Town’s pooled cash investment balances at November 30, 2019 were \$82,664,113. As of month-end, the investment balances for all funds combined were as follows:

Type of Investment	Amount	Rate	
STIF	\$ 40,050,653	1.74	
Citizens Bank	1,217,095	1.35	
Northern Capital Investment Account	11,412,525	1.30-3.40	Est. current accrued interest \$29,683
Northern Capital Sewer Funds	9,218,117	1.20-3.25	Est. current accrued interest \$18,370
People’s United Investments	5,528,807	1.61	
United Bank Money Market	6,801,279	2.02	
TD Bank Investments	<u>8,435,637</u>	1.36	
Total	<u>\$ 82,664,113</u>		

General Fund Earnings

- The General Fund portion of pooled investments at November 30 was \$51.0 million.
- As of November 30, the General Fund has realized investment earnings of \$543,755.
- As of November 30, Sewer Sinking funds totaling \$8,188,385 were invested in fully-insured CDs and \$986,303 were invested in US Government Agency securities with terms varying from 6 months to seven years, with current-year realized investment earnings of \$61,675.

Comparative information concerning General Fund earnings follows.

Fiscal Year	Budget	Realized Investment Earnings July-November	Percent of Budget
2019	\$800,000	476,635	59.58%
2020	\$1,500,000	543,755	36.25

cc: Julie Twilley, Director of Finance

TOWN OF GLASTONBURY
ADMINISTRATIVE SERVICES - Financial Administration

BOF 1/16/20
Item # 5

January 7, 2020

TO: Board of Finance and
 Richard J. Johnson, Town Manager

FROM: JBT Julie Twilley, Director of Finance & Administrative Services

RE: Financial Summary for the Six Months Ended December 31, 2019 (FY 2019/20)

Revenues & Transfers Summary:

Following is a comparison of revenues received to date, percent of budget collected and percent of revenue category to the total Town budget for the current and previous fiscal year.

Fiscal Year	Amend/Budget	Actual Through December	Actual % of Budget Collected	Category as % of Total Town Budget
Tax Revenues				
2018/2019	150,395,708	88,359,231	58.8%	91.1%
2019/2020	153,589,767	101,076,277	65.8%	92.5%
Licenses & Permits				
2018/2019	1,126,100	698,453	62.0%	0.7%
2019/2020	1,150,800	688,230	59.8%	0.7%
Intergovernmental				
2018/2019	8,313,504	2,282,017	27.4%	5.0%
2019/2020	6,781,043	2,207,689	32.6%	4.1%
Charges for Services				
2018/2019	1,450,470	665,909	45.9%	0.9%
2019/2020	1,436,765	686,944	47.8%	0.9%
Other Revenues				
2018/2019	1,784,841	703,081	39.4%	1.1%
2019/2020	2,474,251	940,424	38.0%	1.5%

Anticipated revenues for 2019/20 total \$166.0m comprised of revenues, transfers and an appropriation from Fund Balance to finance the 2019/20 adopted operating budget. At the end of the second quarter, the Town collected \$106.2m in revenues (\$59.8m remaining due to meet full year budget) which represents an increase of \$12.1m when compared to the previous year for the same period. The majority of the year-over-year change is related to:

- Tax Revenues collected were approximately \$12.7m more through December 2019 compared to the prior year. The majority of this increase was on the Current Levy.
- Licenses and Permits revenues were in-line with the prior year.
- Intergovernmental revenues were \$74k lower than the prior year due to the reduction in ECS.
- Charges for Services collected were \$21k higher than the prior year, driven by Town Clerk Recording Fees and Passport Processing, which was somewhat offset by a decrease in Town Clerk Conveyance Fees.
- Other Revenues were \$237k higher than the prior year driven by interest on investments, the sale of bulky waste fill and receipts from auction sales. (*The 2019/2020 Budget assumed an interest rate of 2.25%, which, if achieved, would yield \$1.5m in revenue.*)
- Also note that Transfer In was \$800k lower than the prior year. (\$1.4m in 2018/2019 and \$0.6m in 2019/2020 for the Elementary School Air Conditioning Project.)

cc: Karen Bonfiglio, Finance Manager
 Narae McManus, Controller

Expenditure Summary:

Through December 31, 2019, encumbrances total \$58.7m and expenditures total \$78.6m. Combined, this represents 83% of the Town's revised general fund budget of \$166.3m. This compares to \$57.9m and \$80.5m respectively, or 84%, for the same period in the prior year.

The expenditure decrease of \$1.9m is comprised of decreases in Education expenditures of \$1.3m and in Debt and Transfers of \$1.0m, which is partially offset by increases in Town expenditures of \$0.4m compared to the prior year. The reduction in Education expenditures is related to timing of payments for special education tuition expenditures; last year bills for the entire year were paid in October, whereas this year they will be paid quarterly. The \$1.0m reduction in Debt and Transfers is related to a \$1.2m reduction in debt service costs, which is partially offset by an increase in the transfer to the Capital Reserve Fund from \$5.75m in FY2018/2019 to \$6.0m in FY2019/2020. The variance in Town is driven by higher wage and benefit rates as well as a higher pension contribution. The year-over-year increase in Pension contribution for Education was \$121k and for the Town was \$170k. Note that the assumed long-term rate of return on investments was reduced from 6.625% in FY2018/2019 to 6.5% in FY2019/2020.

Below is an Expenditure & Transfer summary report through December 31, 2019.

FINANCIAL COMPARISONS

The below comparison includes Education encumbrance amounts not reflected in the Town's system Reports.

