

AGENDA

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GLASTONBURY BOARD OF FINANCE – NOTICE OF SPECIAL MEETING

Friday, February 14, 2020, 8:00 AM, Town Hall, 2155 Main Street, Glastonbury, CT - Meeting Room A

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

The meeting will begin with a Budget discussion and the preparation by the Board of Finance of its proposed annual town budget for submission to the Town Council for consideration:

- A. Public Comment Session (sign in sheet provided) – Comments pertaining to the call.
- B. Communication: Presentation of Grand List Report
- C. Communication: Potential for Any Unfinished Business – FY20/21 Budget
- D. Action: Propose to Town Council FY20/21 Town Operating Budget
- E. Action: Propose to Town Council FY20/21 Education Budget
- F. Action: Propose to Town Council FY20/21 Debt & Transfers Budget
- G. Action: Propose to Town Council FY20/21 General Fund Revenues & Transfers Budget
- H. Action: Propose to Town Council FY20/21 Capital Improvement Program Budget, including Capital Reserve Fund and Town Aid Road
- I. Action: Propose to Town Council FY20/21:
 - a. Sewer Operating Fund Budget
 - b. Recreation Activities Fund Budget
 - c. Police Private Duty Fund Budget
 - d. Riverfront Park Fund Budget

The balance of the meeting will include discussion of the Board's normal monthly topics, including:

1. Communication: FIA Report and Firm Update
2. Communication:
 - a. Minutes of January 16, 2020 – Regular BOF Meeting
 - b. Minutes of January 23, 2020 – CIP Meeting
 - c. Minutes of January 28, 2020 – Annual Town Meeting
 - d. Minutes of January 29, 2020 – Town Operating Budget and CIP Meeting
 - e. Minutes of February 5, 2020 – BOE Budget Meeting (minutes to be provided at meeting)
3. Communication: Pension Report – December 2019
4. Communication: Month End Investments – December 2019
5. Communication: Financial Summary for 7 months - January 2020
6. Communication: Education Reconciliation – December 2019
7. Communication: Capital Projects – January 2020
8. Communication: Self Insurance Reserve Fund – January 2020
9. Communication: Transfers Approved by Town Manager Since Last Meeting
10. Action: Transfers over \$5,000 (none)
11. Communication: General Obligation Refunding Bonds (material to be provided at meeting)
12. Communication: Moody's and S&P Ratings Reports
13. Communication: Follow-Up Items from Prior Meetings
14. Board of Finance Committee Reports, comments and remarks (no action to be taken)
15. Adjournment

**PROPERTY ASSESSMENT DEPARTMENT
GRAND LIST REPORT – OCTOBER 1, 2019**

The 2019 Grand List was completed and signed on January 30, 2020. The total net taxable assessed value of \$4,279,213,990 is an increase of 1.28% over the 2018 Grand List. This grand list as filed by the Assessor is subject to adjustment by the Board of Assessment Appeals resulting from their March hearings, appeals brought to the Superior Court of the State of Connecticut and other lawful changes. A summary of the dollar and percentage changes from the 2018 to 2019 Grand List by major property class is listed below:

NET ASSESSMENT SUMMARY

	<u>2018</u>	<u>2019</u>	<u>\$ CHANGE</u>	<u>% CHANGE</u>
REAL ESTATE	\$3,733,568,732	\$3,762,888,250	\$29,319,518	.79%
PERSONAL PROPERTY	180,757,180	189,656,700	8,899,520	4.92%
MOTOR VEHICLE	310,733,385	326,669,040	15,935,655	5.13%
TOTALS	\$4,225,059,297	\$4,279,213,990	\$54,154,693	1.28%

The 1.28% increase of the 2019 taxable grand list continues the strong pattern of growth in the list since 2007 and strengthens the solid tax base in Glastonbury. While all three sectors achieved increases, the \$15.9 million growth in the motor vehicle segment was unanticipated.

In 2019 the area real estate market continued on a steady upward path, as it has done for the prior two years. Growth in the volume of residential sales climbed from 541 to 587 (8.5%) over the previous grand list period. In addition, the average sales price increased from \$362,487 to 382,987(5.7%), capping a steady improvement in year over year growth. These results are generally superior to similar local towns and are primarily attributed to an improved regional economy, limited supply and low interest rates.

Key indicators of sustained growth included new home permits issued and the number of home renovations and additions. New home construction jumped 32% with an increase from 38 permits issued last year to 50 this year. The continued success of two relatively large subdivisions and one mid-sized development buoyed the market whilst two emerging mid-sized projects offered sustained continuity of local housing supply & demand.

Permits for additions and residential alterations increased from 432 to 463 projects, a 7% increase as homeowners furthered investment in their homes. Residential development projects underway include construction on an 18 unit PAD, in addition to the typical handful of 1 and 2 lot cuts.

An active local commercial market saw the following projects completed: the second phase of a 27,000 sq. ft. retail & restaurant project on Main St (the former Pond House site), a 13,560 sq. ft. medical building on Western Blvd, a 4,500 sq. ft. medical office on Sycamore St, a church converted to a daycare center on Hebron Ave, a 10,000 sq. ft. industrial building on Sequin Dr and a 3,200 sq. ft. brewery on Dug Rd.

New commercial projects underway include: Glastonbury Commons, a 20,000 sq. ft. retail/office property on Hebron Ave; a 10,000 sq. ft. daycare center on Oak St; a 7,425 sq. ft. industrial building on Sequin Dr; a 30,000 sq. ft. gym on Main St; a 3,000 sq. ft. medical office on Naubuc Ave and a new hotel on Glastonbury Blvd. In summary, the commercial rental market remained stable and occupancy rates remained high.

The personal property sector increased by a healthy 4.92%. The largest increase being a \$3.2 million reporting by Eversource. Overall personal property reporting shows continued reinvestment and upgrading of equipment by existing businesses. The median business account assessment is \$8,520. This continued growth in personal property is directly related to the Town's overall strong business climate.

The motor vehicle list increase of 5.13% is the largest increase since 2011. Based on the Grand List as signed, the average auto assessment increased for both new (1.9%) and used (2.6%) vehicles, while the number of new cars purchased decreased by 3.1% over last year. Corrections and ongoing issues originating from the DMV software upgrade over 5 years ago continue to plague the Towns' residents. We anticipate as many additions and deletions for both residents and non-residents as we have made in the past.

Attached are various documents that illustrate the information above and the historical grand list comparisons.

**TOWN OF GLASTONBURY
2019 GRAND LIST**

	TOTAL RECORDS	GROSS ASSESSMENT	EXEMPTIONS	NET ASSESSMENT
REAL ESTATE	13,953	\$ 3,767,327,500	\$ 4,439,250	\$ 3,762,888,250
PERSONAL PROPERTY	2,198	\$ 208,895,670	\$ 19,238,970	\$ 189,656,700
MOTOR VEHICLES	32,497	\$ 328,253,738	\$ 1,584,698	\$ 326,669,040
TOTAL TAXABLE	48,648	\$ 4,304,476,908	\$ 25,262,918	\$ 4,279,213,990
TAX EXEMPT REAL ESTATE	577	\$ 258,871,180	\$ 258,871,180	-

I, Nicole Lintereur, Assessor of the Town of Glastonbury, do solemnly swear or solemnly and sincerely affirm, as the case may be, that I believe that all the lists, and the abstract of said town for the year 2017, are made and perfected according to law; so help me God or upon penalty of perjury.

Nicole Lintereur CCMA II

Subscribed and sworn this 30th day of January 2020.

**TOWN OF GLASTONBURY
OCTOBER 1, 2019
TOP TEN TAXPAYERS**

<u>OWNER</u>	<u>DESCRIPTION</u>	<u>NET ASSESSMENT</u>
1. Connecticut Light and Power Co Location: Various	Personal & Real Property Public Utility	\$ 53,191,980
2. Shops at Somerset Square LLC Location: 120-170 Glastonbury Blvd	Real Estate Retail/Office Center Somerset Square	\$ 28,651,700
3. New London Turnpike Apartments Investors LLC Location: 911 New London Tpke	Personal & Real Property Apartments The Tannery	\$ 28,011,010
4. SCT Glastonbury LLC Location: 200 Glastonbury Blvd	Real Property	\$ 18,736,700
5. Glastonbury Developers LLC Location: 1-10 Glastonbury Pl	Personal & Real Property Apartments Glastonbury Place	\$ 18,628,200
6. Glastonbury MZL LLC Location: 215 Glastonbury Blvd	Real Property Stop & Shop Barnes & Noble/Retail	\$ 17,850,000
7. SHP V Glastonbury LLC Location: 281 Western Blvd	Personal & Real Property Assisted Living Center Hearth at Glastonbury	\$ 16,756,890
8. Siebar Glastonbury LLC Location: 95 Glastonbury Blvd & N/1D Glastonbury Blvd	Real Property Office Building	\$ 15,933,200
9. Brixmor Residual Shoppes at Fox Run LLC Location: 55 Welles St	Real Property Retail/Office Center Shoppes at Fox Run	\$ 15,604,700
10. Connecticut Natural Gas Corp Location: Various	Personal & Real Property Public Utility	\$ 15,095,960

**TOWN OF GLASTONBURY
TOP TEN TAXPAYERS
NET GRAND LIST COMPARISON**

2019 RANK	2019 GRAND LIST	2018 RANK	2018 GRAND LIST
1	Connecticut Light & Power Co 53,191,980	1	Connecticut Light & Power Co 49,984,750
2	Shops At Somerset Square LLC 28,651,700	2	Shops At Somerset Square LLC 28,651,700
3	New London Turnpike Apts Investors LLC 28,011,010	3	New London Turnpike Apts Investors LLC 28,019,300
4	SCT Glastonbury LLC 18,736,700	4	Massachusetts Mutual Life Insurance Company 18,736,700
5	Glastonbury Developers LLC 18,628,200	5	Glastonbury Developers LLC 18,643,070
6	Glastonbury MZL LLC 17,850,000	6	Glastonbury MZL LLC 17,850,000
7	SHP V Glastonbury LLC 16,756,890	7	SHP V Glastonbury LLC 16,797,330
8	Siebar Glastonbury LLC 15,933,200	8	Siebar Glastonbury LLC 15,933,200
9	Brixmor Residual Shoppes at Fox Run LLC 15,604,700	9	Connecticut Natural Gas Corp. 15,883,400
10	Connecticut Natural Gas Corp. 15,095,960	10	Brixmor Residual Shoppes at Fox Run LLC 15,604,700
TOTAL NET ASSESSMENT - TOP 10 TAXPAYERS		TOTAL NET ASSESSMENT - TOP 10 TAXPAYERS	
	\$ 228,460,340		\$ 226,104,150
TOTAL NET TAXABLE GRAND LIST AS RECORDED		TOTAL NET TAXABLE GRAND LIST AS RECORDED	
	\$ 4,279,213,990		\$ 4,229,419,585
TOP 10 TAXPAYERS - % OF NET TAXABLE GRAND LIST		TOP 10 TAXPAYERS - % OF NET TAXABLE GRAND LIST	
	5.34%		5.35%

TOWN OF GLASTONBURY

NET GRAND LIST COMPARISON

GRAND LIST YEAR	FILING	NET REAL ESTATE	% CHANGE	NET MOTOR VEHICLES	% CHANGE	NET PERSONAL PROPERTY	% CHANGE	TOTAL NET GRAND LIST	% CHANGE
2019	GL	3,762,888,250	0.79%	326,669,040	5.13%	189,656,700	4.92%	4,279,213,990	1.28%
2018	M-13	3,733,568,732	0.89%	310,733,385	1.64%	180,757,180	4.64%	4,225,059,297	1.10%
2017	M-13	3,700,648,330	5.72%	305,704,967	1.55%	172,741,770	2.62%	4,179,095,067	5.28%
2016	M-13	3,500,283,250	0.78%	301,033,938	4.04%	168,338,990	10.25%	3,969,656,178	1.39%
2015	M-13	3,473,047,910	0.84%	289,339,179	1.81%	152,683,130	6.80%	3,915,070,219	1.13%
2014	M-13	3,444,157,270	0.97%	284,182,566	-0.40%	142,965,510	5.00%	3,871,305,346	1.01%
2013	M-13	3,411,096,980	0.41%	285,337,812	3.02%	136,154,620	1.31%	3,832,589,412	0.63%
2012	M-13	3,397,125,130	-10.47%	276,964,728	-0.91%	134,390,960	0.40%	3,808,546,358	-9.48%
2011	M-13	3,794,251,380	0.38%	279,506,755	6.53%	133,855,780	8.75%	4,207,613,915	1.01%
2010	M-13	3,779,949,600	0.69%	262,361,630	4.78%	123,087,850	1.23%	4,165,399,080	0.96%
2009	M-13	3,753,952,660	0.57%	250,386,760	1.82%	121,594,980	-3.37%	4,125,934,400	0.52%
2008	M-13	3,732,765,620	1.07%	245,906,870	-5.82%	125,837,230	5.49%	4,104,509,720	0.76%
2007	M-13	3,693,298,370	35.78%	261,102,670	1.70%	119,289,968	6.64%	4,073,691,008	31.89%
2006	M-13	2,720,006,360	1.97%	256,736,240	1.40%	111,864,380	1.45%	3,088,606,980	1.91%
2005	M-13	2,667,368,660	1.87%	253,184,290	4.06%	110,269,840	1.06%	3,030,822,790	2.02%
2004	M-13	2,618,328,700	1.48%	243,311,340	7.68%	109,115,670	4.51%	2,970,755,710	2.07%
2003	M-13	2,580,164,650	1.40%	225,949,140	-4.07%	104,406,400	3.11%	2,910,520,190	1.01%
2002	M-13	2,544,561,400	40.38%	235,536,360	3.82%	101,260,080	0.29%	2,881,357,840	34.62%
2001	M-13	1,812,588,970	2.53%	226,876,490	2.66%	100,969,940	4.21%	2,140,435,400	2.62%
2000	M-13	1,767,852,680	2.34%	220,997,560	6.15%	96,895,020	7.49%	2,085,745,260	2.96%
1999	M-13	1,727,455,190	2.68%	208,187,320	11.48%	90,141,310	6.58%	2,025,783,820	3.69%
1998	M-13	1,682,366,740	2.40%	186,751,280	8.15%	84,572,739	3.18%	1,953,690,759	2.95%
1997	M-13	1,642,977,550	2.30%	172,673,880	3.04%	81,966,085	4.45%	1,897,617,515	2.46%
1996	M-13	1,606,010,520	1.80%	167,571,440	3.69%	78,470,390	-3.99%	1,852,052,350	1.71%
1995	M-13	1,577,623,290	22.50%	161,615,750	14.95%	81,732,235	6.36%	1,820,971,275	

-M-13 Filing is the Grand List as reported to the Connecticut Office of Policy and Management after the completion of the Board of Assessment Appeals

-GL filing is made prior to the meetings of the Board of Assessment Appeals

-**Bold indicates year of revaluation**

TOWN OF GLASTONBURY

NET ASSESSMENT COMPARISON BY SUB-CLASS

PERCENTAGE OF GRAND LIST

<u>GRAND LIST YEAR</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
RESIDENTIAL / PA490	73.6%	73.5%	73.6%	73.3%	72.8%	71.7%	71.6%	71.2%
COM / IND / PUBLIC UTILITY	15.2%	15.0%	15.3%	15.3%	15.3%	16.7%	16.7%	16.7%
PP TOTAL	4.0%	4.0%	3.7%	4.0%	4.3%	4.2%	4.3%	4.4%
MV TOTAL	7.2%	7.5%	7.4%	7.4%	7.6%	7.4%	7.4%	7.6%
GRAND TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

PERSONAL PROPERTY GRAND LIST

Account and Assessment Information

	2015	2016	2017	2018	2019
TOTAL ACCOUNTS	2,196	2,227	2,197	2,223	2,198
DELETED ACCOUNTS	245	180	203	171	208
ADDED ACCOUNTS	198	176	143	194	178
MEDIAN ASSESSMENT	\$5,755	\$6,720	\$7,500	\$10,000	\$8,520
TOTAL NET ASSESSMENT	152,683,130	168,338,990	172,741,770	180,757,180	189,656,700
TOP TEN TOTAL ASSESSMENT	70,532,030	85,019,040	86,832,140	93,605,210	98,042,730
TOP 10 ACCOUNTS % OF TOTAL PP	46.20%	50.50%	50.27%	51.79%	51.69%
INCREASE OVER PREVIOUS YEAR	6.80%	10.25%	2.62%	4.64%	4.92%
ASSESSMENT INCREASE	9,717,620	15,655,860	4,402,780	8,015,410	8,899,520
FMV INCREASE \$	\$ 13,882,314	\$ 22,365,514	\$ 6,289,686	\$ 11,450,586	\$ 12,713,600

MOTOR VEHICLE GRAND LIST

NUMBER OF ASSESSED VEHICLES - ALL AND NEW MODEL YEARS

GRAND LIST	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
TOTAL MOTOR VEHICLES	31,847	31,929	31,814	31,725	32,091	31,855	31,568	32,011	32,035	32,161	32,497
CHANGE	67	82	(115)	(89)	366	(236)	(287)	443	24	126	336
PERCENTAGE CHANGE	0.2%	0.3%	-0.4%	-0.3%	1.2%	-0.7%	-0.9%	1.4%	0.1%	0.4%	1.0%
NEW MODEL VEHICLES	1,762	1,818	1,852	2,101	2,352	2,093	2,189	2,208	2,202	2,028	1,966
CHANGE	(471)	56	34	249	251	(259)	96	19	(6)	(174)	(62)
PERCENTAGE CHANGE	-21.1%	3.2%	1.9%	13.4%	11.9%	-11.0%	4.6%	0.9%	-0.3%	-7.9%	-3.1%

