

## AGENDA

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### **GLASTONBURY BOARD OF FINANCE MEETING**

#### **AGENDA OF REGULAR MEETING**

**Wednesday, June 17, 2020, 4:00 PM**

**Held through Zoom Video Conferencing (details on page 2)**

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

1. Public Comment Session
2. Communication: Minutes - May 20, 2020
3. Communication: Pension Report – April 2020
4. Communication: Month End Investments – April 2020
5. Communication: Financial Summary for 11 months - May 2020
6. Communication: Education Reconciliation – April 2020
7. Communication: Capital Projects – May 2020
8. Communication: Self Insurance Reserve Fund – May 2020
9. Communication: Transfer to Education for supplemental funding [SS10-222a]
10. Communication: Transfers Approved by Town Manager Since Last Meeting (none)
11. Action: Transfers over \$5,000
  - a. \$7,000 New Vision Software
  - b. Debt Service to Capital Reserve Fund
12. Communication: Bank Collateralization Reports
13. Action: Approval of Financial Institutions
14. Communication: Budget Projections
15. Communication: Pension Plan Design
16. Communication / Action: Special Meeting on June 24, 2020 at 10:00 AM
17. Communication / Possible Action: Templeton Fund and Equity-Bond Rebalancing (Report of Pension Fund balances to be provided early next week)
18. Board of Finance Committee Reports, comments and remarks (no action to be taken)
19. Adjournment

IN ACCORDANCE WITH GOVERNOR LAMONT'S EXECUTIVE ORDER 7B.1 "SUSPENSION OF IN-PERSON OPEN MEETING REQUIREMENTS", THE REGULAR BOARD OF FINANCE MEETING OF WEDNESDAY, JUNE 17, 2020 WILL BE CONDUCTED THROUGH ZOOM VIDEO CONFERENCING.

The public may join the Zoom Video Conference as an Attendee (view and listen function only) as follows:

**Join by Zoom Meeting link:**

<https://us02web.zoom.us/j/82876607276?pwd=N1ZTWUhQVXIreW5DNmxpNWpKMWtNZz09>

*Password: 007892*

**Join by Phone:**

*Dial: +1 312 626 6799 or +1 646 558 8656*

*Webinar ID: 828 7660 7276*

*Password: 007892*

**Public Comment**

Residents wishing to contribute public comment in ADVANCE of the meeting, please visit [www.glastonbury-ct.gov/publiccomment](http://www.glastonbury-ct.gov/publiccomment) and submit your comments through the electronic form on the town website. Be sure to select *Board of Finance* in question 4 of the form. **Please note, you must complete and submit the form by no later than 2:00 pm one business day BEFORE the meeting is held for your comments to be included in the public comment session of the meeting.**

If you are joining the meeting through Zoom, you can submit public comment DURING the meeting by following the instructions below.

- At the appropriate time during the meeting, the meeting host will announce when the forum is open for public comment and attendees can use the "raise hand" function as follows:
  - VIRTUALLY: press "raise hand" button at the bottom of the Zoom meeting screen; or
  - BY PHONE: press \*9 on your key pad to "raise hand"
- The meeting host will announce each speaker by name or phone number when it is their time to speak. At that time, the speaker's microphone will be enabled for comment by the meeting host. When it is your turn to speak, please mute all other devices that may create background noise to ensure you are heard clearly.
- It will be necessary to state your full name and address when you are prompted for comment.
- Please indicate when your public comment is complete so the meeting host may then announce the next speaker. The meeting host will then mute your microphone.
- Public comment is restricted to no more than three (3) minutes and a person may NOT speak more than once.



**BOF 6/17/20**  
**Item # 2**

**GLASTONBURY BOARD OF FINANCE  
 REGULAR MEETING MINUTES  
 WEDNESDAY, MAY 20, 2020**

The Glastonbury Board of Finance, along with Finance Director, Julie Twilley, and Town Manager, Richard J. Johnson, held a regular meeting at 4:00 p.m. via dial-in conferencing.

Also on the call was Controller Narae McManus.

**Roll Call**

***Members***

- Mr. Constantine “Gus” Constantine, Chairman
- Ms. Jennifer Sanford, Vice Chairman
- Mr. Robert Lynn
- Mr. James McIntosh {dialed in at 4:30 p.m.}
- Mr. James Zeller
- Mr. Walter Cusson

**1. Public Comment Session Pertaining to the Call** *None*

**2. Communication:**

**a. Minutes - April 22, 2020 (Pension Sub-Committee Special Meeting)**

Minutes accepted as presented.

**b. Minutes - April 22, 2020 (Regular Meeting)**

Minutes accepted as presented.