Fiscal Year	Amend/Budget	Expended	Encumbered	Comit %
<u>2018/2019</u>				
Town	\$ 42,737,563	\$22,948,731	\$ 10,880,530	79%
Education	106,034,020	47,360,108	42,475,285	85%
Debt/Transfers	15,107,804	10,163,633	4,534,204	97%
<u>2019/2020</u>				
Town	\$ 43,592,562	\$23,377,783	\$ 10,270,808	77%
Education	108,699,846	46,058,910	44,003,644	83%
Debt/Transfers	13,973,755	9,160,851	4,377,037	97%

Expenditure comparisons of the three major Town Departments are presented below:

	2018/2019	%	2019/2020	%
ADMIN SERVICES	\$ 3,384,869	55%	\$ 3,399,234	54%
PUBLIC SAFETY	7,950,154	56%	8,246,943	56%
PHYSICAL SERVICES	3,622,638	51%	3,854,323	52%

cc: Karen Bonfiglio, Finance Manager
Narae McManus, Controller

TOWN OF GLASTONBURY
CURRENT YEAR EXPENDITURES BY DIVISION
FY 2020 Through December 31, 2019

1/3/2020
8:21:28AM

FUND 010 - GENERAL FUND

DESCRIPTION	2020 ORIGINAL BUDGET	2020 REVISED BUDGET	2020 THRU DECEMBER	2020 ENCUMB	AVAILABLE BALANCE	2020 % USED
GENERAL GOVERNMENT						
TOWN COUNCIL	143,233	165,233	110,288	8,339	46,607	71.8 %
CUSTOMER SERVICE	60,316	60,316	30,179	-	30,137	50.0 %
TOWN MANAGER	615,550	637,450	304,411	202,860	130,179	79.6 %
HUMAN RESOURCES	507,055	507,055	245,138	137,560	124,357	75.5 %
FACILITIES MAINTENANCE	1,985,648	2,001,383	1,014,070	407,492	579,820	71.0 %
TOTAL GENERAL GOVERNMENT	3,311,802	3,371,437	1,704,086	756,251	911,100	73.0 %
COMMUNITY DEVELOPMENT						
COMMUNITY DEVELOPMENT	562,910	562,910	293,813	174,317	94,780	83.2 %
BUILDING INSPECTION	552,405	569,405	289,142	155,280	124,983	78.1 %
FIRE MARSHAL	359,192	359,192	200,337	89,221	69,635	80.6 %
HEALTH	727,422	735,412	390,625	208,973	135,814	81.5 %
TOTAL COMMUNITY DEVELOPMENT	2,201,929	2,226,919	1,173,917	627,790	425,212	80.9 %
ADMINISTRATIVE SERVICES						
FINANCIAL ADMINISTRATION	676,644	695,884	284,027	196,665	215,191	69.1 %
INFORMATION TECHNOLOGY	840,403	840,403	482,417	170,429	187,556	77.7 %
ACCOUNTING	449,625	468,238	263,324	209,266	(4,353)	100.9 %
PROPERTY ASSESSMENT	677,385	677,385	373,118	150,829	153,437	77.3 %
REVENUE COLLECTION	497,684	497,684	289,982	146,177	61,525	87.6 %
TOWN CLERK	546,198	546,198	285,041	158,737	102,420	81.2 %
VOTER REGISTRATION	170,200	170,200	79,566	3,005	87,629	48.5 %
LEGAL SERVICES	300,000	300,000	109,783	-	190,217	36.6 %
PROBATE SERVICES	24,800	27,633	9,461	10,874	7,297	73.6 %
INSURANCE/PENSIONS	2,030,799	2,030,799	1,222,514	195,106	613,179	69.8 %
TOTAL ADMINISTRATIVE SERVICES	6,213,738	6,254,423	3,399,234	1,241,090	1,614,100	74.2 %
PUBLIC SAFETY						
POLICE	13,396,071	13,488,599	7,620,332	3,413,970	2,454,297	81.8 %
VOLUNTEER AMBULANCE	20,820	20,820	6,904	1,024	12,892	38.1 %
FIRE	1,131,961	1,139,863	606,119	61,738	472,006	58.6 %
CIVIL PREPAREDNESS	31,202	31,202	13,588	151	17,464	44.0 %
TOTAL PUBLIC SAFETY	14,580,054	14,680,484	8,246,943	3,476,883	2,956,659	79.9 %
PHYSICAL SERVICES						
ENGINEERING	1,657,000	1,657,000	911,875	484,226	260,899	84.3 %
HIGHWAY	4,534,907	4,534,907	2,276,262	1,059,653	1,198,991	73.6 %
FLEET MAINTENANCE	1,265,363	1,265,363	666,186	307,837	291,340	77.0 %
TOTAL PHYSICAL SERVICES	7,457,270	7,457,270	3,854,323	1,851,716	1,751,230	76.5 %
SANITATION						
REFUSE DISPOSAL	859,961	881,622	424,870	250,744	206,008	76.6 %
TOTAL SANITATION	859,961	881,622	424,870	250,744	206,008	76.6 %
HUMAN SERVICES						
CONTRIBUTORY GRANTS	32,577	32,577	32,577	-	-	100.0 %
YOUTH/FAMILY SERVICES	1,301,056	1,301,056	630,640	313,419	356,997	72.6 %
SENIOR & COMMUNITY SERVICES	1,630,871	1,630,871	841,837	307,040	481,994	70.4 %
TOTAL HUMAN SERVICES	2,964,504	2,964,504	1,505,054	620,459	838,991	71.7 %