AVERAGE ASSESSMENT INFORMATION - ALL AND NEW MODEL YEARS

GRAND LIST	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
ALL MOTOR VEHICLES	\$ 7,907	\$ 8,265	\$ 8,840	\$ 8,755	\$ 8,995	\$ 9,944	\$ 9,224	\$ 9,448	\$ 10,646	\$ 10,780	\$ 11,060
CHANGE	\$ 119	\$ 358	\$ 575	\$ (85)	\$ 240	\$ 949	\$ (720)	\$ 224	\$ 1,198	\$ 134	\$ 280
PERCENTAGE CHANGE	1.5%	4.5%	7.0%	-1.0%	2.7%	10.6%	-7.2%	2.4%	12.7%	1.3%	2.6%
NEW MODEL VEHICLES	\$ 17,008	\$ 19,162	\$ 20,569	\$ 19,770	\$ 20,511	\$ 22,615	\$ 22,062	\$ 22,680	\$ 24,651	\$ 25,083	\$ 25,556
CHANGE	\$ (1,009)	\$ 2,154	\$ 1,407	\$ (799)	\$ 741	\$ 2,104	\$ (553)	\$ 618	\$ 1,971	\$ 432	\$ 473
PERCENTAGE CHANGE	-5.6%	12.7%	7.3%	-3.9%	3.7%	10.3%	-2.4%	2.8%	8.7%	1.8%	1.9%

MEDIAN VEHICLE MODEL YEAR AND AGE

GRAND LIST	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
MEDIAN MODEL YEAR	2003	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
APPROXIMATE AGE	6	7	7	7	7	7	7	7	7	7	7

**Board of Finance Proposed 2020/2021 Budget to Town Council
(As of February 14, 2020)**

BOF 2/14/20
Items D - I

SUGGESTED RESOLUTION FOR THE GENERAL FUND 2019/2020 BUDGET

- D) BE IT RESOLVED, that the Board of Finance recommends that the Glastonbury Town Council approves an appropriation of \$_____ [\$45,211,859*] for the 2020/2021 **Town Operating Budget**.
- E) BE IT RESOLVED, that the Board of Finance recommends that the Glastonbury Town Council approves an appropriation of \$_____ [\$112,313,089*] for the 2020/2021 **Education Budget**.
- F) BE IT RESOLVED, that the Board of Finance recommends that the Glastonbury Town Council approves an appropriation of \$_____ [\$13,956,799*] for the 2020/2021 **Debt & Transfers Budget**.
- G) BE IT RESOLVED, that the Board of Finance recommends that the Glastonbury Town Council approves 2020/2021 **General Fund Revenues and Transfers** in the amount of \$_____ [\$171,481,747*].
- H) BE IT RESOLVED, that the Board of Finance recommends that the Glastonbury Town Council approves the 2020/2021 **Capital Improvement Program Budget** in the amount of \$_____ [\$8,736,217**]. Funding will be provided as follows:

Capital Reserve Fund	\$_____	[\$8,275,000**]
Town Aid Road	\$_____	[\$461,217**]

SUGGESTED RESOLUTION FOR SPECIAL REVENUE FUND APPROPRIATIONS

- I) BE IT RESOLVED, that the Board of Finance recommends that the Glastonbury Town Council approves **Special Revenue Fund Appropriations and Transfers and Special Revenue Fund Revenues and Transfers** for 2020/2021 as follows:

a) Sewer Operating Fund	\$_____	[\$3,266,442*]
b) Recreation Activities Fund	\$_____	[\$1,572,546*]
c) Police Private Duty	\$_____	[\$450,000*]
d) Riverfront Park Fund	\$_____	[\$300,673*]

**Per Legal Notice published January 22, 2020 of Annual Town Meeting on January 28, 2020.*

***Per Annual CIP Workshop on January 23, 2020.*

General Fund | Summary of Revenues and Appropriations/Expenditures

DESCRIPTION	2019 Actual	2020 Adopted	2021 Proposed	Increase (Decrease)	% Increase (Decrease)
REVENUES					
Taxes	151,222,713	153,589,767	159,125,673	5,535,906	3.6%
Licenses & Permits	1,429,480	1,150,800	1,253,100	102,300	8.9%
Intergovernmental	8,860,993	6,781,043	6,865,560	84,517	1.2%
Charges for Services	1,603,978	1,436,765	1,441,663	4,898	0.3%
Other	2,452,326	2,474,251	1,820,751	(653,500)	-26.4%
Use of Fund Balance	1,400,000	575,000	975,000	400,000	69.6%
TOTAL REVENUES	166,969,490	166,007,626	171,481,747	5,474,121	3.3%
APPROPRIATIONS/EXPENDITURES					
TOWN					
General Government	3,280,356	3,311,802	3,392,339	80,537	2.4%
Community Development	2,043,757	2,201,929	2,319,517	117,588	5.3%
Administrative Services	6,031,200	6,213,738	6,428,461	214,723	3.5%
Public Safety	14,073,682	14,580,054	15,531,270	951,216	6.5%
Physical Services	7,053,343	7,457,270	7,574,958	117,688	1.6%
Sanitation	804,154	859,961	1,008,968	149,007	17.3%
Human Services	2,760,008	2,964,504	3,084,674	120,170	4.1%
Leisure & Culture	5,698,825	5,744,767	5,871,672	126,905	2.2%
TOTAL TOWN	41,745,324	43,334,025	45,211,859	1,877,834	4.3%
DEBT & TRANSFERS OUT	15,003,874	13,973,755	13,956,799	(16,956)	-0.1%
EDUCATION	106,834,222	108,699,846	112,313,089	3,613,243	3.3%
TOTAL APPROPRIATIONS/EXPENDITURES	163,583,421	166,007,626	171,481,747	5,474,121	3.3%

General Fund | Summary of Revenues and Transfers (page 1 of 3)

DESCRIPTION	2019 Actual	2020 Adopted	2021 Proposed	Increase (Decrease)
TAX REVENUES				
Current Levy	148,582,258	151,287,767	156,773,673	5,485,906
Auto Supplemental	1,559,440	1,450,000	1,500,000	50,000
Delinquent Motor Vehicle Fees	14,354	-	-	-
Prior Years	651,084	500,000	500,000	-
Interest & Fees	411,759	350,000	350,000	-
Miscellaneous Fees	3,818	2,000	2,000	-
TOTAL TAXES	151,222,713	153,589,767	159,125,673	5,535,906
LICENSES & PERMITS				
Building Inspection Fees	901,868	650,000	750,000	100,000
Town Clerk Fees	84,459	70,000	80,000	10,000
Physical Services Fees	13,975	11,000	11,000	-
Refuse Permit Fees	304,385	302,000	290,000	(12,000)
Health	118,285	112,700	117,000	4,300
Fire Marshal	6,508	5,100	5,100	-
TOTAL LICENSES & PERMITS	1,429,480	1,150,800	1,253,100	102,300
INTERGOVERNMENTAL				
Housing Authority In-Lieu Tax				
Housing Authority Welles Village	90,333	87,000	87,000	-
Other Housing Projects	105,530	106,000	106,000	-
	195,863	193,000	193,000	-
St Conn In-Lieu Taxes				
Homeowner Tax Relief	-	150,000	-	(150,000)
Disability Exemption	2,011	2,400	2,400	-
Veterans Exemption	9,756	12,000	12,000	-
St/CT Telephone Access	70,853	85,000	72,000	(13,000)
State Stabilization Grant	385,930	385,930	385,930	-
	468,550	635,330	472,330	(163,000)
ST Education Entitlements				
Magnet School Transportation	24,400	-	-	-
ECS Cost Sharing Grant	5,897,871	5,089,459	5,339,535	250,076
Spec Education Excess/Agency	1,236,534	-	-	-
Vocational Agriculture	324,629	331,888	331,888	-
	7,483,434	5,421,347	5,671,423	250,076

General Fund | Summary of Revenues and Transfers Cont'd (page 2 of 3)

DESCRIPTION	2019 Actual	2020 Adopted	2021 Proposed	Increase (Decrease)
INTERGOVERNMENTAL (Continued)				
Admin Services				
ST/CT Historical Document Preservation	6,500	7,500	7,500	-
	6,500	7,500	7,500	-
Public Safety				
Regional Dispatch Reimbursement	227,541	160,000	160,000	-
Police Grants	323,295	194,000	198,597	4,597
Civil Preparedness	11,617	11,110	11,610	500
Volunteer Ambulance Reimbursements	11,431	20,820	20,000	(820)
	573,884	385,930	390,207	4,277
Human Services				
State of CT Health Grants	7,990	-	-	-
Dial A Ride Grant	51,278	51,278	51,278	-
Housing Authority Resident Services	47,680	60,000	47,990	(12,010)
Youth & Family ST Grant	25,814	26,658	31,832	5,174
	132,762	137,936	131,100	(6,836)
TOTAL INTERGOVERNMENTAL	8,860,993	6,781,043	6,865,560	84,517
CHARGES FOR SERVICES				
Planning & Zoning	12,956	17,000	12,000	(5,000)
Town Clerk Recording Fees	174,357	169,800	171,000	1,200
Town Clerk Conveyance Fee	849,705	561,500	616,400	54,900
Education/Community Service Fees	59,629	20,000	20,000	-
Solid Waste Tip Fees	203,142	265,000	250,000	(15,000)
Sewer Inspection Fees	-	2,000	2,000	-
Parks/Rec Swimming Fees	104,646	132,200	123,700	(8,500)
Parks/Rec Program Fees	34,335	45,985	36,383	(9,602)
Subdivision OT Inspection	-	1,000	1,000	-
Fire Watch Services	6,453	5,320	5,320	-
Health Soil Tests	3,300	4,000	3,500	(500)
Senior Service Programs	58,747	77,960	77,960	-
Senior Nutrition Program	32,302	35,000	37,500	2,500
Library Fines	31,966	40,000	40,000	-
Notary Services	6,097	5,000	5,100	100
Passport Processing	26,343	55,000	39,800	(15,200)
TOTAL CHARGES FOR SERVICES	1,603,978	1,436,765	1,441,663	4,898

General Fund | Summary of Revenues and Transfers Cont'd (page 3 of 3)

DESCRIPTION	2019 Actual	2020 Adopted	2021 Proposed	Increase (Decrease)
OTHER REVENUES				
Probate Court Reimbursements	2,960	2,480	2,480	-
Interest on Investments	1,317,030	1,500,000	838,000	(662,000)
Land Sales & Rentals	208,004	264,932	254,932	(10,000)
Miscellaneous	34,226	20,000	20,000	-
Education Student Activities	1,033	200	200	-
Education Vo Ag Tuition	293,243	365,989	365,989	-
Purchasing - Auction Sales	19,322	35,000	23,950	(11,050)
Physical Services Refunds & Sales	3,142	3,500	3,500	-
Refuse Recycling	71,971	30,000	35,050	5,050
Bulky Waste Fill	8,996	30,000	35,000	5,000
Claims Reimbursements	39,628	40,000	40,000	-
Public Safety Police	87,297	75,000	76,000	1,000
Youth & Family Services	28,932	33,400	33,400	-
Library Trustee Account	52,644	40,000	40,000	-
Clinical Fees	1,925	750	750	-
Library Miscellaneous	11,484	16,000	16,000	-
Purchasing Card Rebates	6,171	5,000	8,000	3,000
Attorney Fees Reimbursed	31,121	12,000	25,000	13,000
Utilities Reimbursed	8,444	-	2,500	2,500
Tower Lease	18,000	-	-	-
Unrealized Gain/(Loss) on Investments	183,370	-	-	-
ICMA Administrative Allowance	23,383	-	-	-
TOTAL OTHER REVENUES	2,452,326	2,474,251	1,820,751	(653,500)
TRANSFERS IN				
Transfers In				
From Capital Projects	1,400,000	-	-	-
From General Fund	-	575,000	975,000	400,000
TOTAL TRANSFERS IN	1,400,000	575,000	975,000	400,000
GRAND TOTAL REVENUES AND TRANSFERS	166,969,490	166,007,626	171,481,747	5,474,121

General Fund | Summary of Expenditures and Transfers (page 1 of 2)

DEPARTMENT	2019 Actual	2020 Adopted	2021 Proposed	Increase (Decrease)
TOWN				
GENERAL GOVERNMENT				
TOWN COUNCIL	119,199	143,233	141,507	(1,726)
TOWN MANAGER	562,941	615,550	646,259	30,709
HUMAN RESOURCES	710,037	567,371	617,618	50,247
FACILITIES MAINTENANCE	1,888,179	1,985,648	1,986,955	1,307
TOTAL GENERAL GOVERNMENT	3,280,356	3,311,802	3,392,339	80,537
COMMUNITY DEVELOPMENT				
COMMUNITY DEVELOPMENT	525,364	562,910	607,949	45,039
BUILDING INSPECTION	478,418	552,405	563,269	10,864
FIRE MARSHAL	328,931	359,192	381,945	22,753
HEALTH	711,044	727,422	766,354	38,932
TOTAL COMMUNITY DEVELOPMENT	2,043,757	2,201,929	2,319,517	117,588
ADMINISTRATIVE SERVICES				
FINANCIAL ADMINISTRATION	1,433,970	1,517,047	1,681,505	164,458
ACCOUNTING	441,609	449,625	431,562	(18,063)
PROPERTY ASSESSMENT	618,595	677,385	640,823	(36,562)
REVENUE COLLECTION	460,662	497,684	495,435	(2,249)
TOWN CLERK	527,095	546,198	561,775	15,577
VOTER REGISTRATION	165,169	170,200	179,867	9,667
LEGAL SERVICES	339,034	300,000	300,000	-
PROBATE SERVICES	15,004	24,800	24,800	-
INSURANCE/PENSIONS	2,030,062	2,030,799	2,112,694	81,895
TOTAL ADMINISTRATIVE SERVICES	6,031,200	6,213,738	6,428,461	214,723
PUBLIC SAFETY				
POLICE	12,790,739	13,396,071	14,270,358	874,287
VOLUNTEER AMBULANCE	17,115	20,820	-	(20,820)
FIRE	1,233,426	1,131,961	1,227,160	95,199
CIVIL PREPAREDNESS	32,401	31,202	33,752	2,550
TOTAL PUBLIC SAFETY	14,073,682	14,580,054	15,531,270	951,216
PHYSICAL SERVICES				
ENGINEERING	1,525,020	1,657,000	1,634,010	(22,990)
HIGHWAY	4,319,895	4,534,907	4,632,985	98,078
FLEET MAINTENANCE	1,208,427	1,265,363	1,307,963	42,600
TOTAL PHYSICAL SERVICES	7,053,343	7,457,270	7,574,958	117,688

General Fund | Summary of Expenditures and Transfers Cont'd (page 2 of 2)

DEPARTMENT	2019 Actual	2020 Adopted	2021 Proposed	Increase (Decrease)
SANITATION				
REFUSE DISPOSAL	804,154	859,961	1,008,968	149,007
TOTAL SANITATION	804,154	859,961	1,008,968	149,007
HUMAN SERVICES				
HEALTH GRANTS	32,577	32,577	32,577	-
YOUTH/FAMILY SERVICES	1,235,257	1,301,056	1,572,648	271,592
SENIOR & COMMUNITY SERVICES	1,492,174	1,630,871	1,479,449	(151,422)
TOTAL HUMAN SERVICES	2,760,008	2,964,504	3,084,674	120,170
LEISURE & CULTURE				
PARKS/RECREATION	4,086,029	3,942,912	3,998,530	55,618
WELLES TURNER LIBRARY	1,597,796	1,786,855	1,858,142	71,287
SOUTH GLASTONBURY LIBRARY	7,500	7,500	7,500	-
EAST GLASTONBURY LIBRARY	7,500	7,500	7,500	-
TOTAL LEISURE & CULTURE	5,698,825	5,744,767	5,871,672	126,905
TOTAL TOWN	41,745,324	43,334,025	45,211,859	1,877,834
DEBT SERVICE & TRANSFERS OUT				
DEBT SERVICE	8,153,655	7,157,157	7,101,799	(55,358)
TRANSFERS OUT				
CAPITAL RESERVE FUND	5,860,000	6,000,000	6,000,000	-
DOG FUND	45,000	45,000	45,000	-
OPEB FUND	713,719	771,598	810,000	38,402
CAPITAL PROJECTS FUND	56,500	-	-	-
SEWER OPERATING	175,000	-	-	-
TOTAL TRANSFERS OUT	6,850,219	6,816,598	6,855,000	38,402
TOTAL DEBT SERVICE & TRANSFERS OUT	15,003,874	13,973,755	13,956,799	(16,956)
EDUCATION	106,834,222	108,699,846	112,313,089	3,613,243
GRAND TOTAL EXPENDITURES AND TRANSFERS	163,583,421	166,007,626	171,481,747	5,474,121

**Capital Improvement Program: Town Manager Recommended Projects:
2020-2021 January 20, 2020**

Infrastructure & Major Equipment Care & Maintenance	\$ 6,840,000	Aligns with objective for...		
		Sustainable	Economic Development	Liveable Communities
Physical Services				
Road Overlay Program	\$ 1,400,000		X	
Sidewalk Maintenance	\$ 175,000	X		X
Fisher Hill Bridge Replacement	\$ 1,450,000			X
Renovation - Slocomb Dam	\$ 225,000	X		
Town Center Streetscape Improvements	\$ 200,000		X	X
Glastonbury Boulevard Pavement Rehabilitation	\$ 400,000		X	
Heavy Equipment (Highway) (A)	\$ 225,000			
General Storm Drainage Improvements	\$ 100,000	X		
Pavement Restoration-Town & Education Facilities	\$ 200,000			X
Mill Street Bridge Replacement	\$ 180,000			X
Public Safety				
Public Safety Communications	\$ 375,000			X
Self Contained Breathing Apparatus (SCBA)	\$ 120,000			
Fire Station Renovations	\$ 75,000			
Police Building - Renovations	\$ 50,000			
Education				
Hopewell - Parking Lot Re-Paving & Curbing	See notes			
GHS - Construction Services - New Field House	\$ 850,000	X		
Smith Middle - Moisture Mitigation/Gym Floor Replacement	\$ 200,000			
Parks & Recreation				
Tree Management	\$ 125,000	X		
Addison Park Renovations	\$ 225,000	X		X
Mower - 16' Rotary Mower Replacement	\$ 120,000			
Winter Hill	\$ 25,000			
General Government				
System-Wide Municipal Roof Replacements	\$ 50,000			
Town Hall, Academy & Security Improvements	\$ 70,000			
Ongoing Projects	\$ 720,000			
General Government				
Property Revaluation	\$ 145,000			
Energy Efficiency - Sustainability	\$ 50,000	X		
Physical Services				
Main Street Sidewalks - Phase 3	\$ 325,000		X	X
Traffic Calming	\$ -		X	X
New Sidewalk Construction	\$ 175,000		X	X
New London Tpke/Route 17 Ramp Configuration	\$ 25,000		X	
New Projects	\$ 715,000			
Splash Pad	\$ 500,000		X	
Bulky Waste Closure Fund	\$ 50,000			
General Bicycle/Pedestrian Improvements	\$ 75,000	X		X
Academy-Williams Memorial	\$ 40,000	X		X
Fiber Connections	\$ 50,000			
Subtotal	\$ 8,275,000			
(A) Less Available Funding	\$ 90,000			
Less Approved Grants and Donations	\$ 1,954,000			
Net Estimated Cost	\$ 6,231,000			

Other Projects to be Funded Outside of Capital Reserve Program

Town Aid \$ 461,217

Notes: Project will proceed in summer 2020 under available and proposed capital funding – pavement restoration.