**3. Communication: Pension Report – February 2020**

Ms. Twilley reviewed the report dated April 20, 2020. She pointed out that there has been some better news since the end of March. Ms. Sanford asked if the benefits payments are fairly steady every month. Ms. Twilley stated that is correct.

**4. Communication: Month End Investments – February 2020**

Ms. McManus reviewed the report dated April 24, 2020.

**5. Communication: Financial Summary for 10 months – April 2020**

Ms. Twilley reviewed the report dated May 8, 2020. She noted that this report is as of April 30, so it only includes minimal impact from the COVID-19 pandemic. Ms. Sanford asked if the BOE has had some savings. Ms. Twilley stated that is mostly due to timing because they used to pay upfront, but now, they pay quarterly. Mr. Zeller remarked on the pension contributions for the BOE and the Town. He noted that the disparity seems a lot smaller than he thought it would be.

He suggested that perhaps that is due to the impact of the hybrid plan, but he posed the question. Ms. Twilley stated that she will look into that.

**6. Communication: Education Reconciliation – March 2020**

Ms. McManus reviewed the report dated May 8, 2020.

**7. Communication: Capital Projects – April 2020**

Ms. Twilley reviewed the report dated May 8, 2020. Mr. Cusson asked if the multi-use trail is on track for this season. Mr. Johnson stated that the contract has been awarded, so they expect to get it constructed this season.

**8. Communication: Self Insurance Reserve Fund – April 2020**

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

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

**a. Emergency Management Laptop**

**10. Action: Transfers over \$5,000**

**a. \$150,000 Public Access Telephone Equipment**

*Motion by:* Mr. Cusson

*Seconded by:* Mr. Lynn

BE IT RESOLVED, that the Glastonbury Board of Finance hereby transfers \$150,000 from the General Fund - Unassigned Fund Balance to the Capital Outlay - Town Manager Fund for public access telephone equipment.

*Result:* Motion passed unanimously {5-0-0}.

**11. Action: Recommend the transfer of certain uncollected taxes to the Suspense Tax Book**

*Motion by:* Mr. Cusson

*Seconded by:* Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby transfers \$146,279.29 of uncollected taxes to the Suspense Tax Book.

*Result:* Motion passed unanimously {5-0-0}.

**12. Action: Recommendation to Town Council Auditor for Fiscal Year Ending June 30, 2020**

*Motion by:* Mr. Cusson

*Seconded by:* Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby recommends to the Town Council the appointment of RSM as the Town auditors for the fiscal year ending June 30, 2020.

**Result:** Motion passed unanimously {5-0-0}.

**13. Communication / Action: Pension Sub-Committee Follow-Up Memo and April Flash Report**

Mr. McIntosh joined the meeting at 4:30 P.M.

Ms. Sanford proposed an action item to go over the weight of international versus domestic equities. Mr. Lynn agreed. Ms. Twilley stated that they can make that change and reach out to Mr. Kachmar of FIA on what he would recommend rebalancing.

**Motion by:** Mr. Lynn

**Seconded by:** Mr. Zeller

MOVED, that the Glastonbury Board of Finance hereby changes the Hybrid Plan target allocation ranges of international equities from 10% to 30% and domestic equities from 25% to 45%.

**Result:** Motion passed unanimously {6-0-0}.

**Motion by:** Mr. Zeller

**Seconded by:** Mr. Cusson

MOVED, that the Glastonbury Board of Finance hereby allows Mr. Kachmar of FIA to take the appropriate actions to bring the Town investments in line with the motion made above.

**Result:** Motion passed unanimously {6-0-0}.

Mr. Lynn stated that the previous pension subcommittee meeting was not as productive as it could have been because they were not able to dive into the funds. His main concern is that they are meeting the benchmark while having more risk. Good managers deliver better returns with less risk. He expressed the desire to set up another subcommittee meeting with FIA (on a day when there is no BOF regular meeting scheduled) to go through, fund by fund, and have FIA defend each one.

Ms. Sanford stated that she thinks that Mr. Kachmar did a great presentation and answered the questions that they had sent him. She stated that, from a due diligence perspective, they have done the best they can. Right now, they can talk about some of the funds that are concerning, such as the Templeton Global Bond Fund.

Mr. Johnson explained that the most productive way to go about this is for Mr. Kachmar to answer specific concerns and questions. Mr. Lynn stated that he can send in some questions. Ms. Twilley stated that she will plan some time to collect questions from the BOF and some time for Mr. Kachmar to put together materials, at which point, they will set up tentative dates for another subcommittee meeting.