TOWN OF GLASTONBURY
CURRENT YEAR EXPENDITURES BY DIVISION
FY 2020 Through December 31, 2019

1/3/2020
8:21:28AM

FUND 010 - GENERAL FUND

DESCRIPTION	2020 ORIGINAL BUDGET	2020 REVISED BUDGET	2020 THRU DECEMBER	2020 ENCUMB	AVAILABLE BALANCE	2020 % USED
LEISURE/CULTURE						
PARKS/RECREATION	3,942,912	3,954,047	2,126,914	1,004,287	822,846	79.2 %
WELLES TURNER LIBRARY	1,786,855	1,786,855	927,443	441,588	417,824	76.6 %
SOUTH GLASTONBURY LIBRARY	7,500	7,500	7,500	-	-	100.0 %
EAST GLASTONBURY LIBRARY	7,500	7,500	7,500	-	-	100.0 %
TOTAL LEISURE/CULTURE	5,744,767	5,755,902	3,069,357	1,445,874	1,240,671	78.4 %
OTHER:DEBT & TRANSFERS						
DEBT SERVICE	7,157,157	7,157,157	2,344,253	4,377,037	435,868	93.9 %
TRANSFERS	6,816,598	6,816,598	6,816,598	-	-	100.0 %
TOTAL OTHER:DEBT & TRANSFERS	13,973,755	13,973,755	9,160,851	4,377,037	435,868	96.9 %
EDUCATION						
EDUCATION	108,699,846	109,259,259	46,575,543	750	62,682,966	42.6 %
TOTAL EDUCATION	108,699,846	109,259,259	46,575,543	750	62,682,966	42.6 %
TOTAL GENERAL FUND	166,007,626	166,825,576	79,114,177	14,648,595	73,062,804	56.2 %

GLASTONBURY PUBLIC SCHOOLS

TO: Board of Education
Board of Finance
FROM: Alan B. Bookman, Superintendent
Karen Bonfiglio, Finance Manager
DATE: December 19, 2019
RE: Reconciliation
Education General Fund Total Expenditures &
Checking Accounts for All Programs

- 1) The Education and Town staff has agreed as to the total expenditures for the Education Budget, in concert with the Town's control totals.
The year to date General Fund expenditures through November 2019 are \$37,919.980.
- 2) Checking Account Reconciliations:

<u>ACCOUNT TITLE</u>	<u>Date Completed By Education</u>	<u>Date Reviewed By Town</u>
<u>General Fund:</u>		
Accounts Payable	12/09/19	12/16/19
Payroll	12/09/19	12/16/19
<u>Other Funds:</u>		
Educational Grants	12/09/19	12/16/19
Student Activities	12/18/19	12/19/19
School Foods	12/18/19	12/19/19
Dependent Care	12/12/19	12/16/19
Planetarium	12/18/19	12/19/19

cc: Narae McManus, Controller

Note: Reconciliation of checking accounts will generally follow a two month time frame after the applicable month for which the report is being prepared. We would suggest that we do not expect to complete reconciliations until that time. In completion of various accounting functions, administrative assignments will also stagger the work for those reconciliations.

TOWN OF GLASTONBURY

BOF 1/16/20
Item # 7

ADMINISTRATIVE SERVICES - Financial Administration

January 7, 2020

TO: Board of Finance
FROM: *JBT* Julie Twilley, Director of Finance & Administrative Services
RE: Capital Projects Fund Expenditures Report
For the Period Ended December 31, 2019 (FY 2019/2020)

The funding presented on this statement has been authorized by referendum, the annual Capital Improvement Program and additional appropriations from the Capital Reserve Fund balance as noted below. The Capital Program designation includes funding resources of the Capital Reserve Fund, Sewer Assessments Fund, or Sewer Operating Fund and grants. In some cases, funding resources may also be provided from General Fund fund balance.

Current appropriated funding for all Capital projects as indicated on the December 31, 2019 report is **\$92.2m**.

Expenditures for current projects since inception through December 31, 2019 total **\$68.9m**. Encumbrances outstanding total **\$10.2m**. The most significant encumbrances are for Land Acquisitions (\$7.0m – for Metropolitan District Properties), Cider Mill Pump Station (\$1.3m), a Fire Apparatus (\$302k), and Hebron Ave/House St. Improvement (\$290k).

Capital expenditures through the month of December totaled **\$5.2m** and were for Road Overlay, School HVAC/Boilers and other capital projects.

Attachment

Cc: Richard J. Johnson, Town Manager
Narae McManus, Controller
Karen Bonfiglio, Finance Manager, Board of Education

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2020 Through December 31, 2019

DESCRIPTION	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	2020 THRU DECEMBER	2020 ENCUMB	AVAILABLE BALANCE
FUND 301 - CAPITAL RESERVE PROJECTS					
GenGovt/Public Safety					
Academy Re-Use Phase One	2,221,238	2,219,672	-	-	1,566
Town Buildings Security	564,743	465,087	54,108	34,835	64,821
Disaster Prep/Recovery Resourc	884,000	883,866	19,118	-	134
Fire Co Renovations/Code Compl	420,000	65,764	21,718	183,285	170,951
Public Safety Communications	515,000	397,516	-	-	117,484
Multi-Town Dispatch Center	717,810	717,810	-	-	-
Police Lockers	305,000	303,806	236	-	1,194
Police Building Windows	142,500	7,331	-	133,416	1,753
Police Building Windows	60,000	-	-	55,739	4,261
Fiber Optic Network-School/Twn	1,117,000	1,110,083	-	5,975	942
Fire Apparatus	575,000	254,777	252,214	302,017	18,206
Fire Apparatus	135,000	134,945	134,945	-	55
Land Acquisition	1,253,639	1,150,425	-	-	103,214
Town Facilities Shop/Storage	1,045,000	1,043,542	141,069	-	1,458
Property Revaluation	1,706,500	1,496,042	63,160	-	210,458
Townwide Boiler/HVAC Replaceme	557,323	556,812	-	-	511
Document Management System	460,000	258,295	-	53,171	148,535
Telephone System	175,000	173,630	-	-	1,370
Tn Hall Improvements	1,717,283	1,699,275	49,460	11,427	6,581
Townwide Roof Replacement	750,000	552,293	22,288	70,700	127,007
Clean Renewable Energy In	1,387,044	1,273,781	3,409	792	112,471
GenGovt/Public Safety	16,709,080	14,764,752	761,725	851,356	1,092,972