FIDUCIARY
INVESTMENT ADVISORS

Strategic thinking. Customized solutions.

Glastonbury Retirement Income Plan

Board of Finance Meeting Materials

February 14, 2020

BOF 2/14/20
Item # 1

Important Disclosure Information: Past performance may not be indicative of future results. Account information has been compiled solely by Fiduciary Investment Advisors, LLC, has not been independently verified, and does not reflect the impact of taxes on non-qualified accounts. In preparing this report, Fiduciary Investment Advisors, LLC has relied upon information provided by third party sources. A copy of our current written disclosure statement discussing our advisory services and fees continues to remain available for your review upon request. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings correspond directly to any comparative indices.

Table of Contents

Section 1

Market & Portfolio Update

Section 2

Fiduciary Governance Update

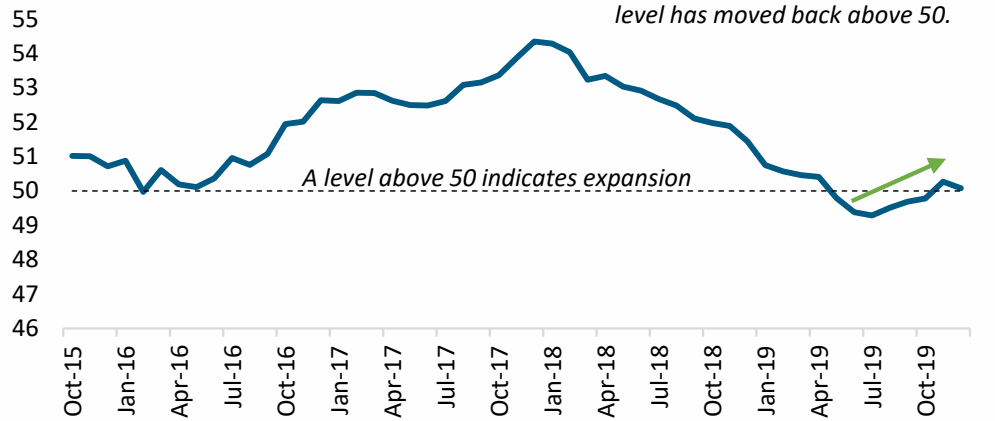
The background features a blurred image of a white calculator on the left, a silver and black pen in the center, and a spiral-bound notebook on the right. A financial chart with blue bars and a line graph is visible on the notebook page. The overall scene is set against a light blue and white background.

Market & Portfolio Update

Economic & Market Conditions

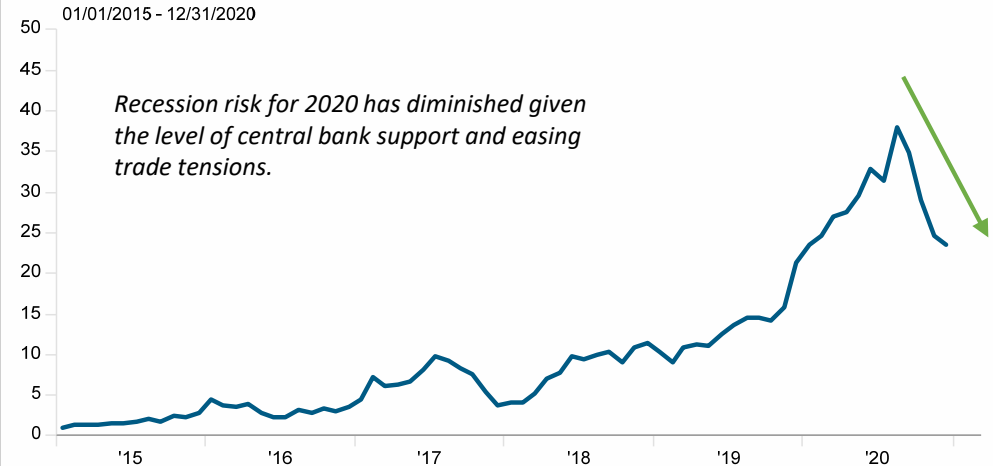
Stable economic conditions generally prevail, and global growth may move slightly higher given central bank support and trade tension relief. Prospects of a recession in 2020 remain dampened, yet we expect more restrained investment returns with bouts of heightened volatility. Somewhat elevated capital market valuations should persuade investors to reduce outsized portfolio tilts and embrace diversification.

Global PMI Manufacturing Level



FactSet, Markit. Data from 10/2015 – 12/2019.

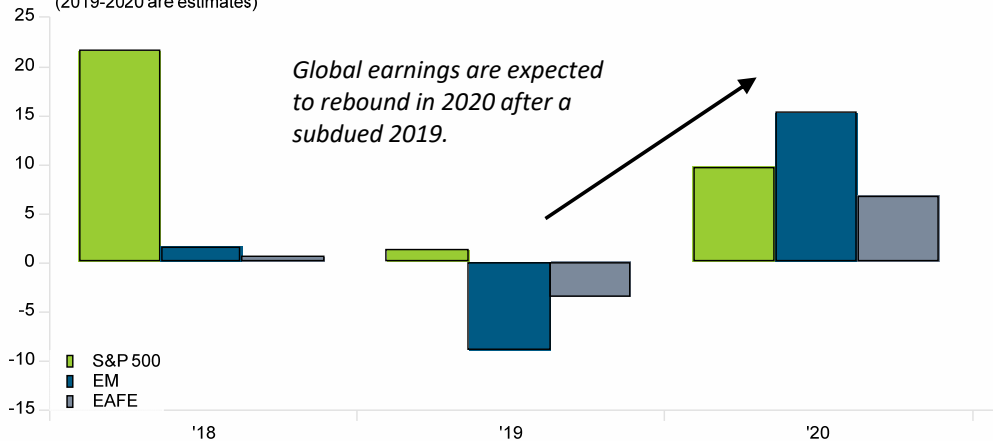
U.S. Federal Reserve Recession Probability 12 Months Ahead



FactSet, Federal Reserve Bank of New York.

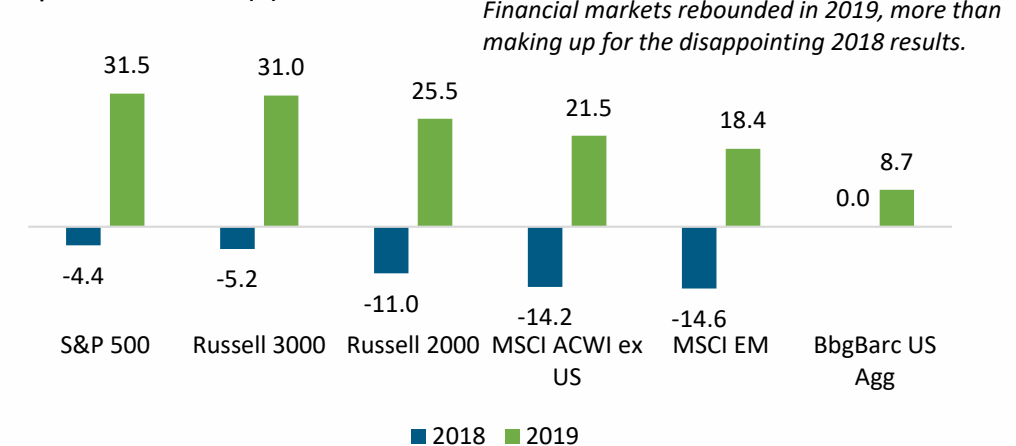
Global Earnings Growth

(2019-2020 are estimates)



FactSet. EAFE and EM data based on iShares ETFs

Capital Market Returns (%)



Performance data sourced from Morningstar Direct.

Index Results

U.S. EQUITY	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
S&P 500	9.1	31.5	31.5	15.3	11.7	13.6
Russell 1000	9.0	31.4	31.4	15.0	11.5	13.5
Russell 1000 Value	7.4	26.5	26.5	9.7	8.3	11.8
Russell 1000 Growth	10.6	36.4	36.4	20.5	14.6	15.2
Russell Mid Cap	7.1	30.5	30.5	12.1	9.3	13.2
Russell Mid Cap Value	6.4	27.1	27.1	8.1	7.6	12.4
Russell Mid Cap Growth	8.2	35.5	35.5	17.4	11.6	14.2
Russell 2000	9.9	25.5	25.5	8.6	8.2	11.8
Russell 2000 Value	8.5	22.4	22.4	4.8	7.0	10.6
Russell 2000 Growth	11.4	28.5	28.5	12.5	9.3	13.0
Russell 3000	9.1	31.0	31.0	14.6	11.2	13.4
FTSE NAREIT Equity REITs Index	(0.8)	26.0	26.0	8.1	7.2	11.9
INTERNATIONAL EQUITY	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
MSCI ACWI ex-US	8.9	21.5	21.5	9.9	5.5	5.0
MSCI EAFE	8.2	22.0	22.0	9.6	5.7	5.5
MSCI EAFE Value	7.8	16.1	16.1	6.3	3.5	4.0
MSCI EAFE Growth	8.4	27.9	27.9	12.8	7.7	6.9
MSCI EAFE Small Cap	11.5	25.0	25.0	10.9	8.9	8.7
MSCI EM (Emerging Markets)	11.8	18.4	18.4	11.6	5.6	3.7
FIXED INCOME	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
Barclays U.S. Aggregate Bond	0.2	8.7	8.7	4.0	3.0	3.7
Barclays U.S. Gov/Credit Bond	(0.0)	9.7	9.7	4.3	3.2	4.0
Barclays Gov/Credit Long Bond	(1.1)	19.6	19.6	8.1	5.4	7.6
Barclays U.S. Corp High Yield	2.6	14.3	14.3	6.4	6.1	7.6
Barclays Municipal Bond	0.7	7.5	7.5	4.7	3.5	4.3
Barclays U.S. TIPS	0.8	8.4	8.4	3.3	2.6	3.4
BofA Merrill 3-Month T-Bill	0.5	2.3	2.3	1.7	1.1	0.6
NON-TRADITIONAL	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
Bloomberg Commodity Index	4.4	7.7	7.7	(0.9)	(3.9)	(4.7)
HFRI Fund of Funds Index	2.5	7.8	7.8	3.7	2.2	2.8
NCREIF Property Index (9/30/2019)	1.4	4.8	6.2	6.8	8.6	9.8
CPI (9/30/2019)	0.4	1.4	1.7	2.1	1.5	1.7

Sources: Morningstar Direct, Standard & Poor's, Russell, FTSE, MSCI, Barclays Capital, BofA Merrill Lynch, Bloomberg, HFRI, NCREIF. Data as of 12/31/2019 unless otherwise noted.

Asset Allocation

As of December 31, 2019

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Plan	166,630,184	100.0	100.0	0.0
Short Term Liquidity	3,367,579	2.0	0.5	1.5
Wells Fargo Government Money Market	3,367,579	2.0	0.5	1.5
Fixed Income	52,502,482	31.5	33.5	-2.0
Metropolitan West Total Return Bond Pl	20,396,347	12.2	13.0	-0.8
BlackRock Total Return Fund K	20,373,248	12.2	13.0	-0.8
Templeton Global Bond R6	11,732,887	7.0	7.5	-0.5
Domestic Equity	67,770,980	40.7	40.0	0.7
Vanguard Institutional Index Fund Instl	37,076,528	22.3	22.0	0.3
Touchstone Growth Opportunities Instl	13,745,734	8.2	9.0	-0.8
DFA US Vector Equity I	16,948,718	10.2	9.0	1.2
International Equity	27,216,392	16.3	16.0	0.3
Vanguard International Growth Adm	9,232,005	5.5	5.5	0.0
Causeway International Value Instl	9,197,747	5.5	5.5	0.0
Templeton Instl Foreign Smaller Companies Fund Adv	3,333,501	2.0	2.0	0.0
Cape Ann Global Developing Markets	5,453,139	3.3	3.0	0.3
Real Estate	9,316,586	5.6	6.0	-0.4
Barings Core Property Fund LP	9,316,586	5.6	6.0	-0.4
Inflation Protection	6,456,166	3.9	4.0	-0.1
Vanguard Short-Term Inflation Protection Adm	3,144,346	1.9	2.0	-0.1
Parametric Commodity Strategy Instl	1,600,893	1.0	1.0	0.0
iShares Gold Trust	1,710,928	1.0	1.0	0.0

Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance. Asset Allocation weightings may not add up to 100% due to rounding.

Total Plan Performance Summary

As of December 31, 2019

Account Reconciliation

	QTR	YTD	Since Inception	Inception Date
Total Plan				01/01/2003
Beginning Market Value	158,934,144	140,579,864	75,547,799	
Net Contributions	-2,123,006	-193,458	6,467,256	
Total Gain/Loss	9,819,047	26,243,778	84,615,130	
Ending Market Value	166,630,184	166,630,184	166,630,184	

** Data displayed in Since Inception column is as of as start date of 1/1/2010. Historical market value and flow information prior to 1/1/2010 was not available from prior consultant.

The stated inception date of 1/1/2003 is the plan's performance inception date.

Blended Benchmark Composition

Allocation Mandate	Weight (%)
90 Day U.S. Treasury Bill	0.50
Blmbg. Barc. U.S. Aggregate Index	26.00
FTSE World Government Bond Index	7.50
Russell 3000 Index	40.00
MSCI AC World ex USA (Net)	16.00
NCREIF Fund Index - ODCE (net)	6.00
Glatonbury Short Term Inflation Protection Benchmark	4.00

Trailing Performance Summary

	QTR	Jul-2019 To Dec-2019	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Plan	6.2	6.4	18.8	8.9	6.3	7.2	7.6	6.8	01/01/2003
Blended Benchmark	5.2	6.1	18.9	8.9	6.5	7.2	7.4	7.2	
Difference	1.0	0.3	-0.1	0.0	-0.2	0.0	0.2	-0.4	

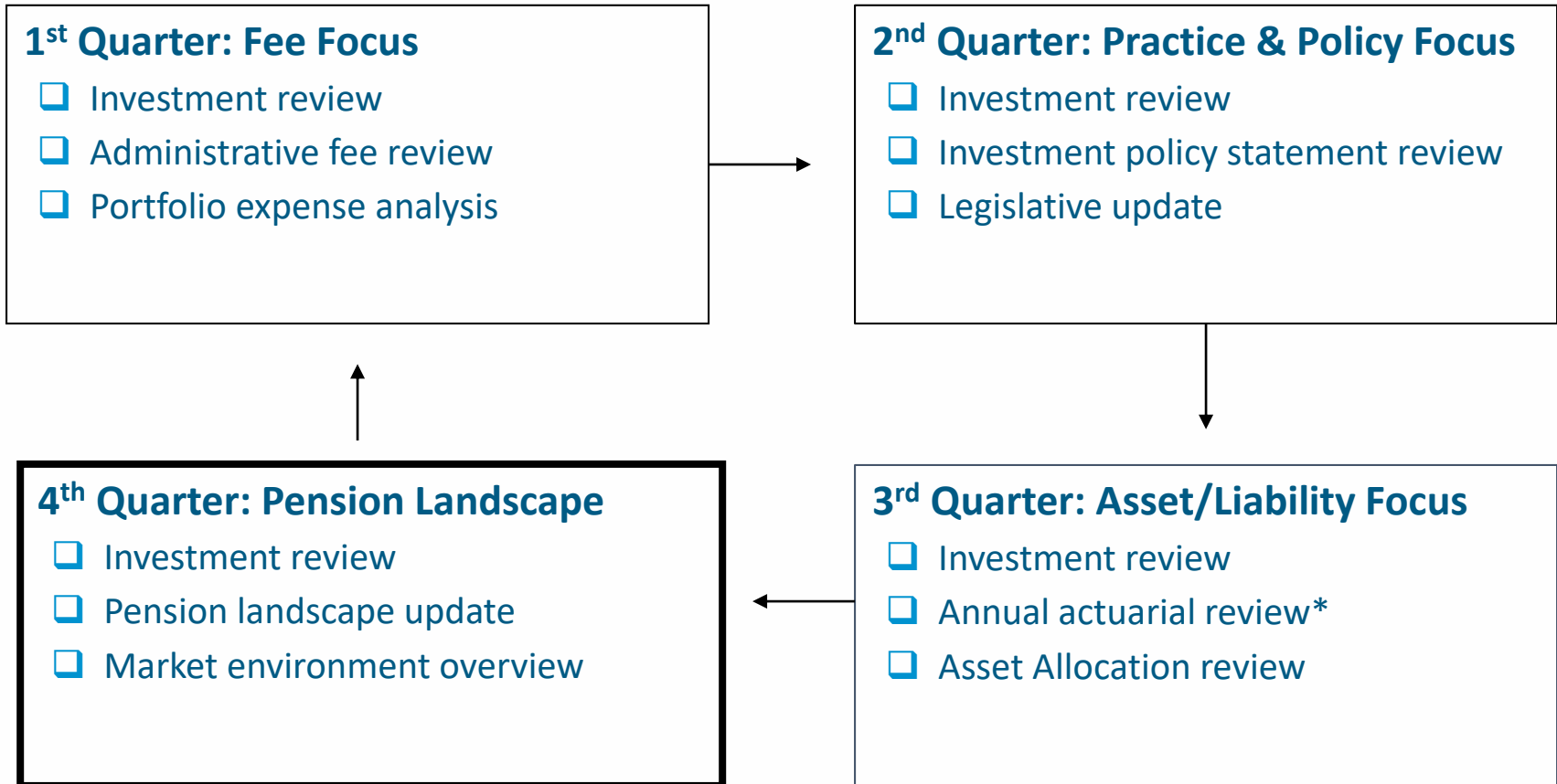
Calendar Year Performance Summary

	2018	2017	2016	2015	2014	2013	2012	2011
Total Plan	-6.1	15.9	7.1	-1.8	3.7	15.1	15.4	-0.5
Blended Benchmark	-5.3	14.9	7.4	-1.5	4.5	13.8	11.0	0.2
Difference	-0.8	1.0	-0.3	-0.3	-0.8	1.3	4.4	-0.7

The background features a blurred image of a silver pen, a white calculator, and a spiral notebook. The notebook page shows a table with columns labeled 'Q1', 'Q2', 'Q3', and 'Q4', and a bar chart with three bars. The text 'Fiduciary Governance Update' is centered in a bold, dark blue font.