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2020 Through December 31, 2019

DESCRIPTION	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	2020 THRU DECEMBER	2020 ENCUMB	AVAILABLE BALANCE
PhyServices Sanitation					
Bulky Waste Scale	91,000	91,523	-	-	(523)
Dam Maintenance/Replacement	22,624	22,624	-	-	-
Dam Maintenance/Replacement	592,907	592,907	24,285	-	-
Bridge Replacement/Rehabil	3,691,258	2,862,566	124,341	53,046	775,647
Hebron Ave Trail Fencing	35,000	35,000	-	-	-
GriswoldHouseSt Intersect	1,457,000	1,265,884	-	-	191,116
Douglas/Sycamore Str Alignment	210,000	28,571	1,922	1,329	180,100
Main Street Sidewalks Phase 3	965,000	37,019	2,798	4,788	923,193
Parking/Access Drive Improvmt	600,000	501,840	242,317	-	98,160
Hebron Avenue Resurfacing	1,250,000	1,007,458	214	99,809	142,733
Sidewalk Construction Townwide	100,011	600	600	-	99,411
Cedar Ridge Public Water	250,000	50,000	50,000	-	200,000
Sidewalk Repair and Maintenanc	175,000	174,029	174,029	-	971
Townwide Drainage Solutions	100,000	-	-	-	100,000
Old Maids Lane-Public Water	175,000	-	-	-	175,000
Road Overlay	1,429,992	1,156,611	1,156,611	-	273,381
Heavy Equipment	214,070	163,702	109,837	-	50,368
Heavy Equipment	235,000	195,049	195,049	-	39,951
Glastonbury Blvd Paving	1,800,000	-	-	-	1,800,000
Traffic Calming	100,000	-	-	-	100,000
Renovation andSite Restoration	1,573,189	1,526,186	87,638	50,157	(3,155)
Renovation andSite Restoration	50,000	-	-	24,490	25,510
Town Center Traffic/Street Imp	2,125,000	2,118,814	37,952	-	6,186
Main Street Traffic Signal Sys	2,836,000	2,793,278	-	-	42,723
Hebron Ave/House St Improvemen	1,975,000	1,461,989	56,632	290,490	222,521
PhyServices Sanitation	22,053,050	16,085,648	2,264,224	524,109	5,443,293
Culture/Parks &Recreation					
Aquatics Facility	125,000	109,396	-	3,500	12,104
Bikeways / Bikepaths	955,000	940,739	-	7,100	7,162
Minnechaug Golf Improvements	512,500	352,407	3,184	136	159,957
Library Exterior Renovations	94,624	-	-	-	94,624
Multi-Use Trail	1,228,000	281	281	-	1,227,719
Parks Facility Renov/Expansion	1,067,500	985,167	33,365	23,418	58,916
Riverfront Park Extension	803,973	777,023	-	-	26,950
Library Upgrade/Redesign	450,000	247,561	-	-	202,439
Library Windows	147,157	156,376	-	-	(9,219)
Grange Pool	350,000	344,572	13,007	-	5,428
Tree Management	125,000	82,565	82,565	25,435	17,000
Cider Mill	80,000	39,926	275	-	40,074
Open Space Access	540,000	337,421	-	1,000	201,579
Winter Hill	100,000	98,950	1,624	1,050	-
Library Space Planning Study	39,485	39,485	-	-	-
Culture/Parks &Recreation	6,618,239	4,511,868	134,301	61,639	2,044,732

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2020 Through December 31, 2019

DESCRIPTION	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	2020 THRU DECEMBER	2020 ENCUMB	AVAILABLE BALANCE
Education					
HVAC/Boilers	1,299,034	1,199,126	1,032,492	210,150	(110,242)
Energy Audit--All Schools	312,500	241,303	-	-	71,197
Carpet Replacement - Schools	561,641	561,641	-	-	-
Carpet Replacement - Schools	309,859	297,270	-	-	12,589
GHS Fieldhouse	1,115,000	68,777	30	47,024	999,198
Gideon Wells Window Replmnt	1,723,842	1,687,509	-	-	36,333
Schools Air Conditioning	2,175,000	2,175,000	6,654	-	-
School Code Compliance	230,000	186,996	83,283	-	43,004
GHS Kitchen Upgrades	1,550,000	170,931	28,389	89,150	1,289,919
GHS Parking and Access Drives	365,000	365,616	131,329	-	(616)
School Roofs	50,000	14,788	9,900	3,600	31,612
School Communications	100,000	86,150	-	-	13,850
Education	9,791,876	7,055,108	1,292,077	349,923	2,386,845
GHS Renov/ Capital Reserve					
GHS Auditorium Acoustics	100,000	64,533	-	-	35,467
GHS Renov/ Capital Reserve	100,000	64,533	-	-	35,467
TOTAL CAPITAL RESERVE PROJECTS	55,272,246	42,481,909	4,452,328	1,787,027	11,003,309
FUND 302 - SEWER SINKING PROJECTS					
PhySer Sewer Sinking					
WPC Emergency Power	202,500	145,764	-	-	56,736
WPC Energy Conservation Prog	315,000	68,051	-	36,218	210,731
Cider Mill Pump Station	1,791,000	333,656	245,062	1,317,347	139,997
PhySer Sewer Sinking	2,308,500	547,471	245,062	1,353,565	407,464
TOTAL SEWER SINKING PROJECTS	2,308,500	547,471	245,062	1,353,565	407,464
FUND 303 - LAND ACQUISITION					
Land / Open Space					
Land 2009	2,233,000	2,233,000	5,500	-	-
Land 2012	4,700,000	2,511,107	(3,000)	2,188,893	-
Land 2016	3,000,000	-	-	3,000,000	-
Land 2017	3,000,000	376,831	376,831	1,811,107	812,062
Land / Open Space	12,933,000	5,120,938	379,331	7,000,000	812,062
TOTAL LAND ACQUISITION	12,933,000	5,120,938	379,331	7,000,000	812,062
FUND 304 - TOWN AID					
PhySer Conn Grant					
Town Aid Improved Rds	884,945	28,742	28,742	31,906	824,297
Town Aid Unimproved Rds	25,691	4,825	4,825	5,100	15,766
PhySer Conn Grant	910,635	33,567	33,567	37,006	840,063
TOTAL TOWN AID	910,635	33,567	33,567	37,006	840,063

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2020 Through December 31, 2019

DESCRIPTION	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	2020 THRU DECEMBER	2020 ENCUMB	AVAILABLE BALANCE
FUND 314 - RIVERFRONT PARK					
Riverfront Park - Phase I					
Administrative	147,738	147,737	-	-	1
Engineering	121,418	121,417	-	-	1
Machinery & Equipment	196,373	196,373	-	-	-
Construction	3,784,471	3,784,470	-	-	1
Riverfront Park - Phase I	4,250,000	4,249,998	-	-	2
RIVERFRONT PARK - PHASE II					
Administrative	18,000	17,962	-	-	38
Engineering	863,500	844,120	14,353	74	19,306
Construction	14,680,000	14,712,305	-	-	(32,305)
Contingency	48,500	30,833	30,503	-	17,668
RIVERFRONT PARK - PHASE II	15,610,000	15,605,220	44,856	74	4,706
TOTAL RIVERFRONT PARK	19,860,000	19,855,218	44,856	74	4,708
FUND 316 - GATEWAY PROJECT					
Gateway Corporate Park					
Gateway Corp. Park	888,541	869,410	-	-	19,131
Gateway Corporate Park	888,541	869,410	-	-	19,131
TOTAL GATEWAY PROJECT	888,541	869,410	-	-	19,131
GRAND TOTAL	92,172,922	68,908,513	5,155,143	10,177,671	13,086,738


TOWN OF GLASTONBURY

MEMORANDUM

DEPARTMENT OF ADMINISTRATIVE SERVICES

FINANCIAL ADMINISTRATION

TO: Board of Finance
Richard J. Johnson, Town Manager

FROM:  Julie Twilley, Director of Finance & Administrative Services

DATE: January 8, 2020

SUBJECT: Self Insurance Reserve Update December 2019

The attached report summarizes the Self Insurance Reserve fund through December 31, 2019. The total reserve is \$4,471,576 allocated (\$101,076) and \$4,572,652 between Town and Board of Education, respectively. As of December the fund is experiencing a \$2,354,609 loss for the fiscal year.

There are 13 large loss claims which are defined as any claims that exceed \$50,000. BOE has six while the Town has seven large loss claims. There are two, one each for BOE and the Town that have exceeded the individual Stop Loss limit. The Individual Stop Loss limit is \$200,000 for BOE and \$150,000 for the Town. As of January 6th, we have received the reimbursements for the two claims (\$854,770 for BOE and \$49,478 for the Town) which are not reflected in the financial summary.

All Stop Loss reimbursement for claims occurring in FY2018/2019 have been received and are included in the report.

Enc.

cc: Dr. Alan Bookman, Superintendent
Karen Bonfiglio, Business Manager
Rose Brown, Human Resources Manager

SELF INSURANCE RESERVE FUND

YTD Balances As of: December 31, 2019

	<u>Town</u>	<u>Education</u>	<u>Total</u>
Contributions			
Employer	2,074,604	\$5,996,686	\$8,071,290
Employee	683,751	1,167,531	1,851,282
Stop Loss Reimbursement	16,510	227,866	244,376
Total Revenues	\$2,774,864	\$7,392,083	\$10,166,948
Expenditures			
Anthem			
ASO Fees	\$17,420	\$70,589	\$88,009
Claims	595,937	6,422,031	7,017,968
	<u>\$613,357</u>	<u>\$6,492,619</u>	<u>\$7,105,977</u>
CTCare			
ASO Fees	\$63,472	\$86,639	\$150,111
Claims	1,874,007	1,961,102	3,835,109
	<u>\$1,937,478</u>	<u>\$2,047,741</u>	<u>\$3,985,220</u>
Delta Dental			
ASO Fees	\$8,851	-	\$8,851
Claims	108,553	-	108,553
	<u>\$117,404</u>	<u>-</u>	<u>\$117,404</u>
Bank Fees/PCORI Fee	\$1,236	\$3,931	\$5,166
CT Prime	297,768	965,021	\$1,262,789
OneDigital Consultant Fees	9,000	36,000	45,000
	<u>\$308,004</u>	<u>\$1,004,952</u>	<u>\$1,312,956</u>
Total Expenditures	\$2,976,244	\$9,545,312	\$12,521,556
Current Year Revenues Less Expenses	(\$201,380)	(\$2,153,229)	(\$2,354,609)
Reserve July 1, 2019	\$100,304	\$6,725,881	\$6,826,185
Reserve at end of month	<u>(\$101,076)</u>	<u>\$4,572,652</u>	<u>\$4,471,576</u>

Note: The Reserve formula will be updated at the end of each quarter. The next update will be provided in February 2020.

TOWN OF GLASTONBURY
TRANSFER OF FUNDS

FUND	General Fund
SOURCE OF FUNDS	Within Department
ACTION REQUIRED	Town Manager

REASON FOR TRANSFER

Transfer request to replace an iPad used by the Building Official with a Surface Pro. iPad is identified for replacement on the Information Technology schedule. Funds are available due to a recent vacancy of the part-time fire inspector position. This transfer is within the Community Development Department.