Fiduciary Governance Update

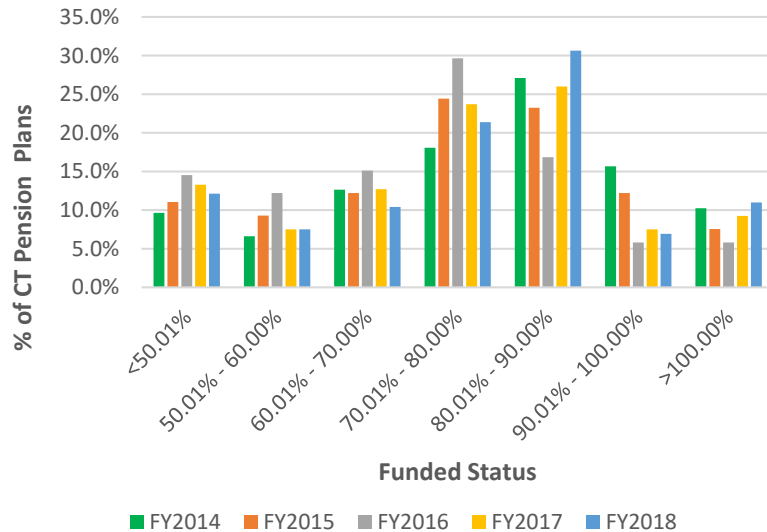
Defined Benefit Fiduciary Governance Calendar



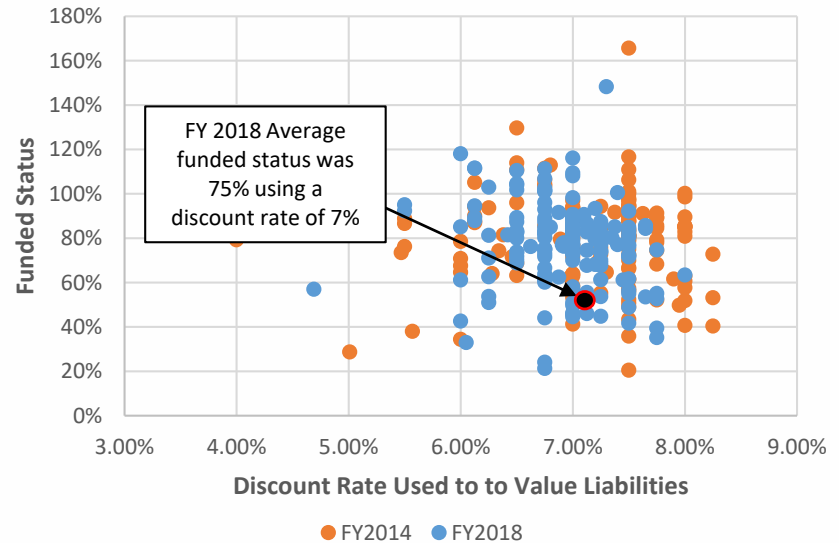
* Timing of actuarial and liability review dependent on client's individual plan and /or fiscal year and actuarial input.

Trends in Funded Status

Funded Status Previous Last 5 Years for Connecticut Municipal Pension Plans



Funded Status and Discount Rate for CT Municipal Pension Plans



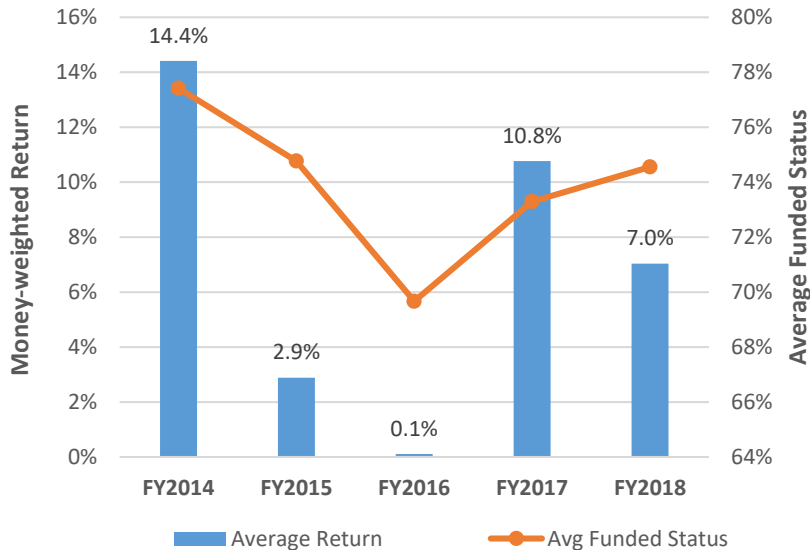
Funded Status Observations

- Over 30% of 173 CT municipal pension plans included this analysis are between 80-90% funded for FY2018 which represents the largest cohort. This group (80-90% funded) was also the largest cohort in FY2014 but many pension plans lost ground in FY2016, due in part to poor investment performance.
- Funded status has become more dispersed over the past 5 years, with more plans now under 50% funded and over 100% funded.
- Funded status is directly related to the discount rate used to value the liabilities. Discount rate assumptions used by CT municipalities have converged since FY2014 regardless of funded status.
- For FY2018, the average discount rate used in very well funded plans (>90% funded status) was 0.40% **lower** than the rate used by more poorly funded plans (<70% funded status).

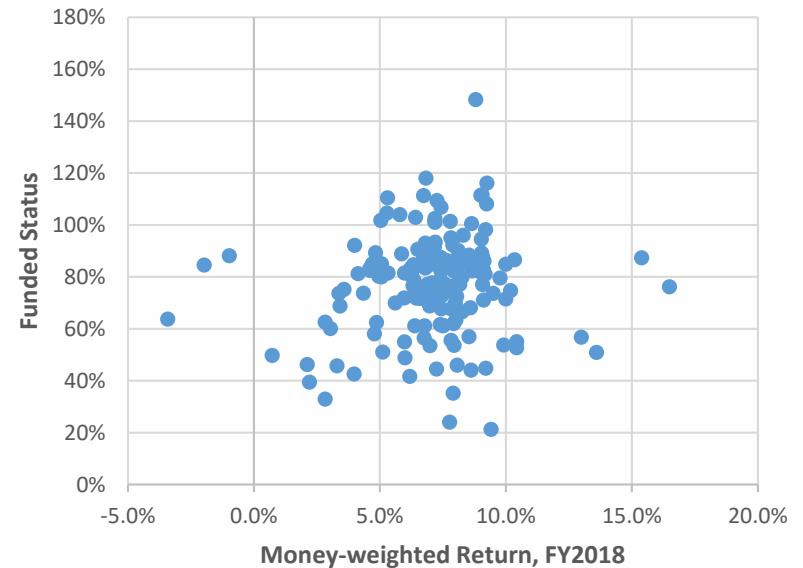
Disclosure: Summary by Fiduciary Investment Advisors with data sourced from FYE2018 Comprehensive Financial Annual Reports (CAFRs) for 173 CT Municipal Pension Plans that had reported data available at the time of the analysis in August 2019¹. All averages shown are equal-weighted and not weighted on assets or liabilities.

Investment Returns Across Pension Plans

Actual Investment Returns for Connecticut Municipal Pension Plans



Funded Status and Investment Returns for CT Municipal Pension Plans



Investment Performance

- Money-weighted returns, which depend on both investment performance and cash flow timing, were 7% for FY2018 and averaged 5.7% and 6.8% for the trailing 3- and 5-year periods, respectively.
- The decline in the average funded status from 77% in FY2014 to 70% in FY2016 was impacted by poor investment performance and declining discount rates used to value liabilities.
 - A reversal of these two variables helped to improve funded status in FY2017 and FY2018.
- Correlations between investment returns and funded status have not been significant in CT municipal pension plans.

Disclosure: Summary by Fiduciary Investment Advisors with data sourced from FYE2018 Comprehensive Financial Annual Reports (CAFRs) for 173 CT Municipal Pension Plans that had reported data available at the time of the analysis in August 2019¹. All averages shown are equal-weighted and not weighted on assets or liabilities. Investment returns represent an equal-weighted average of money-weighted fiscal year returns for those plans that were included in the analysis.

Data Source Acknowledgements, Links and Disclaimers

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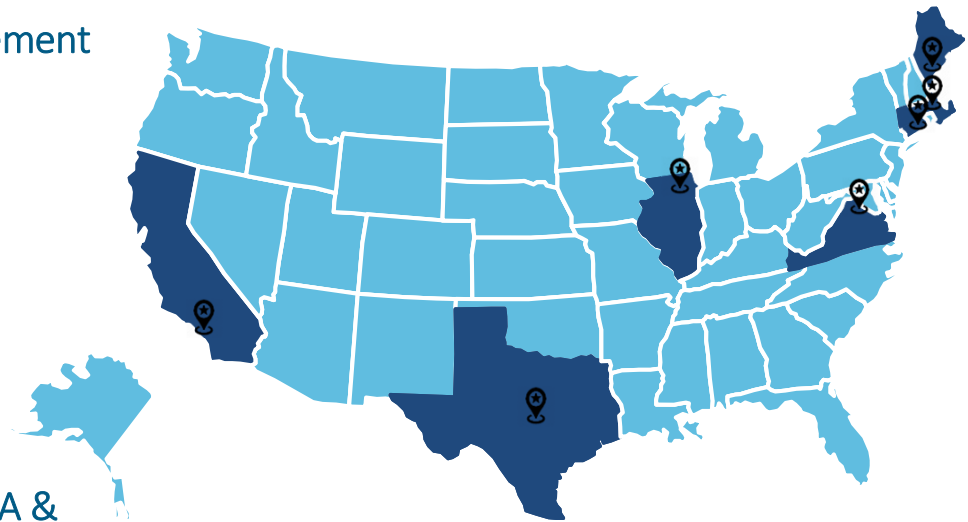
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**GLASTONBURY BOARD OF FINANCE
REGULAR MEETING MINUTES
THURSDAY, JANUARY 16, 2020**

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 Conference Room of the Riverfront Community Center, 300 Welles Street, Glastonbury, Connecticut.

Also in attendance was 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***
- 2. Communication: Minutes – November 20, 2019 (December 2019 Meeting Canceled)**

Minutes accepted as presented.

3. Communication: Pension Report – November 2019

Ms. Twilley reviewed the report dated December 23, 2019. Mr. Lynn asked if the administrative and investment fees listed are just for six months or if they are annual fees. Ms. Twilley said that she cannot recall but she will look into.

4. Communication: Month End Investments – November 2019

Ms. McManus reviewed the report dated December 24, 2019.

5. Communication: Financial Summary (Revenues & Expenditures) for 6 months - December 2019

Ms. Twilley reviewed the report dated January 7, 2020.

6. Communication: Education Reconciliation – November 2019

Ms. McManus reviewed the report dated December 19, 2019.

7. Communication: Capital Projects – December 2019

Ms. Twilley reviewed the report dated January 7, 2020. Mr. Zeller stated that the BOE requested to replace the floor at Smith Middle Smith. He inquired as to how they ended up in the same place because this had been done before. Mr. Johnson explained that, some years ago, there was

a moisture problem, and this request is to come up with another solution. Mr. McIntosh asked about the town MDC property purchase. Mr. Johnson explained that the deal closed yesterday afternoon.

8. Communication: Self Insurance Reserve Fund – December 2019

Ms. Twilley reviewed the report dated January 8, 2020.

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

10. Action: Transfers over \$5,000 (none)

11. Communication: Bank Collateralization Report

Ms. Twilley reviewed the report as of September 30, 2019. Ms. Sanford noted that, a while back, they received a letter from Wells Fargo and discussed looking at RFPs for custodians. Ms. Twilley stated that, currently, they are not looking for RFPs.

12. Communication: \$4.685m Bond Authorization Note

Ms. Twilley reviewed the report dated January 8, 2020. Mr. McIntosh asked if the listed net interest cost of 1.1995% is an annualized rate and not the rate for six months. Mr. Johnson replied yes, it is an annualized rate.

13. Communication: Audit Review Meeting

Ms. Twilley noted that, in the past, two members have volunteered to attend. Mr. Zeller and Mr. Constantine volunteered to serve.

14. Communication: Board Members Requested the Following Item be Discussed

a. Request of Jennifer Sanford: FIA Deep Dive Review of Pension

Ms. Sanford stated that this is a request to do a deeper quantitative dive into the pension plan with Chris Kachmar from FIA. Ms. Twilley stated that she can offer up some dates for the Board to consider, after the budget season.

15. Action: Review of CIP Criteria

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby recommends the CIP Criteria to the Glastonbury Town Council.

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

16. Action: Establish 2020 and January 2021 Regular Meeting Schedule

Ms. Twilley reviewed the proposed dates.

Motion by: Mr. Zeller

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance hereby adopts the 2020 and January 2021 Regular Meeting dates as presented.

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

17. Action: Establish FY 2019/2020 Budget Calendar

Ms. Twilley stated that there is a slight correction, which should read that the public hearing has to be scheduled "10 days after budget submittals by the Town Manager and the BOE." She then reviewed the proposed dates for the FY 2020/2021 Budget Calendar, noting that 5 dates are listed but only 3 need to be selected. The Town Manager stated that he expects to have his budget available next Thursday night, and the BOE to do the same, so that would trigger the 10 days that Ms. Twilley mentioned.

Motion by: Mr. Zeller

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance accept the following dates for the FY 2019/2020 Budget Calendar: January 23, January 28, January 29, February 3 (if needed), February 5, and February 14.

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

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

Mr. Zeller stated that he has a letter he would like to send to the BOE, requesting the same information from them that he has in the past, which is to take a long, hard look at how they calculated their budget. The group read the letter and requested some changes. Mr. Cusson suggested adding a line, acknowledging that this type of request has been raised by others, in addition to the Board of Finance. The Board agreed to send out the letter tonight.

19. Adjournment

Motion by: Mr. Zeller

Seconded by: Mr. Cusson

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of January 16, 2020, at 5:07 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.



INSTR # 2020000672
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 JOYCE P. MASCENA
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BOF 2/14/20
Item # 2b

**GLASTONBURY TOWN COUNCIL
 SPECIAL MEETING MINUTES
 THURSDAY, JANUARY 23, 2020**

The Glastonbury Town Council with Town Manager, Richard J. Johnson, in attendance, held a Special Meeting at 6:00 p.m. at the Activity Room A and B, Riverfront Community Center, 300 Welles Street, Glastonbury, Connecticut. Also in attendance were Members of the Boards of Education and Finance, as well as department heads of town and education staff.

1. Roll Call

Council Members

- Mr. Thomas P. Gullotta, Chairman
- Mr. Lawrence Niland, Vice Chairman
- Dr. Stewart Beckett III
- Ms. Deborah A. Carroll
- Mr. Kurt P. Cavanaugh
- Ms. Mary LaChance
- Mr. Jacob McChesney
- Mr. Whit C. Osgood {excused}
- Ms. Lillian Tanski

(a) **Pledge of Allegiance.** *Led by Chairman Tom Gullotta*

2. **Public Communication and Petitions pertaining to the Call.** *None*

3. **Special Business as contained in the Call.**

(a) **Annual Capital Improvement Program budget presentation and discussion.**

Mr. Johnson reviewed slides with an overview of the annual capital improvement program, emphasizing that maintaining infrastructure and ongoing projects represent roughly 91% of the budget with new programs representing 9%. In regard to the road overlay budget, Mr. Cavanaugh noted that the road overlay program has halved from 20 years and asked if there were options to buy different materials. Mr. Dan Pennington, Town Engineer/Manager of Physical Services, explained that the Town uses state bid contracts for the actual placement of the asphalts, which gives them economies of scale and the benefits of the state DOT resources. He explained that the material is not lasting as long as it once did because of a chemical issue affecting the elasticity, which is a disturbing development but there is no viable alternative to it at this time.

Mr. Johnson explained that this is the second year of the sidewalk maintenance allocation. Chairman Gullotta noted that as the Town continues to build sidewalks, the maintenance cost will continue to

*Glastonbury Town Council
 Special Meeting of January 23, 2020
 Recording Clerk - LT
 Minutes Page 1 of 4*

incline. He asked if there were a way to have public versus private sidewalks because this is an escalating expense that does not need to be escalated. Mr. Johnson stated that the two are separate, but he can look into it. Mr. Niland asked what the average life expectancy is of the mower. Mr. Pennington replied about 12-15 years. Dr. Beckett suggesting trading in the tractor. Mr. Johnson replied that sometimes, the trade-in value is not as cost-efficient as selling it. Mr. Johnson continued discussing projects related to safety by reviewing the Town Center Streetscapes Improvements, explaining that the thought is to replace and reconstruct so that there are no slip and fall issues. Mr. McChesney asked if they will have to dig up the brick rework that was just done there. Mr. Johnson said no.