TRANSFER FROM	ACCOUNT CODE	AMOUNT
Fire Marshal - Part-time wages	01240-40430	\$2360

TRANSFER TO	ACCOUNT CODE	AMOUNT
Building Inspection - Programs	01217-44710	\$2360

Date 1-8-2020 Town Manager 

BANK COLLATERALIZATION REPORT

AS OF September 30, 2019

PUBLIC FUNDS PROTECTION CGS 7-400/36A-330

Bank	Tier-One Leverage Ratio	Risk-Based Capital Ratio	Minimum Collateral Required	Uninsured Public Deposits (in 000's)	Total Collateral (in 000's)	Is Total Collateral Greater Than Required Collateral^(A)
	6% or grtr < 5% All others	and and	12% or grtr < 10%	10% 110% 25%		
Bank of America	8.85%	13.50%	10.00%	518,777	498,477	Yes
Citizens Bank	9.94%	13.01%	10.00%	188,877	30,000	Yes
JP Morgan/Chase	8.78%	15.43%	10.00%	41,277	101,000	Yes
People's United	8.83%	12.24%	10.00%	766,462	123,753	Yes
TD Bank	9.05%	15.64%	10.00%	1,013,296	115,000	Yes
United Bank	11.03%	9.18%	25.00%	336,770	173,205	Yes
Webster Bank	9.04%	13.37%	10.00%	1,446,206	203,140	Yes

(A) Required Total Collateral > Minimum Collateral Required % X Uninsured Public Deposits.

* Wells Fargo was previously listed on this report. Upon further review, Wells Fargo only hold trust funds for the Town of Glastonbury, not bank assets, and therefore is not subject to collateralization requirements listed above. As such, Wells Fargo will no longer be listed on this report.

TOWN OF GLASTONBURY

ADMINISTRATIVE SERVICES - Financial Administration

January 8, 2020

TO: Board of Finance
FROM: *JBT* Julie Twilley, Director of Finance & Administrative Services
RE: Bond Anticipation Note Sale

The Town of Glastonbury held a General Obligation Bond Anticipation Note offering for sale at public bidding on January 7, 2020. The offering received five competitive bids, with the final award as follows:

- \$4,685,000 General Obligation BANs:
 - Awarded to Piper Sandler (newly merged Piper Jaffray and Sandler O'Neill)
 - Net Interest Cost of 1.1995% (Dated January 15, 2020, To Mature July 24, 2020)
 - The Note proceeds will be used to provide funds for various general purpose projects

Cc: Richard J. Johnson, Town Manager
Narae McManus, Controller

TOWN OF GLASTONBURY

ADMINISTRATIVE SERVICES - Financial Administration

BOF 1/16/20
Item # 15

January 9, 2020

TO: Board of Finance
Richard J. Johnson, Town Manager

FROM: JBT Julie Twilley, Director of Finance & Administrative Services

RE: Capital Improvement Program Criteria

The Capital Improvement Program Criteria calls for an annual review by the Board of Finance and Town Council. The CIP Criteria is subject for review during the January 16, 2020 Board of Finance meeting.

Attachment: Capital Improvement Program Criteria

C: Narae McManus, Controller
Karen Bonfiglio, Finance Manager, Board of Education

TOWN OF GLASTONBURY
CAPITAL IMPROVEMENT PROGRAM CRITERIA

Purpose

In recognition that buildings, infrastructure, technology and major equipment are the physical foundation for providing services to the residents of the Town of Glastonbury, a multi year Capital Improvement Program (CIP) is prepared and reviewed annually. The purpose of the CIP is to budget for the acquisition, replacement or renovation of major capital/fixed assets. These items are generally not of a recurring nature and not included in the regular operating budget process. Careful planning during this process is critical to the procurement, construction, and maintenance of capital assets to meet the needs and activities of the Town.

A comprehensive capital plan will help ensure the future financial health of the Town and the continued delivery of public services to citizens and businesses.

Capital/Fixed Assets are categorized as follows:

- Land
- Land Improvements
- Buildings and Improvements
- Machinery and Equipment
- Infrastructure

The following Capital/Fixed Asset items may be included in the Town's annual operating budget:

- Fixed assets that cost less than \$75,000
- Fixed assets that are of a recurring nature and acquired each year

The following Capital/Fixed Asset items are to be included in the Town's CIP:

- The acquisition of and improvements to assets that cost \$75,000 or more and,
- The Capital/Fixed Assets, or improvements, that have an anticipated life expectancy of ten years or more. Most non-recurring major expenditures are the result of the Town's acquisition of capital items that form the physical foundation for municipal services such as land, buildings, infrastructure improvements, machinery and equipment. However, there can be major expenditures for non-capital items that can be anticipated on a recurring and periodic basis and require significant funding. In addition to the above items, the following proposed expenditures may be considered in the CIP, although they may not constitute capital/fixed assets with useful lives of ten years or more.
- Property revaluation required by the Connecticut General Statutes
- Technology programs and systems
- The annual road paving program can be anticipated on a recurring basis; however, it requires funding of significantly more than \$75,000 and should be included in the CIP process.

The above items and other similar items that may require significant funding of \$75,000 or more, and are not anticipated to be acquired each year, may be appropriate to be included in the CIP process.

This CIP provides for a five-year plan of acquisition, renovation, replacement and construction of the items included in the CIP and includes a planning, budgetary and financing process.

CAPITAL IMPROVEMENT PLANNING PROCESS

Identification of Needs

Annually, each department, board or agency shall submit a proposed five year CIP to the Town Manager in accordance with the CIP schedule. Requested items shall include acquisition of capital assets, new construction, major renovations and improvements to municipal facilities, purchase of machinery and equipment and other items that satisfy the CIP criteria. Capital improvement proposals received outside of the formal CIP process from departments, citizens, agencies or organizations shall be forwarded to the Town

Manager for review and recommendation to the Town Council as applicable.