Police Chief Marshall Porter spoke about the need to upgrade their equipment, such as the mobile radios on vehicles. He explained that they have been collecting parts from other agencies, but their vendor advised them to upgrade. They are comfortable with a 3 to 4-year funding period to get them where they need to be. Vice Chairman Niland stated that they are about 13 or 14 years into this project, though it is a 20-year bond. Chief Porter replied that they are at the mercy of vendors when it comes to their planned obsolescence. Mr. Johnson added that, had they known 15 years ago what they know now, they probably would have issued a 10-year bond, rather than 20 years. He explained that, should they move forward and fund this, they do not expect to bond. Mr. Beckett asked if there is an opportunity to do a bulk purchasing to save money. Chief Porter said no, because everyone is on a different timed schedule so other towns cannot synch up.

Fire Chief Michael Thurz explained that they are required to replace the SCBA cylinders, which have a 15-year life expectancy. He noted that he received a grant 15 years ago, and he has been writing a new one for FEMA, which is very competitive. 30 of the cylinders have already been replaced, and by December 2020, they will need to replace the remaining 120 of their 150 air cylinders. Mr. McChesney asked if they, potentially, have 100% funding. Chief Thurz stated that if they receive the grant, then the cost will only be 10% of that grant; if not, they will have to spend all of the \$120,000. Ms. Tanski asked if the frameworks, which were part of the original grant, would also need to be replaced. Chief Thurz said yes, at some point.

Chief Thurz reviewed the renovation work they began at stations 1 and 2 of the GHS field house to update the buildings, such as accounting for female personnel on the signage and adding handicap access. The GHS lockers will also be replaced, with construction to begin in 2021. Dr. Alan Bookman, Superintendent, stated that the timing is very important. They are looking at starting the project in the spring of 2021 because the facility is most used in the fall. He noted that the renovations will address all Title 9 issues, such as ADA accessibility. Dr. Beckett suggested bonding as a better way to finance this than cash. Chairman Gullotta stated that that is a rhetorical question. Mr. Cavanaugh stated that if they explain the option to the public, he does not think it will be an issue. Ms. Tanski remarked that they are already about halfway in (\$1 million), so extending this process with a referendum, at this point, seems unnecessary. Mr. Cavanaugh asked about the design. Mr. Johnson stated that the design is all encumbered.

Mr. Johnson reviewed the moisture mitigation issue at the SMS gymnasium floor. Mr. Doug Foyle, Education Chairman, explained that there were a variety of reasons which they suspect led to a moisture issue. There was a 15-year warranty, but it did not hold up and the company that supplied

the material is no longer in business. Chairman Gullotta stated that the town has to do a better job of contracting companies and holding them accountable. Mr. Cavanaugh stated it sounds like they want to replace the floor without knowing the cause of the problem. Dr. Bookman assured that they are not going to put down the same thing without determining the cause of the issue first. However, he explained, they also cannot just leave the floors open to lawsuits. Mr. Johnson added that this is the analysis, and these are the recommendations for how to go forward.

Mr. Johnson then discussed tree management, which is budgeted to cost about \$125,000. Mr. Cavanaugh inquired about the process for reporting a tree for removal. Ms. Lisa Zerio, Director of Parks and Recreation, explained the three different ways in which someone from the public can report on a tree. Mr. Cavanaugh asked who they work with. Ms. Zerio replied, they contract out to 3 or 4 companies, and it is by bid. Mr. Johnson reviewed the Addison Park renovations, noting that it is hard to believe that the pool will enter its 26th year of operation this summer and this is the first year of a series of improvements. He noted that the \$225,000 budgeted for the project includes \$120,000 for the turf mower and \$25,000 for the Winter Hill farm. While the town receives rental income from the farm, there are horizontal cracks in the foundation, so they need structural engineers to take a look at it. Mr. McChesney asked if this is part of the crumbling foundations. Mr. Johnson stated that their structural engineer said no, but they do not know what the solution is right now.

Mr. Pennington reviewed the Main Street sidewalks project, explaining that they have run into some delays. They looked at different types of wall designs to find a solution for the slope issues near Old Cider Mill, and the neighbors are presumably in agreement with the new design. He explained that they looked into options that would eliminate the wall by shifting the entire road to the east but found geometric design constraints. Mr. Johnson discussed the new sidewalk construction, which is projected at \$175,000. He explained that they looked at two possible areas: Eastern Boulevard, which would complete the multi-use trail, and Spring Street. If either one of those two options were selected, they would fund it.

Mr. Johnson also touched on energy efficiency and sustainability upgrades, noting that the Eversource funding is ending, so it will cost about \$50,000. He then discussed the ramp configuration on New London Turnpike; the roundabout, which they have the funds to construct, should mitigate traffic concerns and delays. Finance Member Walter Cusson asked if the Town has any financial implications. Mr. Johnson said no, not if they do their project as proposed. Finance Member James Zeller pointed out that the state has pieces of land for sale on the turnpike so, given the opportunity, the Council should consider making a purchase. Chairman Gullotta expressed interest in seeing a proposal from the Police Department and the Town Manager on how to calm traffic because those residential streets will be used more and more.

Mr. Johnson continued his presentation with a review of the various new projects and proposals of the town, including \$500,000 for a splash pad at Addison Park. Ms. Lisa Zerio, Director of Parks and Recreation, explained that a child with special needs cannot get to all of the activities offered, and having a splash pad is a safe opportunity for children and teens. The intention is to keep the aging pool but design it in such a way so that more features could be added in the future. Mr. McChesney asked about the logic behind putting the splash pad next to the pool versus in one of the parks. Ms. Zerio explained that if they were to put it in a regular park, the water would go out to waste. Since

redirecting it is costly, this option is the most sustainable. Chairman Gullotta noted that, typically, when there is a splash area, younger children do not go to the wading pool.

Mr. Johnson discussed the Bulky Waste Closure Fund, noting that while closure funds are relatively common, the \$50,000 price tag he listed is a placeholder. Mike Bisi, Superintendent of Sanitation, explained that the facility opened in 1977, and the volume depends on the economy. They looked at two options: either a complete closure at one time (which they do not recommend), or dividing it up into 3 sections, with the first area closing in about 10 years.

Mr. Johnson stated that they allocated \$40,000 to put the oldest part of the Williams Memorial academy building back into meaningful public use. Chairman Gullotta remarked that there was a great article on the history of the building in last week's Glastonbury Citizen. He suggested that, through a public-private partnership, they turn the space into a lyceum, which would also ease the issue of public hearing space in the Town Hall. Mr. Johnson stated that, over the years, they have upgraded some of their facilities with Wi-Fi connection, so that they could operate some of their systems remotely, accept credit cards, etc. The \$50,000 allocation in the budget would allow the town to link a few more facilities.

Ms. Tanski asked to speak to the different types of roofing materials that have been used at the school and their life expectancies. Dr. Bookman explained that there are districts that replace their roofs after 20 years and get reimbursed, and in Glastonbury, they are hoping to extend theirs for up to 40 years by extending and maintaining, not replacing, them. Mr. Johnson went through a breakdown of the numbers discussed during his presentation, noting that he is not recommending a change in the Capital Reserve Fund Transfer this year. Mr. Johnson completed and summarized the presentation.

4. Adjournment.

With no further comments, Chairman Gullotta closed the meeting at 8:33 P.M.

Respectfully submitted,

Lilly Torosyan

**Lilly Torosyan
Recording Clerk**

**Thomas Gullotta
Chairman**



**GLASTONBURY TOWN COUNCIL
 SPECIAL MEETING MINUTES
 TUESDAY, JANUARY 28, 2020**

The Glastonbury Town Council with Town Manager, Richard J. Johnson, in attendance, held a Special Meeting at 6:00 p.m. at the Council Chambers of Town Hall, 2155 Main Street, Glastonbury, Connecticut.

1. Roll Call.

Council Members

- Mr. Thomas P. Gullotta, Chairman {excused}
- Mr. Lawrence Niland, Vice Chairman (Acting Chairman)
- Dr. Stewart Beckett III
- Ms. Deborah A. Carroll
- Ms. Mary LaChance
- Mr. Jacob McChesney
- Mr. Kurt P. Cavanaugh
- Mr. Whit C. Osgood
- Ms. Lillian Tanski

a. Pledge of Allegiance Led by Ms. Tanski

2. Public Comment

Allen Friedrich of 47 Prospect Street Apt D, Vice President of Bike Walk Glastonbury Group, asked the Council to support projects that enhance driver awareness and safety for bicyclists in the CIP budget.

Shawnee Baldwin of 57 Nuthatch Knob explained that she would love to see more walkways and safe places to walk in town.

Mark McCall of 63 Wadsworth Street also expressed support for cycling in town and agreed with the comments made by the previous public speakers.

3. Special Reports. None

4. Old Business. None

5. New Business.

a. Action on Capital Improvement Program Criteria FY 2020-2021.

Mr. Johnson presented the annual review of the CIP criteria, noting that the document was drafted years ago and has been significantly updated in recent years. He explained that no changes were recommended by the BOF. Mr. Osgood asked if there is a clause regarding how much they could spend on the capital versus how much they could bond. Mr. Johnson replied that, generally, it is 2% of the applicable year's adopted budget, with caveats for the net cost.

- b. Action on 2021-2025 Capital Improvement Program – preliminary priorities for July 2020 funding (refer to Board of Finance).

Mr. Johnson explained that the action tonight is to refer the matter to the BOF, and there is no commitment on behalf of the Council to support or not support the project.

Motion by: Ms. Carroll

Seconded by: Mr. Cavanaugh

BE IT RESOLVED, that the Glastonbury Town Council hereby refers the 2021-2025 Capital Improvement Program to the Board of Finance for a funding report and recommendation, including the following preliminary project recommendations for fiscal year 2020-2021.

Disc: Mr. Osgood asked about the locker facility’s preliminary estimates. Mr. Johnson explained his process for how he arrived at those numbers. Mr. Niland asked if there is any possibility that the project could go forward this summer. Mr. Johnson said no, the engineers need a contract in place by July/August of the prior year, so under both design scenarios, the completion date would be in 2021. Mr. Osgood stated that he will support the motion, but the Council should take a closer look at the line item issues. Mr. McChesney also expressed support in sending this forward to the BOF, but he recalls that the discussion of the locker facility was already conducted.

Result: Motion passed unanimously {7-0-0}.

6. Consent Calendar.
 - a. Action on Effective date for Amendment to Town Code 17-49 – Inspection of Public Sidewalks.

Motion by: Ms. Carroll

Seconded by: Mr. Cavanaugh

BE IT RESOLVED, that the Glastonbury Town Council hereby approves an effective date of March 1, 2020 for amendment to Town Code Section 17-49 entitled “Inspection” as formally approved by the Town Council by action at its meeting of Tuesday, January 14, 2020, as described in a report by the Town Manager dated January 24, 2020.

Disc: None

Result: Motion passed unanimously (7-0-0).

7. Town Manager’s Report.

Mr. Johnson reviewed the report, noting that Glastonbury was among six towns selected to receive a statewide recognition for the roundabouts, and they received a \$50k grant from the Hartford Foundation to relamp Ross Field. He also stated that the Police Officer of the Year award program will be held next Thursday evening to honor Officer Michael Magrey. Mr. Cavanaugh reiterated a congratulations to all who worked on the roundabouts and expressed hope that this award will encourage people in town to show more support for them.

Mr. Cavanaugh asked why stop signs were installed on the intersection of Woodland Street, Matson Hill, and Clark Hill. Mr. Johnson stated that they reconstructed that intersection and the feedback has been very positive. Mr. Cavanaugh asked if they are legal stop signs. Mr. Johnson replied yes, both of

the stop signs were put in place to regulate traffic, not to control speeding, though he agreed to come back with more information. Ms. LaChance asked if there are any updates on the Douglas Road and Hurlburt Street areas. Mr. Johnson stated that they have all of the data, and they will report back to the Council next month. Mr. McChesney asked about the stop sign that was placed on a very steep incline on Mott Hill Road. Mr. Johnson stated that he does not know whether it being on a hill would preclude it from the ability to have a stop sign.

8. Committee Reports.

- a. Chairman's Report. None
- b. MDC. None
- c. CRCOG. None
- d. Status Report – Policy & Ordinance Review Committee.

Ms. Carroll stated that the Committee met last Friday to discuss two issues, which Mr. Johnson will draft and present to the Council.

- The Council's policy and protocol regarding (non-cash) gifts and donations to the town.
 - These concern gifts that require long-term maintenance, for which the Council needs to discern what their threshold is for long-term upkeep and eventual replacement.
- A concern in a difference of language between land acquisition and development rights

Mr. McChesney asked if that would exclude the \$500k they will be receiving from the Rotary Club. Ms. Carroll explained that that would not exclude that project, and it potentially could be \$250k from the Rotary Club and \$250k from the town. The cost of that facility will be a part of their discussion. Ms. Tanski added that the goal of this is to implement a process that is transparent for the community, not to put a chilling effect on donations.

9. Communications.

Ms. Carroll stated that they received a letter from Dale and Jeff Carstens regarding the dedication of the plaque at the boat house.

10. Minutes.

- (a) Minutes of January 14, 2020 Regular Meeting.

Motion by: Ms. Carroll

Seconded by: Mr. Cavanaugh

BE IT RESOLVED, that the Glastonbury Town Council hereby approves the minutes as submitted for the meeting held January 14, 2020.

Result: Motion passed unanimously {7-0-0}.

11. Appointments and Resignations.

(a) Appointment of Christopher Griffin to the Capitol Region Council of Governments-Regional Planning Commission (Regular Member to RPC).

Motion by: Ms. Carroll

Seconded by: Mr. Cavanaugh

BE IT RESOLVED, that the Glastonbury Town Council hereby appoints Town Plan and Zoning Commission Member, Christopher Griffin, to serve as a regular member on the Capitol Region Council of Governments-Regional Planning Commission.

Result: Motion passed unanimously {7-0-0}.

(b) Appointment of Alice Sexton to the Capitol Region Council of Governments-Regional Planning Commission (Alternate Member to RPC).

Motion by: Ms. Carroll

Seconded by: Mr. Cavanaugh

BE IT RESOLVED, that the Glastonbury Town Council hereby appoints Town Plan and Zoning Commission Member, Alice Sexton, to serve as an alternate member on the Capitol Region Council of Governments-Regional Planning Commission.

Result: Motion passed unanimously {7-0-0}.

12. Executive Session. *None*
(a) Potential land acquisition.

13. Adjournment

Motion by: Ms. Carroll

Seconded by: Mr. Cavanaugh

BE IT RESOLVED, that the Glastonbury Town Council hereby adjourns their special meeting of January 28, 2020, at 6:41 pm and will return at 7:00 pm for the Annual Town Meeting.

Result: Motion passed unanimously {7-0-0}.

Respectfully submitted,

Lilly Torosyan

**Lilly Torosyan
Recording Clerk**

**Thomas Gullotta
Chairman**

**GLASTONBURY BOARD OF FINANCE
SPECIAL MEETING MINUTES
WEDNESDAY, JANUARY 29, 2020**

The Glastonbury Board of Finance with Finance Director, Julie Twilley, and Town Manager, Richard J. Johnson, in attendance, held a special meeting at 3:30 p.m. in Meeting Room A, 2155 Main Street, Glastonbury, Connecticut.

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 – Comments pertaining to the call. **None**

2. Budget Reviews

Mr. Johnson presented his recommended 2020/2021 Town budget, explaining that he viewed it as two different budgets: the Town operations (which is proposed to increase by 2.25%) and the Pension Mortality Tables (which is based off of 2010 data from PUB-2010, and is proposed to increase by 2.08%). Mr. Johnson then reviewed the two major components of the budget (wages and insurance), which together account for about 87% of the 2.25% overall increase. For insurances, Mr. Johnson noted that there was a 6% increase in the premium equivalent and \$100k allocation to the reserve fund, which is the same that was done in the current year. He explained that they are in the proposal process and will go to the market to see if there are opportunities to consolidate. Mr. Lynn asked if they are fully funded or self-insured for workers' compensation. Mr. Johnson replied that they belong to CIRMA and workers' compensation falls under their purview.

For contractual services, Mr. Johnson noted that the change is almost flat at 0.06%. Mr. Zeller asked what the dollar amount is yearly, on the tip fees. Ms. Twilley replied that the refuse disposal is \$137k, noting that, in the current budget, it was around the same number. Data processing also had a relatively small increase, of 0.11%, due to the ongoing need to update IT systems for operational efficiencies and safety and security. Mr. Johnson also noted the relatively flat level of change in the utilities and fuel, due to the increased costs of maintaining fire hydrants and fleet, as well as rising fuel costs. He then noted the relatively flat level of change in the capital outlay, which includes equipment like plow trucks. Ms. Sanford asked what the prior

rate increase was on that. Mr. Johnson replied that, last year, it went up by \$138k, and it was relatively flat in the previous years. He then explained that all other costs amounted to just a 0.08% change in the budget. Altogether, the 2.25% increase is equal to \$975,000. Mr. Johnson pointed out that the CPI in the Northeast region for the year end, at December 2019, is 1.9%, and the Town's 2.25% is just a quarter of a percent more.

The Town Manager reviewed the pension with his proposed assumptions at an amortization of 13 years, and the possibility of extending amortization by either one or two years. Ms. Sanford asked if other municipalities are doing this. Mr. Johnson stated that West Hartford, for example, is also implementing the PUB-2010 in the coming year. He then explained that he did not like the optics on extending the amortization, and he posed the question whether phasing it in has a material influence on the mill rate. Mr. McIntosh remarked that this conflicts with the BOF's policy regarding use of the general fund, which is only for non-recurring expenses, because this is a recurring expense. Mr. Johnson explained that he took a different point of view on that: he regarded this as a one-time allocation of approximately \$1 million from the fund balance that is phased over 4 years. Mr. McIntosh conceded that the policy is general, so one could make exceptions to it, though he cautioned the Board to be aware of what they are doing. He explained that he finds it appropriate to take those phantom savings and apply them to an obligation which was incurred from past expenses.

Mr. Johnson reviewed the pension plan projections, showing the gradual phasing of all Town employees to the hybrid plan. He pointed out that a quarter of the wages of employees are pensions. Mr. Johnson then reviewed the debt and transfers, noting that while debt service was relatively flat overall, OPEB had a modest increase. Mr. Zeller stated that, at one point, the Council recommended that the Board look into bonding instead of borrowing, which they did, and he inquired about that update. Mr. Johnson stated that they may look into bonding in the near future, for example, with the school roofs project.