Items that are to be included in the Capital Improvement Program include the following with an estimated cost of \$75,000 or more and have a useful life of not less than ten years:

- Purchase of Land and Development Rights
- Construction of New Buildings
- Land and Building Improvements and Renovations
- Machinery and Equipment
- Infrastructure Improvements (streets, sewers, sidewalks, etc.)
- Vehicles and Construction equipment
- Feasibility Analysis/Design/Cost estimates and other professional services relative to anticipated major projects
- In addition to the above items, the CIP may include certain recurring expenditures/projects that due to their nature and anticipated cost are best appropriated through the CIP (e.g. revaluation or major software acquisition)

Capital Improvement Program Timing/Schedule

Capital Improvement items are considered on the basis of need and value to the community. In general, the CIP will be prepared, presented and acted upon in accordance with the following schedule:

No later than January 29	Town Manager shall provide a five year planning document to the Town Council summarizing department proposals for capital improvements, a recommendation of items to be included in the CIP, project priorities for the following fiscal year and proposed method/sources of funding for all recommended projects.
On or about February 1	Town Council shall recommend preliminary capital improvement priorities to the Board of Finance
On or about February 15	Board of Finance shall recommend CIP to Town Council
No later than March 27	Town Council adopts capital program for the following fiscal year

The Town Manager will provide the Town Council periodic status reports throughout the year and present detailed project status reports or design plans on an as needed basis in accordance with the applicable project schedule.

Estimated Costs

Costs shall be estimated for all items requested as part of the five-year Capital Improvement Program. Costs for items requested in years two through five shall anticipate an escalation rate to be determined by the Town Manager at the beginning of the CIP process.

The steps for **major** construction projects, those estimated to exceed \$250,000, shall be recommended by the Town Manager and will generally include the following:

- A. Evaluation/feasibility phase, as necessary
- B. Preliminary design and cost estimating phase
- C. Final Design and construction

Subject to the specifics of the project, funding for steps A and B may be combined in the initial request. Cost estimates should include preliminary design fees, final design fees, architectural fees, construction management fees, construction costs, acquisition costs, contingency, escalation, legal and financing fees, including short term interest, and any other costs applicable to the project. The scope and estimated costs of in kind services shall be identified and presented along with the initial cost estimates for the project.

CAPITAL IMPROVEMENT BUDGETARY PROCESS

Funding

The Town Council, as part of the annual operating and capital budget process, will review the capital projects recommended by the Town Manager. The Town Manager will develop a recommended financing plan, with options, based on total project costs, cash flow, projected method(s) of financing the projects, Capital Reserve fund projections, mill rate and debt service impact on future operating budgets. The Town Council shall review these projections when developing project priorities and the recommended capital program for the following year. The goal is to effectively balance the total of the annual Capital Reserve Transfer and Debt Service requirements to minimize fluctuations in the mill rate in accordance with established guidelines set forth in this document.

An annual financing plan for the multi-year capital improvement plan is critical to the CIP process. Factors to be considered shall include:

- Anticipated revenue and expenditure trends and the relationship to multi-year financial plans
- Cash flow projections of the amount and timing of the capital improvement projects
- Compliance with all established financial policies
- Legal constraints imposed by Town charter or State statute
- Evaluation of various funding alternatives
- Reliability and stability of identified funding sources
- Evaluation of the affordability of the financing strategy, including debt ratios, future budgets and mill rate.

The Capital Improvement Program shall generally be funded as follows:

A. Capital Reserve Fund – The Town will use the Capital Reserve Fund as the primary funding source for CIP projects to be funded on a cash basis.

Based on factors referenced herein the Town Council shall review the following when considering the annual general fund appropriation and transfer to the Capital Reserve Fund:

- Capital projects proposed for funding on a cash basis through the 5 year CIP.
- Annual depreciation for Capital/Fixed Assets including but not limited to buildings, machinery and equipment, vehicles, improvements with a depreciation schedule of less than 50 years
- Appropriations for acquisition, replacement and renovation of Capital/Fixed Assets not part of the CIP (Capital Outlay) through the Town and Education operating budgets.
- Unassigned fund balance in the Capital Reserve Fund and potential reserve for future large scale capital projects to be funded on a “cash” basis.

Other factors to be considered for funding the CIP include:

- Debt Service requirements for projects authorized pursuant to referendum
- Approved state and federal grants for authorized and proposed capital projects
- Opportunity to transfer funds from the General Fund unassigned fund balance for “one time” capital projects through the sale of assets (e.g. land, buildings).
- The Town’s bond rating
- Other factors influencing the annual budget and mill rate with the goal of minimizing significant fluctuations in the mill rate
- Funding available through the Sewer Sinking and Sewer Operating Funds

The minimum annual funding for the CIP shall equal the annual depreciation of assets deemed

appropriate for CIP funding as defined herein.

Annually the Board of Finance shall review the General Fund unassigned fund balance, Capital Reserve Fund unassigned fund balance and other funding sources and may recommend a transfer of additional funds to the Capital Reserve. The goal of the Town is to maintain an unreserved and undesignated balance in the Capital Reserve Fund of an amount equivalent to \$1,000,000, except as needed to meet emergencies. The reserve policy will be reviewed annually and adjusted accordingly as part of the CIP process. Factors to be considered include evaluation of the projects in the multi-year plan, the method of financing and their effect on projected mill rates.

B. Donations/Grants/Loans – Anticipated grants and contributions from various organizations, groups or individuals for CIP projects shall be used to reduce the estimated cost to the Town.

C. General Obligation Bonds – CIP projects of a significant cost and not reasonably funded on a cash basis may be considered for funding through the issuance of general obligation bonds to be authorized and issued in accordance with Section 312 of the Glastonbury Town Charter.