Mr. Johnson reviewed the revenues and transfers, explaining the history behind the ESC funding, which is being reduced. He stated that they budgeted \$5.3 million from ESC in 2021, and there is an estimated reduction of \$662k in investment income. Mr. Zeller expressed a concern about the mortality issue, and suggested the option of taking \$1.25 million from the general fund and putting it toward the pension, in order to address the one-time mortality hit. Mr. Johnson stated that doing that would make next year's budget \$1.25 million underfunded, and then either taxes would have to go up or the fund would continue to dip, and the rating agencies will not like that. Mr. Johnson then reviewed the general fund projections model, showing the assumed gain on operations of \$350k, with an inflow of one-time revenues to the general fund through potential land acquisitions, for example. Ms. Sanford stated that they are spending more than they are actually taking in, so this pushes the pension issue to the top of the discussion.

Mr. Johnson reviewed the grand list, noting a 0.09% increase, or \$1.6 million, in new tax revenue. There will be a revaluation in 2022. Mr. Zeller asked what one mill is. Mr. Johnson

explained that 1 mill equates to approximately \$4 million. He noted that the tax collection rate is proposed at 99.1%, though the actual average over the past decade has been about 99.5%. Mr. Zeller asked how they are raising so much in taxes with only a slight increase in the mill rate. Mr. Johnson replied that they included the growth in the grand list. Mr. Zeller then asked if the increase in the sanitation refuse disposal of \$121k is just tipping fees. Mr. Johnson said no, the primary influence there is that they had zero capital outlay last year, and this year, they have a water quality issue at the bulky waste facility, as well as an antiquated permitting system. Mr. Zeller pointed out that the Youth and Family Services line item also had a substantial increase. Mr. Johnson clarified that they reallocated some FT positions and moved them from one budget to another. Mr. Lynn noted that police staff went up by two in prior years. Mr. Johnson explained that when they took on East Hampton, they added 3 dispatchers, which are fully paid for by a state grant and by the town of East Hampton. Ms. Sanford asked about the Risk Manager position that the Town Manager had previously expressed an interest in creating. Mr. Johnson explained that the Town has never had that position, and though it would have been ideal, he did not find it appropriate at the time, considering the other staffing eliminations they made.

Mr. Zeller stated that the listed 2019/2020 adopted fund balance is not what the Board actually adopted. Ms. Twilley explained that, from an accounting standpoint, the \$975k, if adopted, must be recognized in the current year, because it is committed to be spent in the subsequent year. Mr. Johnson added that it is simply the adopted budget, with adjustments that were made over the course of the year. Mr. Zeller noted that the budget is listed as going up only 1.9%, but that is not right. Mr. Johnson stated that his notes indicated 2.9%, but he will take a look at that. Mr. McIntosh asked about the barns on Old Maids Lane and whether the anticipated new roofs are economical or not. Mr. Johnson explained that they are used for agricultural purposes on a leased basis. The reroofing is in process now, in order to preserve that part of the history of South Glastonbury. Mr. McIntosh countered that putting roofs on deteriorating barns does not seem feasible, and he hopes that the Council considers that. Mr. Zeller stated that, in the Town's comprehensive report, which lists the total number of employees in town, in education, only GHS is shown. Mr. Johnson stated that he will look into why all education employees were not counted.

Mr. McIntosh stated that they have remarked to the BOE on several occasions that while their cost per student has gone up, the cost per citizen has likely been falling. He stated that the Board is caught between those supplying the Town with services (such as the MDC) and a state government that is lowering their supply of funding to them. He asked where they stand on the spending cap of 2.5%. Mr. Johnson stated that, in the past few years, they have been within 2.5%. Mr. McIntosh asked what would happen if they go above 2.5%. Mr. Johnson replied, there is no penalty, adding that pension costs are exempt from the capital gains tax. Ms. Twilley then reviewed the projections, which show the adopted, proposed budgets with various assumptions. Ms. Sanford asked if they could also add in a lower assumption option, such as 2.25%, as well. Ms. Twilley agreed to do so. She then explained that they reviewed the big expenses, assuming a 5% increase in the grand list from the 2022 reevaluation and a 0.90% grand list growth in all of

the other years.

The Board recessed at 6:00 P.M. and resumed discussion at 6:08 P.M.

Mr. Johnson reviewed the CIP budget. In regard to the obsolescence of the public safety equipment, Mr. Johnson explained that if they knew what they do today back in 2006/7, they would have bonded for 10 years, not 20 years. He explained that the equipment is aging out to their 15-year life expectancies. Mr. Zeller suggested they look into the option of selling the equipment after 10 years to a town that could use it for the remaining 4 or 5 years. Mr. Zeller then asked if the Council is permitted to bond after they have already paid cash. Mr. Johnson stated that he will double check. Mr. Johnson informed the Board that he asked for an independent report to see what is causing the floor moisture issue at Smith Middle School. Ms. Sanford asked if the contractor went out of business and whether or not they have some leverage with the supplier. Mr. Johnson stated that he will check on that.

Ms. Twilley stated that there will be no BOF meeting on February 3, and the budget meeting will be held on February 14. The Regular Meeting of February 19 will be cancelled and added to the agenda of the February 14 meeting. The Board will next meet on February 5.

3. Adjournment

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of January 29, 2020, at 6:42 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

January 28, 2020

TO: Board of Finance & Richard J. Johnson, Town Manager
 FROM: *9BT* Julie Twilley, Director of Finance & Administrative Services
 RE: Pension Investment Review - **December 2019**

BOF 2/14/20 Item # 3

As of December 31, 2019 the pension asset value is \$167,418,064, a net increase of \$14,118,812 from July 1, 2019. Through the month of December, the fund experienced an unrealized gain of \$5,236,785, which is indicative of the current market and there were realized gains of \$2,745,715. Investment income through December totaled \$2,151,256.

July 1, 2019 Balance	\$	153,299,253
Revenues:		
Employer Contributions	\$	8,170,908
Employee Contributions	\$	1,002,591
Total Contributions	\$	9,173,499
Investment Income	\$	2,151,256
Realized Gains/Losses	\$	2,745,715
Unrealized Gains/Losses	\$	5,236,785
Total Revenues	\$	19,307,256
Expenditures:		
Benefit Payments	\$	5,074,753
Administrative Fees	\$	47,227
Investment Management Fees	\$	66,464
Total Expenditures	\$	5,188,445
Net Increase/Decrease	\$	14,118,812
Ending Balance December 31, 2019	\$	<u>167,418,064</u>

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

January 22, 2020

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

From: Narae L. McManus, Controller *NLM*

Subject: Monthly Investment Status

Pooled Investments

The Town's pooled cash investment balances at December 31, 2019 were \$82,204,524. As of month-end, the investment balances for all funds combined were as follows:

Type of Investment	Amount	Rate	
STIF	\$ 40,013,377	1.70	
Citizens Bank	1,218,490	1.35	
Northern Capital Investment Account	11,444,346	1.30-3.40	Est. current accrued interest \$24,825
Northern Capital Sewer Funds	9,239,252	1.20-3.25	Est. current accrued interest \$15,580
People's United Investments	5,035,054	1.61	
United Bank Money Market	6,810,782	1.71	
TD Bank CD	8,000,000	1.72	
TD Bank Investments	443,223	1.26	
Total	<u>\$ 82,204,524</u>		

General Fund Earnings

- The General Fund portion of pooled investments at December 31 was \$55.9 million.
- As of December 31, the General Fund has realized investment earnings of \$623,960.
- As of December 31, Sewer Sinking funds totaling \$7,843,000 were invested in fully-insured CDs and \$981,688 were invested in US Government Agency securities with terms varying from 6 months to seven years, with current-year realized investment earnings of \$82,459.

Comparative information concerning General Fund earnings follows.

Fiscal Year	Budget	Realized Investment Earnings July-December	Percent of Budget
2019	\$800,000	552,153	69.02%
2020	\$1,500,000	623,960	41.60

cc: Julie B. Twilley, Director of Finance

TOWN OF GLASTONBURY
ADMINISTRATIVE SERVICES - Financial Administration

BOF 2/14/20
Item # 5

February 3, 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 Seven Months Ended January 31, 2020 (FY 2019/20)

Expenditure Summary:

Through January 31, 2020, encumbrances total \$51.3m and expenditures total \$90.0m. Combined, this represents 85% of the Town's revised general fund budget of \$166.3m. This compares to \$50.6m and \$91.2m respectively, or 87%, for the same period in the prior year.

The expenditure decrease of \$1.2m is comprised of decreases in Education expenditures of \$0.6m 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 January 31, 2020.

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	\$ 25,690,827	\$ 9,220,695	82%
Education	105,834,933	55,257,922	36,904,606	87%
Debt/Transfers	15,107,804	10,205,325	4,492,512	97%
<u>2019/2020</u>				
Town	\$ 43,592,562	\$ 26,078,269	\$ 8,552,704	79%
Education	108,699,846	54,692,957	38,393,987	86%
Debt/Transfers	13,973,755	9,203,232	4,343,656	97%

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

	2018/2019	%	2019/2020	%
ADMIN SERVICES	\$ 3,666,821	60%	\$ 3,713,262	59%
PUBLIC SAFETY	8,830,970	62%	9,044,305	62%
PHYSICAL SERVICES	4,289,352	60%	4,486,397	60%

cc: Karen Bonfiglio, Finance Manager
 Narae McManus, Controller

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

2/3/2020
8:49:52AM

FUND 010 - GENERAL FUND

DESCRIPTION	2020 ORIGINAL BUDGET	2020 REVISED BUDGET	2020 THRU JANUARY	2020 ENCUMB	AVAILABLE BALANCE	2020 % USED
GENERAL GOVERNMENT						
TOWN COUNCIL	143,233	165,233	119,180	8,039	38,014	77.0 %
CUSTOMER SERVICE	60,316	60,316	34,350	-	25,966	56.9 %
TOWN MANAGER	615,550	637,450	353,879	166,704	116,867	81.7 %
HUMAN RESOURCES	507,055	507,055	278,623	117,261	111,171	78.1 %
FACILITIES MAINTENANCE	1,985,648	2,001,383	1,166,233	349,211	485,939	75.7 %
TOTAL GENERAL GOVERNMENT	3,311,802	3,371,437	1,952,264	641,215	777,958	76.9 %
COMMUNITY DEVELOPMENT						
COMMUNITY DEVELOPMENT	562,910	562,910	333,565	147,063	82,282	85.4 %
BUILDING INSPECTION	552,405	571,765	324,192	130,853	116,720	79.6 %
FIRE MARSHAL	359,192	356,832	221,903	75,162	59,767	83.3 %
HEALTH	727,422	735,412	441,094	177,150	117,168	84.1 %
TOTAL COMMUNITY DEVELOPMENT	2,201,929	2,226,919	1,320,755	530,227	375,937	83.1 %
ADMINISTRATIVE SERVICES						
FINANCIAL ADMINISTRATION	676,644	695,884	317,800	169,559	208,525	70.0 %
INFORMATION TECHNOLOGY	840,403	840,403	544,170	152,401	143,832	82.9 %
ACCOUNTING	449,625	468,238	292,484	179,338	(3,585)	100.8 %
PROPERTY ASSESSMENT	677,385	677,385	410,632	127,098	139,656	79.4 %
REVENUE COLLECTION	497,684	497,684	318,043	125,659	53,982	89.2 %
TOWN CLERK	546,198	546,198	314,483	134,440	97,275	82.2 %
VOTER REGISTRATION	170,200	170,200	84,761	2,752	82,687	51.4 %
LEGAL SERVICES	300,000	300,000	111,658	1,594	186,748	37.8 %
PROBATE SERVICES	24,800	27,633	10,334	10,092	7,207	73.9 %
INSURANCE/PENSIONS	2,030,799	2,030,799	1,308,897	106,477	615,424	69.7 %
TOTAL ADMINISTRATIVE SERVICES	6,213,738	6,254,423	3,713,262	1,009,409	1,531,752	75.5 %
PUBLIC SAFETY						
POLICE	13,396,071	13,488,599	8,366,925	2,902,111	2,219,564	83.5 %
VOLUNTEER AMBULANCE	20,820	20,820	8,516	1,024	11,280	45.8 %
FIRE	1,131,961	1,139,863	655,117	49,127	435,619	61.8 %
CIVIL PREPAREDNESS	31,202	31,202	13,748	410	17,043	45.4 %
TOTAL PUBLIC SAFETY	14,580,054	14,680,484	9,044,305	2,952,672	2,683,507	81.7 %
PHYSICAL SERVICES						
ENGINEERING	1,657,000	1,657,000	1,048,333	443,248	165,419	90.0 %
HIGHWAY	4,534,907	4,534,907	2,697,560	749,542	1,087,805	76.0 %
FLEET MAINTENANCE	1,265,363	1,265,363	740,503	246,291	278,568	78.0 %
TOTAL PHYSICAL SERVICES	7,457,270	7,457,270	4,486,397	1,439,081	1,531,793	79.5 %
SANITATION						
REFUSE DISPOSAL	859,961	881,622	465,100	229,839	186,683	78.8 %
TOTAL SANITATION	859,961	881,622	465,100	229,839	186,683	78.8 %
HUMAN SERVICES						
CONTRIBUTORY GRANTS	32,577	32,577	32,577	-	-	100.0 %
YOUTH/FAMILY SERVICES	1,301,056	1,301,056	707,457	266,202	327,397	74.8 %
SENIOR & COMMUNITY SERVICES	1,630,871	1,630,871	941,483	261,641	427,747	73.8 %
TOTAL HUMAN SERVICES	2,964,504	2,964,504	1,681,517	527,843	755,144	74.5 %

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

2/3/2020
8:49:52AM

FUND 010 - GENERAL FUND

DESCRIPTION	2020 ORIGINAL BUDGET	2020 REVISED BUDGET	2020 THRU JANUARY	2020 ENCUMB	AVAILABLE BALANCE	2020 % USED
LEISURE/CULTURE						
PARKS/RECREATION	3,942,912	3,954,047	2,352,666	850,304	751,076	81.0 %
WELLES TURNER LIBRARY	1,786,855	1,786,855	1,047,003	372,113	367,738	79.4 %
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	3,414,670	1,222,418	1,118,815	80.6 %
OTHER:DEBT & TRANSFERS						
DEBT SERVICE	7,157,157	7,157,157	2,386,634	4,343,656	426,868	94.0 %
TRANSFERS	6,816,598	6,816,598	6,816,598	-	-	100.0 %
TOTAL OTHER:DEBT & TRANSFERS	13,973,755	13,973,755	9,203,232	4,343,656	426,868	96.9 %
EDUCATION						
EDUCATION	108,699,846	109,259,259	55,305,142	375	53,953,742	50.6 %
TOTAL EDUCATION	108,699,846	109,259,259	55,305,142	375	53,953,742	50.6 %
TOTAL GENERAL FUND	166,007,626	166,825,576	90,586,643	12,896,735	63,342,199	62.0 %

GLASTONBURY PUBLIC SCHOOLS

TO: Board of Education
Board of Finance
FROM: Alan B. Bookman, Superintendent
Karen Bonfiglio, Finance Manager
DATE: February 3, 2020
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 December 2019 are \$46,575,658.
- 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	01/08/2020	01/16/2020
Payroll	01/08/2020	01/16/2020
<u>Other Funds:</u>		
Educational Grants	01/08/2020	01/27/2020
Student Activities	01/27/2020	01/27/2020
School Foods	01/17/2020	01/27/2020
Dependent Care	01/17/2020	01/27/2020
Planetarium	01/31/2020	01/31/2020

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

ADMINISTRATIVE SERVICES - Financial Administration

February 3, 2020

TO: Board of Finance
FROM: *JBT* Julie Twilley, Director of Finance & Administrative Services
RE: Capital Projects Fund Expenditures Report
For the Period Ended January 31, 2020 (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 January 31, 2020 report is **\$92.2m**.

Expenditures for current projects since inception through January 31, 2020 total **\$77.0m**. Encumbrances outstanding total **\$4.4m**. The most significant encumbrances are for Cider Mill Pump Station (\$1.3m), Multi-Use Trail (\$1.0m), Bridge Replacement/Rehabilitation (\$347k) and a Fire Apparatus (\$302k).

Capital expenditures through the month of January totaled **\$13.3m** and were for Land Acquisitions, 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 January 31, 2020

DESCRIPTION	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	2020 THRU JANUARY	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	480,461	69,481	31,607	52,675
Disaster Prep/Recovery Resourc	884,000	883,866	19,118	-	134
Fire Co Renovations/Code Compl	420,000	65,764	21,718	189,309	164,927
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	47,472	47,472	8,267	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	1,164,684	14,259	-	88,955
Town Facilities Shop/Storage	1,045,000	1,045,620	143,146	-	(620)
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	263,092	4,798	48,373	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	14,848,732	845,705	801,882	1,058,466

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2020 Through January 31, 2020

DESCRIPTION	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	2020 THRU JANUARY	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	347,046	481,647
Hebron Ave Trail Fencing	35,000	35,000	-	-	-
GriswoldHouseSt Intersect	1,457,000	1,265,884	-	-	191,116
Douglas/Sycamore Str Alignment	210,000	28,811	2,162	1,089	180,100
Main Street Sidewalks Phase 3	965,000	37,019	2,798	4,788	923,193
Parking/Access Drive Improvmnt	600,000	501,840	242,317	-	98,160
Hebron Avenue Resurfacing	1,276,806	1,007,458	214	99,809	169,539
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	174,808	174,808	-	192
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	5,850	267,531
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	1,536,934	98,385	39,410	(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	22,079,856	16,097,415	2,275,991	812,972	5,169,469
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	1,023,358	204,361
Parks Facility Renov/Expansion	1,067,500	990,357	38,556	25,230	51,913
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	99,100	1,774	900	-
Library Space Planning Study	39,485	39,485	-	-	-
Culture/Parks &Recreation	6,618,239	4,517,209	139,642	1,086,659	1,014,371

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2020 Through January 31, 2020

DESCRIPTION	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	2020 THRU JANUARY	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	197,075	54,533	63,006	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	7,081,252	1,318,221	323,780	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	55,299,052	42,609,141	4,579,559	3,025,293	9,664,618
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	334,909	246,315	1,316,094	139,997
PhySer Sewer Sinking	2,308,500	548,724	246,315	1,352,312	407,464
TOTAL SEWER SINKING PROJECTS	2,308,500	548,724	246,315	1,352,312	407,464
FUND 303 - LAND ACQUISITION					
Land / Open Space					
Land 2009	2,233,000	2,233,000	5,500	-	-
Land 2012	4,700,000	4,700,000	2,185,893	-	-
Land 2016	3,000,000	3,000,000	3,000,000	-	-
Land 2017	3,000,000	3,187,938	3,187,938	-	(187,938)
Land / Open Space	12,933,000	13,120,938	8,379,331	-	(187,938)
TOTAL LAND ACQUISITION	12,933,000	13,120,938	8,379,331	-	(187,938)
FUND 304 - TOWN AID					
PhySer Conn Grant					
Town Aid Improved Rds	884,945	32,626	32,626	28,022	824,297
Town Aid Unimproved Rds	25,691	11,880	11,880	5,100	8,711
PhySer Conn Grant	910,635	44,506	44,506	33,122	833,008
TOTAL TOWN AID	910,635	44,506	44,506	33,122	833,008

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2020 Through January 31, 2020

DESCRIPTION	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	2020 THRU JANUARY	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	92,199,728	77,047,936	13,294,566	4,410,800	10,740,992

TOWN OF GLASTONBURY

MEMORANDUM

DEPARTMENT OF ADMINISTRATIVE SERVICES

FINANCIAL ADMINISTRATION

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

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

DATE: February 4, 2020

SUBJECT: Self Insurance Reserve Update January 2020

The attached report summarizes the Self Insurance Reserve fund through January 31, 2020. The total reserve is \$5,952,510 allocated (\$127,703) and \$6,080,213 between Town and Board of Education, respectively. As of January the fund is experiencing a \$873,675 loss for the fiscal year.

There are 16 large loss claims which are defined as any claims that exceed \$50,000. BOE has nine 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.

Enc.

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

SELF INSURANCE RESERVE FUND

YTD Balances As of: January 31, 2020

	Town	Education	Total
Contributions			
Employer	2,389,192	\$7,418,317	\$9,807,509
Employee	791,757	1,434,882	2,226,639
Stop Loss Reimbursement	143,654	1,082,636	1,226,290
Total Revenues	\$3,324,603	\$9,935,835	\$13,260,438
Expenditures			
Anthem			
ASO Fees	\$18,300	\$82,173	\$100,473
Claims	652,209	7,106,898	7,759,107
	<u>\$670,509</u>	<u>\$7,189,071</u>	<u>\$7,859,580</u>
CTCare			
ASO Fees	\$73,461	\$101,174	\$174,635
Claims	2,365,074	2,268,273	4,633,347
	<u>\$2,438,536</u>	<u>\$2,369,447</u>	<u>\$4,807,983</u>
Delta Dental			
ASO Fees	\$10,317	-	\$10,317
Claims	120,730	-	120,730
	<u>\$131,046</u>	<u>-</u>	<u>\$131,046</u>
Bank Fees/PCORI Fee	\$1,250	\$3,964	\$5,214
CT Prime	297,768	965,021	\$1,262,789
OneDigital Consultant Fees	13,500	54,000	67,500
	<u>\$312,519</u>	<u>\$1,022,985</u>	<u>\$1,335,504</u>
Total Expenditures	\$3,552,610	\$10,581,503	\$14,134,113
Current Year Revenues Less Expenses	(\$228,007)	(\$645,668)	(\$873,675)
Reserve July 1, 2019	\$100,304	\$6,725,881	\$6,826,185
Reserve at end of month	<u>(\$127,703)</u>	<u>\$6,080,213</u>	<u>\$5,952,510</u>

	Town	BOE	Total
Reserve at end of month	\$ (127,703)	\$ 6,080,213	\$ 5,952,510
Recommended Minimum Reserve	\$ 1,408,408	\$ 4,236,844	\$ 5,645,252
Variance Over/(Under) Reserved	\$ (1,536,111)	\$ 1,843,369	\$ 307,258

TOWN OF GLASTONBURY
TRANSFER OF FUNDS

FUND	Recreation Activity Fund
SOURCE OF FUNDS	Within Department
ACTION REQUIRED	Town Manager

REASON FOR TRANSFER

Transfer request to cover shortfall in the seasonal program brochure account. The quote for printing and cost of postage was higher than anticipated.

TRANSFER FROM	ACCOUNT CODE	AMOUNT
Santa's Run-Contractual	25073-43630-R4350	\$1,000.00
New Programs-Contractual	25073-43630-R4290	\$ 450.00

TRANSFER TO	ACCOUNT CODE	AMOUNT
Brochure-Programs	25073-43670-R4055	\$1,450.00

Date 1-30-2020 Town Manager 

**TOWN OF GLASTONBURY
TRANSFER OF FUNDS**


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

REASON FOR TRANSFER

Transfer request for professional services rendered by Financial Advisor in connection with the issuance of \$4,685,000 G.O. Bond Anticipation Notes.

TRANSFER FROM	ACCOUNT CODE	AMOUNT
Debt- General Town	06085-45761	\$3,200

TRANSFER TO	ACCOUNT CODE	AMOUNT
Debt- Administrative Costs	06085-45769	\$3,200

Date 1-22-2020 Town Manager 

CREDIT OPINION

5 February 2020

 Rate this Research

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Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

EMEA 44-20-7772-5454

Glastonbury (Town of) CT

Update to credit analysis

BOF 2/14/20
 Item # 12

Summary

Glastonbury (Aaa stable) benefits from a stable financial position supported by strong property tax revenue collections, conservative budgeting practices, formally adopted fiscal and financial policies and proactive management. The town's tax base continues to benefit from new development and its resident income and wealth profile is strong. The town's long-term liabilities are low and fixed costs remain manageable.

Credit strengths

- » Sizable tax base with strong wealth and income profile
- » Stable financial position supported by formally adopted policies
- » Proactive management of long-term liabilities

Credit challenges

- » Aging population with declines in school-age residents
- » Tax base is small relative to national and statewide Aaa-rated peers

Rating outlook

The stable outlook reflects the expectation that the town's tax base will continue to expand given various development projects and proximity to Hartford, which will support property tax revenue growth. Additionally, the town's low fixed costs provide operating flexibility, supporting fiscal stability.

Factors that could lead to an upgrade

- » N/A

Factors that could lead to a downgrade

- » Tax base deterioration or weakened resident wealth and income profile
- » Trend of operating deficits leading to weakened reserves or cash
- » Significant increase in debt or capital needs

Key indicators

Exhibit 1

Glastonbury (Town of) CT	2015	2016	2017	2018	2019
Economy/Tax Base					
Total Full Value (\$000)	\$5,749,529	\$5,895,699	\$5,953,139	\$6,169,975	\$5,970,628
Population	34,685	34,677	34,688	34,584	34,575
Full Value Per Capita	\$165,764	\$170,018	\$171,620	\$178,405	\$172,686
Median Family Income (% of US Median)	196.4%	194.8%	191.6%	191.6%	191.6%
Finances					
Operating Revenue (\$000)	\$160,256	\$165,626	\$176,297	\$181,346	\$173,946
Fund Balance (\$000)	\$25,483	\$26,845	\$26,437	\$25,555	\$28,996
Cash Balance (\$000)	\$30,192	\$31,353	\$31,384	\$30,398	\$32,858
Fund Balance as a % of Revenues	15.9%	16.2%	15.0%	14.1%	16.7%
Cash Balance as a % of Revenues	18.8%	18.9%	17.8%	16.8%	18.9%
Debt/Pensions					
Net Direct Debt (\$000)	\$80,918	\$74,328	\$66,965	\$59,270	\$54,117
3-Year Average of Moody's ANPL (\$000)	\$109,568	\$117,254	\$130,593	\$138,566	\$143,084
Net Direct Debt / Full Value (%)	1.4%	1.3%	1.1%	1.0%	0.9%
Net Direct Debt / Operating Revenues (x)	0.5x	0.4x	0.4x	0.3x	0.3x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	1.9%	2.0%	2.2%	2.2%	2.4%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	0.7x	0.7x	0.7x	0.8x	0.8x

Source: Moody's Investors Service; Town CAFRs

Profile

The Town of Glastonbury is located 10 miles southeast of the state capital of Hartford (B1 positive). The town had 34,688 residents as of 2017.

Detailed credit considerations

Economy and tax base: growing tax base outside Hartford

Glastonbury's tax base, which benefits from its proximity to Hartford, will continue to expand based on ongoing development and redevelopment. As of 2019, the \$6 billion equalized net grand list (ENGL) had increased at a compound annual rate of 1.9% over the last five years and is slightly smaller than the statewide median for Aaa rated cities and towns.

Recent tax base growth has been driven by 1.2 million square feet of retail and commercial space approved and largely constructed since 2013. In fiscal 2019, the number building permits nearly double compared to 2018 and officials report strong permitting activity year to date in fiscal 2020.

The tax base is diverse, with top ten taxpayers representing a low 5.4% of the net grand list (or assessed values). The town's wealth and income profile is very strong, evidenced by a median family income equal to 191.7% of the national median and a high full value per capita of \$172,688. Unemployment as of November 2019 of 2.4% is below the state and national rate of 3.3%.

Financial reserves and operations: stable financial position supported by 2019 surplus

General fund reserves have remained very stable over the past five years, with available fund balance averaging 15.6% of revenues. Audited results for fiscal 2019 report a \$3.4 million surplus largely due to property taxes over budget, increasing available fund balance to \$29 million representing 16.7% of revenues. While these levels are in line with state medians, they are below the national medians for similarly rated towns. The town's smaller than median reserves are mitigated by its stable operating performance that benefits from a substantial portion of its revenues coming from resilient and predictable property taxes.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

The fiscal 2020 adopted budget represents a 3.1% increase over the prior year. The budget includes a modest \$575,000 fund balance appropriation, in line with the prior year. Budgetary growth is largely offset by tax revenue increases due to new development and a 0.36 mill rate increase.

Property taxes are the town's largest revenue source at 86.9% of total revenues. State aid, including aid for education and on behalf payments by the state for the teachers' pension plan, comprised 9% of 2019 revenues, below the Connecticut median for intergovernmental aid.

LIQUIDITY

General fund cash has been stable for at least the last five years and at the close of fiscal 2019 totaled \$32.9 million representing 18.9% of total revenue.

Debt and pensions: low long-term liabilities; manageable fixed costs

The town's debt burden of 1.0% of ENGL is consistent with the state median of 1% for Aaa towns. The town maintains a five-year Capital Improvement Program, which includes \$43.6 million in projects the majority of which will be funded with a combination of bonds and pay-go financing. Despite additional debt plans, the town's debt burden will remain manageable given the adopted policy to limit annual debt service 10% of expenditures.

DEBT STRUCTURE

All debt is fixed rate and amortization of principal is slower than average, with 89.9% repaid within ten years. Debt service costs in fiscal 2019 accounted for a manageable 4.7% of operating revenues.

DEBT-RELATED DERIVATIVES

The town is not party to any interest rate swaps or other derivative agreements.

PENSIONS AND OPEB

Glastonbury's unfunded pension and retiree health care (OPEB) liabilities are larger than its debt but are not currently credit pressures for the town. The town maintains a single employer defined benefit plan for all employees. As of 2019, the Moody's adjusted net pension liability, based on a 3.5% discount rate, was \$156.6 million which is 0.9 times operating revenues and 2.6% of full value. Comparatively, the town's GASB reported net liability, based on a 6.5% discount rate, was \$58.2 million. Positively, the town has taken proactive measures to gradually manage the down the plan's discount rate, reducing the plan's assumed rate of return from 7.5% in 2013 to 6.5% in 2018. The town has articulated a goal of ultimately reducing the plan's discount rate to 6.25%. Contributions to the plan in recent years exceed our "tread water" indicator¹.

The table below summarizes the town's debt, unfunded pension and OPEB liabilities and related fixed costs.

Exhibit 2

Long-term liabilities and fixed costs are manageable

2019	(000)	% of Operating Revenues	Discount Rate
Operating Revenue	172,686	n/a	n/a
Reported Unfunded Pension Liability	58,179	34%	6.50%
Moody's Adjusted Net Pension Liability	156,567	91%	3.51%
Reported Net OPEB Liability	15,384	9%	6.63%
Moody's Adjusted Net OPEB Liability	24,691	14%	4.14%
Net Direct Debt	54,117	31%	n/a
Debt & unfunded retirement benefits (Moody's adjusted)	235,375	136.30%	
Pension Contribution	7,908	4.58%	n/a
OPEB Contribution	1,580	0.91%	n/a
Debt Service	8,154	4.72%	n/a
Total Fixed Costs	17,642	10.22%	n/a
Tread Water Gap	n/a	n/a	n/a
Moody's Adjusted Fixed Costs	n/a	n/a	n/a

Source: Audited financial statements; Moody's Investors Service

Most teachers participate in the state administered plan, for which the town is not legally responsible for any contributions. In fiscal 2019, the state made a \$17.1 million contribution on behalf of the district. When including the town's share of the TRS ANPL to the adjusted liabilities of the town managed plans, the ANPL increases to \$526.7 million, representing a high 8.8% of full value.

Glastonbury contributed \$1.6 million to OPEB in fiscal 2019, which exceeds the "tread water" indicator. The town maintains an OPEB trust fund and this long-term liability is 27.4% funded, a credit strength.

Total fixed costs for fiscal 2019, including debt service, and pension and OPEB tread water payments, represented a moderate 10.2% of operating revenues. Failure to earn the assumed rate of return on pension assets and/or increased OPEB expense as the number of retirees increases and they age could result in higher fixed costs in the future.

Management and governance

Management budgets conservatively, practices long-term capital planning and is guided by a policy to maintain reserves at least equal to 12% of General Fund expenditures. Management's proactive efforts to build its OPEB trust and its gradual reduction of its assumed rate of investment return for its locally managed defined benefit plan are positive for the town's credit profile.

Connecticut cities have an institutional framework score of "Aa," or strong. Revenues are highly predictable and stable, due to a large reliance on property taxes. Cities additionally benefit from high revenue-raising ability due to the absence of a state-wide property tax cap. Expenditures primarily consist of personnel costs as well as education costs for those cities that manage school operations, and are highly predictable due to state-mandated school spending guidelines and employee contracts that dictate costs. Expenditure reduction ability is moderate as it is somewhat constrained by union presence.

Rating methodology and scorecard factors

The US Local Government General Obligation Debt methodology includes a scorecard, a tool providing a composite score of a local government's credit profile based on the weighted factors we consider most important, universal and measurable, as well as possible notching factors dependent on individual credit strengths and weaknesses. Its purpose is not to determine the final rating, but rather to provide a standard platform from which to analyze and compare local government credits.

Exhibit 3

Glastonbury (Town of) CT

Rating Factors	Measure	Score
Economy/Tax Base (30%) ^[1]		
Tax Base Size: Full Value (in 000s)	\$5,970,136	Aa
Full Value Per Capita	\$172,672	Aaa
Median Family Income (% of US Median)	191.7%	Aaa
Finances (30%)		
Fund Balance as a % of Revenues	16.8%	Aa
5-Year Dollar Change in Fund Balance as % of Revenues	1.3%	A
Cash Balance as a % of Revenues	19.0%	Aa
5-Year Dollar Change in Cash Balance as % of Revenues	0.8%	A
Notching Factors: ^[2]		
Other Analyst Adjustment to Finances Factor: Stable operating trends		Up
Management (20%)		
Institutional Framework	Aa	Aa
Operating History: 5-Year Average of Operating Revenues / Operating Expenditures	1.0x	A
Notching Factors: ^[2]		
Other Analyst Adjustment to Management Factor (specify): Proactive management of long-term liabilities		Up
Debt and Pensions (20%)		
Net Direct Debt / Full Value (%)	1.0%	Aa
Net Direct Debt / Operating Revenues (x)	0.3x	Aa
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value (%)	2.4%	A
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues (x)	0.8x	A
Notching Factors: ^[2]		
Other Analyst Adjustment to Debt and Pensions Factor (specify): Contingent risk associated with state pension support		Down
	Scorecard-Indicated Outcome	Aa2
	Assigned Rating	Aaa

[1] Economy measures are based on data from the most recent year available.

[2] Notching Factors are specifically defined in the US Local Government General Obligation Debt methodology.

[3] Standardized adjustments are outlined in the GO Methodology Scorecard Inputs publication.

Source: US Census Bureau, Moody's Investors Service

Endnotes

1 Our "tread water" indicator measures the annual government contribution required to prevent reported net pension liabilities from growing, given the entity's actuarial assumptions. An annual government contribution that treads water equals the sum of employer service cost and interest on the reported net pension liability at the start of the fiscal year. A pension plan that receives an employer contribution equal to the tread water indicator will end the year with an unchanged net pension liability relative to the beginning of the year if all plan assumptions hold. Net liabilities may decrease or increase in a given year due to factors other than the contribution amount, such as investment performance that exceeds or falls short of a plan's assumed rate of return. Still, higher contributions will always reduce unfunded liabilities faster, or will allow unfunded liabilities to grow more slowly than lower contributions.

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REPORT NUMBER 1212840

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Summary:

Glastonbury, Connecticut; General Obligation

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Related Research

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Glastonbury, Connecticut; General Obligation

Credit Profile

US\$8.2 mil GO rfdg bnds ser 2020 due 05/15/2025

Long Term Rating AAA/Stable New

Glastonbury GO bnds

Long Term Rating AAA/Stable Affirmed

Rationale

S&P Global Ratings assigned its 'AAA' long-term rating to Glastonbury, Conn.'s series 2020 general obligation (GO) refunding bonds. At the same time, S&P Global Ratings affirmed its 'AAA' long-term rating on the town's existing GO debt. The outlook is stable.

The GO bonds are secured by Glastonbury's full-faith-and-credit pledges, and are payable from revenues of an unlimited ad valorem tax. The series 2020 GO refunding bonds will refund existing debt for debt service savings.