Debt Limitations

Subject to referendum approval, the Town may issue bonds for projects of a scope and cost not reasonably funded on a cash basis from current revenues. Debt Service is typically issued for major improvements and renovations. When considering debt service, a strong credit rating is a valuable asset. The following general guidelines and standards shall be used to preserve the Town's strong credit rating and effectively manage ongoing debt service requirements.

- Ratio of net debt to equalized full value of Grand List not to exceed 2.5%
- Debt Service as a percent of budgeted expenditures not to exceed 10%
- Long-term debt will be repaid within a period not to exceed the expected useful life of capital improvements financed by such debt.
- Bonds will be issued to keep the average life of the general obligation bonds at or below ten years and to retire sixty-five percent of the debt at or below approximately ten years
- Standards published by bond rating agencies

Referendum Threshold – Expenditures of Cash Resources

In accordance with Section 312 of the Glastonbury Town Charter projects involving the issuance of debt require authorization at public referendum.

The purpose of this section is to establish a Council policy for approval of Capital projects involving the appropriation of significant cash resources. Such funding would typically be appropriated from the General Fund and Capital Reserve Fund and could involve grants, community donations and other funding sources. A referendum threshold is established under this section as a general Council policy for cash funded Capital projects.

The referendum threshold shall be defined as cash funded projects which exceed two percent (2%) of the adopted Town, Education, and Debt & Transfers budget, rounded to the next highest \$50,000. Generally, projects exceeding the Town's referendum threshold will be submitted to public referendum. However, in establishing this policy, the Council recognizes there will be circumstances and conditions for which a public referendum is not practical or in the best interests of the community. Examples include Capital Improvements involving:

- exigent circumstances affecting the health or safety of the community;
- grant funding and community donations which reduce the net project cost below the applicable threshold;
- care and maintenance of Town buildings, roads, bridges, facilities, sanitary sewers and other infrastructure;
- projects that are of a recurring nature and may be funded on an annual basis for which cumulative

funding could exceed the referendum threshold. Examples include the annual road paving program; technology systems and upgrades; infrastructure improvements; and other projects and items.

Projects will not be phased over a number of years to circumvent the referendum threshold with the exceptions noted herein.

Annual Review

The Capital Improvement Program Criteria will be reviewed annually and may be amended by action of the Town Council upon recommendations by the Board of Finance

Date Last Revised: December 6, 2016

Date Last Reviewed by Board of Finance: January 17, 2019

Date Adopted by Town Council: January 22, 2019

**TOWN OF GLASTONBURY
MEMORANDUM**

**DEPARTMENT OF ADMINISTRATIVE SERVICES
Financial Administration**

TO: BOARD OF FINANCE
FROM: *QBT* Julie Twilley, Director of Finance
DATE: January 8, 2020
SUBJECT: JANUARY 1, 2020 THROUGH JANUARY 31, 2021 MEETING SCHEDULE

JANUARY 16, 2020*	REGULAR MEETING
FEBRUARY 19, 2020	REGULAR MEETING
MARCH 18, 2020	REGULAR MEETING
APRIL 22, 2020	REGULAR MEETING
MAY 20, 2020	REGULAR MEETING
JUNE 17, 2020	REGULAR MEETING
JULY 15, 2020	REGULAR MEETING
AUGUST 2020	No Regular Meeting
SEPTEMBER 16, 2020	REGULAR MEETING
OCTOBER 21, 2020	REGULAR MEETING
NOVEMBER 18, 2020	REGULAR MEETING
DECEMBER 16, 2020	REGULAR MEETING
JANUARY 21, 2021*	REGULAR MEETING

All meetings held in Town Hall Meeting Room A, second level at 4:00 p.m. unless otherwise indicated.

*Meeting to occur at the Riverfront Community Center at 4:00 p.m.

Signed _____
Chairman/Secretary

Date _____

Telephone # During the Day:

DRAFT – As of January 9, 2020

TOWN OF GLASTONBURY

MEMORANDUM

**DEPARTMENT OF ADMINISTRATIVE SERVICES
Financial Administration**

TO: Board of Finance
 FROM: JBT Julie Twilley, Director of Finance
 DATE: January 9, 2020
 SUBJECT: Possible Dates for FY 2020/2021 Budget Meetings

The following dates, times and meeting locations are being considered for the FY 2020/2021 Budget Calendar. These dates are subject to change as we consider scheduling conflicts and room availability. A final budget calendar will be distributed in the next few weeks.

<u>Tentative</u> Date / Time / Meeting Location	Meeting Topic
<u>One of the following:</u> Thursday, January 23, 2020 (6:00 PM / RCC) [Reg. BOF Meeting @ 4PM]	Capital Improvement Program
Tuesday, January 28, 2020 (7:00 PM / Town Council Chambers)	Annual Town Meeting (no later than 1/29)
<u>Four of the following: (*hard stop at 6:30 PM)</u> Monday, January 27, 2020 (3:30 – 6:30* PM / TBD) Wednesday, January 29, 2020 (3:30 – 6:30* PM / TBD) Thurs., January 30, 2020 (3:30 – 6:30* PM / TBD) [<u>Only if Needed</u>] Monday, February 3, 2020 (3:30 – 6:30* PM / TBD) Wednesday, February 5, 2020 (<u>3:00</u> – 6:30* PM / TBD) – Best for BOE	<u>Workshops & Public Hearing:</u> <ul style="list-style-type: none"> • Town Operating Budget • CIP & Other Remaining Items • BOE Budget (Council Chambers) • Public Hearing (at least 10 days after Annual Town Meeting, but no later than Feb. 8) Propose Budget to Council
<u>One of the following: (**hard stop at 6:00 PM)</u> Monday, February 10, 2020 (4:00 – 6:00** PM / Meeting Room A) Wed., February 12, 2020 (4:00 – 6:00** PM / Meeting Room A)	Propose Budget to Council