The rating reflects our view of the town's continued strong economy that exhibits steady, modest annual growth. In addition, the town's sustained strong financial performance is supported by very strong management practices and policies. With relatively low debt and pension obligations, we believe the town's credit pressures are limited, and we expect the credit profile to remain stable and strong.

Glastonbury's GO debt is eligible to be rated above the sovereign, because we believe the town can maintain better credit characteristics than the U.S. in a stress scenario. Under our "Ratings Above The Sovereign: Corporate And Government Ratings--Methodology And Assumptions" criteria (published Nov. 19, 2013), Glastonbury has a predominantly locally derived revenue source, with approximately 85% of general fund revenue coming from property taxes. The town also has independent taxing authority and treasury management from the federal government.

The rating reflects our opinion of Glastonbury's:

- Very strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Very strong management, with strong financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Strong budgetary performance, with an operating surplus in the general fund and an operating surplus at the total governmental fund level in fiscal 2019;
- Very strong liquidity, with total government available cash at 30.4% of total governmental fund expenditures and 5.7x governmental debt service, and access to external liquidity that we consider strong;
- Very strong debt and contingent liability profile, with debt service carrying charges at 5.3% of expenditures and net direct debt that is 27.9% of total governmental fund revenue, as well as low overall net debt at less than 3.0% of

market value and rapid amortization, with 88.0% of debt scheduled to be retired in 10 years, but significant medium-term debt plans; and

- Strong institutional framework score.

Very strong economy

We consider Glastonbury's economy very strong. The town, with an estimated population of 34,575, is in Hartford County in the Hartford-West Hartford-East Hartford MSA, which we consider to be broad and diverse. The town has a projected per capita effective buying income of 196% of the national level and per capita market value of \$174,571. Overall, the town's market value grew 1.1% over the past year to \$6.0 billion in 2020. The county unemployment rate was 4.2% in 2018.

Glastonbury is an affluent and predominantly residential suburb approximately eight miles southeast of Hartford. State Route 2 (SR-2) and SR-3 cross the town, connecting residents with employment opportunities throughout the broad and diverse Hartford MSA. Glastonbury's local economy is anchored by health care, financial and insurance services, and commercial retail sectors. Its leading employers include the town and school district, Healthtrax Inc., Fiserv, and Home Depot. Glastonbury's tax base remains very diverse, with the 10-leading taxpayers accounting for approximately 5.4% of the net taxable grand list. Over the past 10 years, the town has realized steady, modest growth in its grand list, of about 1% annually on average, with the exception of the fiscal 2019 revaluation when values grew 5%. The town conservatively plans for annual growth in the grand list to average about 0.9% over the next several years. Management reports 223,000 square feet of commercial development is underway, including a new hotel and several other projects. Due to the overall strength and diversity of the town's local tax base and its embeddedness in the broader regional economy, we expect Glastonbury's economy to remain very strong over the two-year outlook period.

Very strong management

We view the town's management as very strong, with strong financial policies and practices under our FMA methodology, indicating financial practices are strong, well embedded, and likely sustainable.

Management evaluates historical data and trends when projecting revenue and expenditure assumptions for budgeting purposes. The budget can be amended as needed throughout the fiscal year, and management provides monthly budget-to-actual reports to the board. The town's formal investment policy follows state guidelines, and investment holdings and earnings are also reported monthly. The town has a comprehensive seven-year financial forecast, which features a sensitivity analysis of key revenue and expenditure assumptions and tests budget performance under various conditions that allow the town to manage decisions and changes related to future operations, retirement benefits, capital projects, and debt service. The town's five-year comprehensive capital improvement plan (CIP) is annually updated, and identifies project costs, timing, and funding sources. Glastonbury's reserve policy requires unassigned fund balance to be maintained at a minimum of 12% of its combined town, education, debt, and transfer budget. Management notes this minimum reserve target assists with managing cash flows in the event of a revenue shortfall and unexpected changes in expenditures. The town also maintains a formal debt management policy, which outlines allowable types of debt, restricts debt service to no more than 10% of general fund expenditures, and limits direct debt to 2.5% of the town's equalized grand list.

Strong budgetary performance

Glastonbury's budgetary performance is strong, in our opinion. The town had slight surplus operating results in the general fund of 1.2% of expenditures, and surplus results across all governmental funds of 2.9% in fiscal 2019.

The town has consistently maintained positive operating results in the general fund, before regular transfers out for capital projects, capital reserves, and land acquisitions. After transfers, operating results have been essentially balanced in each of the past three audited years. The town's use of conservative budget assumptions typically results in actual revenues and expenditures outperforming budget estimates. This was particularly apparent in fiscal 2018, when Glastonbury realized positive results, despite the presence of state aid cuts in that year. The town adopted a balanced budget for fiscal 2020, and based on revenue and expenditure performance to date, expects to end the year with another surplus. Based on recent trends and expectations for fiscal 2020, we expect the town's budgetary performance to remain strong throughout the outlook period.

Very strong budgetary flexibility

Glastonbury's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2019 of 18% of operating expenditures, or \$29.0 million. The town has consistently maintained very strong budgetary flexibility in each of the past three audited years, ranging from \$26 million-\$29 million or 16%-17% of general fund expenditures. This reserve level is consistent with the town's policy to maintain fund balance equal to at least 12% of expenditures. With no plans to spend fund balance in fiscal 2020, we expect budgetary flexibility to remain very strong during the outlook period.

Very strong liquidity

In our opinion, Glastonbury's liquidity is very strong, with total government available cash at 30.4% of total governmental fund expenditures and 5.7x governmental debt service in 2019. In our view, the town has strong access to external liquidity if necessary. Glastonbury has demonstrated its access to external liquidity through its previous issuance of short-term and long-term GO debt. The town's investments are primarily held in short-term and medium-term certificates of deposits, which we view as relatively liquid. The town does not have any variable-rate or direct-purchase debt. It does not have any liabilities that we view as a contingent liquidity risk, and therefore, we expect liquidity to remain very strong throughout the outlook period.

Very strong debt and contingent liability profile

In our view, Glastonbury's debt and contingent liability profile is very strong. Total governmental fund debt service is 5.3% of total governmental fund expenditures, and net direct debt is 27.9% of total governmental fund revenue. Overall net debt is low at 0.9% of market value, and approximately 88.0% of the direct debt is scheduled to be repaid within 10 years, which are in our view positive credit factors.

The 2020 bond proceeds will refund existing debt for debt service savings. Subsequent to this issuance, the town plans to issue approximately \$10.4 million new-money GO bonds to finance improvements to its library and acquire land. Given that a similar amount of principal will be retired within the next two years, we do not expect the new debt issuance to materially affect the town's overall debt profile.

Pension and other postemployment benefits

We do not view pension and other postemployment benefits (OPEB) liabilities as an immediate source of credit pressure for Glastonbury, given our opinion of adequate plan funding status and limited escalating cost trajectory risk. Glastonbury's combined required pension and actual OPEB contributions totaled 5.4% of total governmental fund expenditures in 2019. Of that amount, 4.5% represented required contributions to pension obligations, and 0.9% represented OPEB payments.

Glastonbury participates in the following plan as of June 30, 2019:

- Single-employer defined-benefit public employee retirement system (PERS), 72.5% funded, with a net pension liability of \$58.2 million; and
- Single-employer OPEB plan: 27.4% funded, with a net OPEB liability of \$15.4 million.

Strong institutional framework

The institutional framework score for Connecticut municipalities is strong.

Outlook

The stable outlook reflects our opinion that Glastonbury will continue to maintain strong financial performance, supported by very strong management practices and policies. Additional rating stability is provided by the town's strong local economy and participation in the broad and diverse Hartford MSA. We do not expect to change the rating within the two-year outlook period.

Downside scenario

We could lower the rating if the town experiences financial pressures that lead to structural budget imbalance and material declines in reserves.

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Criteria Guidance: Assessing U.S. Public Finance Pension And Other Postemployment Obligations For GO Debt, Local Government GO Ratings, And State Ratings, Oct. 7, 2019
- 2019 Update Of Institutional Framework For U.S. Local Governments

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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TOWN OF GLASTONBURY

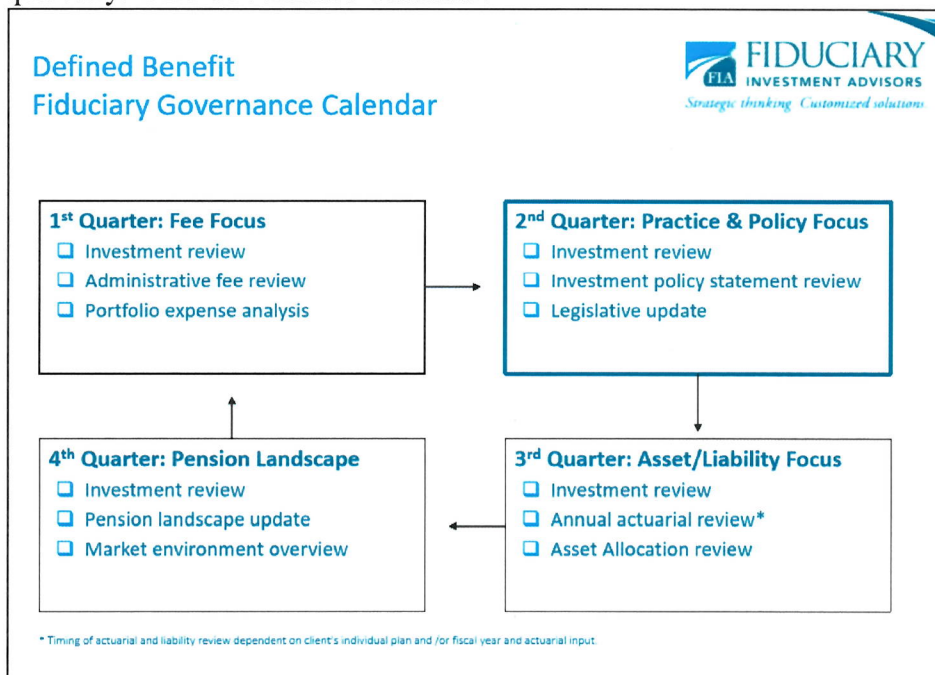
ADMINISTRATIVE SERVICES - Financial Administration

February 4, 2020

TO: Board of Finance
FROM: **QBT** Julie Twilley, Director of Finance & Administrative Services
RE: Follow-up Items from Prior Meetings

Below please find answers to some of the questions raised during recent BOF meetings.

- FIA receives a flat annual fee of \$67,643 for their work on the DB Pension Plan. They are paid quarterly. FIA Governance Calendar:



- The Principal Employers as listed in the CAFR (page 131) shows employment at each school separately. Going forward, employment will be aggregated to show Town and Education as one-line item. An exhibit showing aggregated Major Employers is attached. This information is obtained from the Connecticut Department of Labor.
- Revisions have been made to Appendix D (page 133) and Appendix F (page 135) in the Proposed General Fund Budget FY 2020-2021 book. Amended exhibits are attached.

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

**Major Employers
As of December 2019**

Employer	Type of Business	Approximate Number of Employees
Town of Glastonbury.....	Municipal Government	1,000-4,999
Healthtrax Inc.	Health Clubs	1,000-4,999
Fiserv (previously Open Solutions).....	Data Processing	250-499
Home Depot.....	Home Centers	100-249
Monaco Ford.....	Automobile Dealer	100-249
Super Stop & Shop Supermarket, Oak Street...	Grocers-Retail	100-249
Whole Foods Market.....	Grocers-Retail	100-249
Amica Mutual Insurance Co.....	Insurance	100-249
Pinnacle Group Inc.....	Insurance	100-249
Smith Brothers Insurance LLC.....	Insurance	100-249
Topcoder Inc.....	Financing	100-249
J. Gilbert's Wood-Fired Steaks.....	Full-Service Restaurant	100-249
Big Fish Promotions.....	Marketing Consultants	100-249
Highway Safety Corp. Inc.....	Safety Consultants	100-249
Slam Collaborative.....	Architects	100-249
USI Consulting Group.....	Employee Benefit Consultants	100-249
TCA Consulting Group.....	Employment Contractors	100-249
Glastonbury Health Care Ctr.....	Convalescent Homes	100-249
Salmon Brook Nursing and Rehabilitation.....	Nursing & Convalescent Homes	100-249
Mystic Logistics Inc.....	Transportation Services	100-249

Source: Telephone Survey of Employers

Source: Connecticut Department of Labor and Connecticut Economic Resources Center, Inc.

Appendix D - Comparative Budget - Historical

Revised

	ADOPTED 2016-2017	ADJUSTED 2017-2018	ADOPTED 2018-2019	ADOPTED 2019-2020	PROPOSED 2020-2021
Appropriations/Expenditures					
Town	40,255,830	40,558,462	42,016,003	43,334,025	45,211,859
Debt	9,210,000	8,975,000	8,459,085	7,157,157	7,101,799
Transfers:					
Capital Reserve	5,000,000	5,000,000	5,750,000	6,000,000	6,000,000
Dog Fund	45,000	45,000	45,000	45,000	45,000
OPEB Trust	0	0	713,719	771,598	810,000
Other	0	687,804	0	0	0
Sub-total Transfers	5,045,000	5,732,804	6,508,719	6,816,598	6,855,000
Debt and Transfers	14,255,000	14,707,804	14,967,804	13,973,755	13,956,799
Education	101,341,911	103,394,967	105,366,982	108,699,846	112,313,089
Total Appropriations	\$155,852,741	\$158,661,233	\$162,350,789	\$166,007,626	\$171,481,747
APPROPRIATION % INCREASE	1.92%	1.80%	2.33%	2.25%	3.30%
FINANCED BY:					
Licenses/Permits	\$956,200	\$1,051,100	\$1,126,100	\$1,150,800	\$1,253,100
Intergovernmental Revenues	8,807,118	8,872,279	7,052,570	6,781,043	6,865,560
Charges/Services	1,378,350	1,526,290	1,416,570	1,436,765	1,441,663
Other	2,310,461	1,588,072	1,784,841	2,474,251	1,820,751
Use/Fund Balance	575,000	575,000	575,000	575,000	975,000
Taxes/non-current	1,902,000	1,952,000	2,152,000	2,302,000	2,352,000
Total Non-Tax Revenues	\$15,929,129	\$15,564,741	\$14,107,081	\$14,719,859	\$14,708,074
% Increase	5.53%	-2.29%	-9.37%	4.34%	-0.08%
CURRENT TAXES REQUIRED⁽¹⁾	\$139,923,612	\$145,034,165	\$148,093,708	\$151,287,767	\$156,773,673
% Increase	1.53%	3.65%	2.11%	2.16%	3.63%
GRAND LIST - Stated in Thousands⁽²⁾	\$3,915,070	\$3,969,656	\$4,174,264	\$4,203,730	\$4,261,484
MILL RATE - Real Estate/Personal Property	36.40	37.45	36.00	36.36	37.24
MILL RATE - Motor Vehicles	34.60	32.00	36.00	36.36	37.24
% Increase (Decrease) on RE/PP	0.83%	2.88%	-3.87%	1.00%	2.42%
% Increase (Decrease) on MV	-4.16%	-7.51%	12.50%	1.00%	2.42%

NOTES:

⁽¹⁾ Fiscal Year 2017-2018 references Current Taxes Required per Adopted Budget

⁽²⁾ Fiscal Year 2017-2018 is a revaluation year.

Appendix F:

GENERAL FUND - FUND BALANCE AND ESTIMATED OPERATIONAL RESULTS

Revised

	2018/19 ACTUAL	2019/20 ADOPTED	2020/21 PROPOSED	2021/22 PROJECTED	2022/23 PROJECTED
ACTUAL/PROJECTED OPERATING RESULTS:					
July 1, Fund Balance	\$ 25,757,528	\$ 27,601,660	\$ 25,976,660	\$ 28,226,660	\$ 27,801,660
REVENUES & Transfers In	166,969,493				
EXPENDITURES & Transfers Out	(163,505,881)				
ACTUAL NET GAIN/(LOSS) ON OPERATIONS	3,463,612				
ASSUMED GAIN/(LOSS) ON OPERATIONS		350,000	350,000	350,000	350,000
ESTIMATED ONE TIME REVENUES / (EXPENDITURES)		(1,000,000)	2,775,000	-	-
Actual/Estimated Fund Balance Ending - June 30	\$ 29,221,140	\$ 26,951,660	\$ 29,101,660	\$ 28,576,660	\$ 28,151,660

Expenditure Actuals & Estimates	\$ 163,505,881	\$ 166,007,626	\$ 171,481,747	\$ 175,001,430	\$ 178,593,356
				<i>Estimated at 2.1% - 5 year average</i>	

FUND BALANCE:

Total Fund Balance - June 30	\$ 29,221,140	\$ 26,951,660	\$ 29,101,660	\$ 28,576,660	\$ 28,151,660
Reserves ^(A) :					
<i>Non Spendable (estimated)</i>	(225,431)				
<i>Assigned for Education surplus carried to Subsequent year</i>	(559,413)				
<i>Assigned for Capital Outlay in Subsequent year</i>	(183,329)				
<i>Assigned for Continued Appropriations</i>	(76,307)				
<i>Assigned for Subsequent Year Budget</i>	(575,000)	(975,000)	(875,000)	(775,000)	(675,000)
Unassigned Fund Balance - June 30	\$ 27,601,660	\$ 25,976,660	\$ 28,226,660	\$ 27,801,660	\$ 27,476,660

(A) Reserves assumed to remain equal to FY2019, excluding Assigned for Subsequent Year Budget (i.e. Transfer In from General Fund).

% of Proposed and Subsequent Year's Adopted/Projected Budget	16.9%	15.6%	16.5%	15.9%	15.4%
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The Town has been successful with the sale of Town owned land previously acquired through foreclosure. During the budget process the Town reviews fund balance projections and evaluates the effect of revenues accumulated from one time revenue sources and operations. Below graphically illustrates the projections of fund balance from these two sources:

FUND BALANCE PROJECTIONS AS A PERCENT OF ACTUAL EXPENDITURES / ADOPTED-PROJECTED BUDGET