Ms. Sanford stated that lowering the rate of return assumption for the plans from 6.5% is a focus and getting it in line with FIA's median assumption is still something that she is concerned about. She stated that while there is no action item on this, she hopes that Mr. Kachmar will

continue to come back to discuss this. Mr. Zeller asked the Town Manager if they are looking at perhaps coming down by a quarter of a percentage. Mr. Johnson explained that the July 2020 valuation will tell them what the unfunded liability will be, which will be another data point. They will know better when they start looking at numbers from the valuation. Ms. Sanford stated that it seems that the efficient frontier model is moving away from their assumed rate of return.

Mr. Zeller expressed that the BOE Superintendent has been saying that their pension plan is less expensive than the Town's pension plan. There could be short-term advantages to the BOE's situation, but he does not have any information for the long-term. Mr. Johnson stated that he will try to get information.

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

Mr. Constantine stated that PBC still has not met. Mr. Johnson added that PBC will have a meeting next week to look at the final design for the library renovation. Mr. McIntosh remarked that, in regard to the pension discussion, they have not considered whether currently listed life expectancies are still valid. Because COVID-19 is hitting the elderly in particular, that must be driving down life expectancy.

**15. Adjournment**

*Motion by:* Mr. Zeller

*Seconded by:* Mr. Lynn

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of May 20, 2020, at 5:08 p.m.

*Result:* Motion passes 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](http://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

May 18, 2020

BOF 6/17/20  
Item # 3

TO: Board of Finance & Richard J. Johnson, Town Manager  
 FROM: Julie Twilley, Director of Finance & Administrative Services  
 RE: Pension Investment Review – April 2020

As of April 30, 2020 the pension asset value is \$154,100,817, a net increase of \$801,564 from July 1, 2019. Through the month of April, the fund experienced an unrealized loss of \$5,808,865, which is indicative of the current market and there were realized gains of \$2,552,838. Investment income through April totaled \$3,012,187.

July 1, 2019 Balance	\$	153,299,253
<b>Revenues:</b>		
Employer Contributions	\$	8,170,908
Employee Contributions	\$	1,626,196
Total Contributions	\$	9,797,104
Investment Income	\$	3,012,187
Realized Gains/Losses	\$	2,552,838
Unrealized Gains/Losses	\$	(5,808,865)
Total Revenues	\$	9,553,263
<b>Expenditures:</b>		
Benefit Payments	\$	8,555,318
Administrative Fees	\$	77,688
Investment Management Fees	\$	118,693
Total Expenditures	\$	8,751,699
<b>Net Increase/Decrease</b>	<b>\$</b>	<b>801,564</b>
<b>Ending Balance April 30, 2020</b>	<b>\$</b>	<b>154,100,817</b>

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**

May 18, 2020

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

**From:** Narae L. McManus, Controller

**Subject:** Monthly Investment Status

**Pooled Investments**

The Town's pooled cash investment balances at April 30, 2020 were \$97,326,184. As of month-end, the investment balances for all funds combined were as follows:

<b>Type of Investment</b>	<b>Amount</b>	<b>Rate</b>	
STIF	\$ 61,704,026	0.63	
Citizens Bank	1,222,014	0.15	
Northern Capital Investment Account	11,516,735	1.15-3.40	Est. current accrued interest \$33,154
Northern Capital Sewer Funds	9,302,890	1.15-3.15	Est. current accrued interest \$10,814
People's United Investments	5,096,469	0.45	
TD Bank CD	8,039,471	0.29	Matures 6/26/2020
TD Bank Investments	444,579	0.15	
<b>Total</b>	<b><u>\$97,326,184</u></b>		

**General Fund Earnings**

- The General Fund portion of pooled investments at April 30 was \$70.4 million.
- As of April 30, the General Fund has realized investment earnings of \$983,575.
- As of April 30, Sewer Sinking funds totaling \$9,039,000 were invested in fully-insured CDs with terms varying from 6 months to seven years, with current-year realized investment earnings of \$146,097.

Comparative information concerning General Fund earnings follows.

<b>Fiscal Year</b>	<b>Budget</b>	<b>Realized Investment Earnings July-April</b>	<b>Percent of Budget</b>
2019	\$800,000	1,119,200	139.90%
2020	\$1,500,000	983,575	65.57

cc: Julie B. Twilley, Director of Finance



**TOWN OF GLASTONBURY**  
 ADMINISTRATIVE SERVICES - Financial Administration

BOF 6/17/20  
Item # 5

June 10, 2020

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

FROM: Julie Twilley, Director of Finance & Administrative Services

RE: Financial Summary for the Eleven Months Ended May 31, 2020 (FY 2019/20)

**Note that the recent COVID-19 pandemic is expected to impact future revenues and expenditures. A separate review of all budgeted financials is on-going to project reductions in revenues and identify opportunities to reduce non-business critical expenditures.**

**Expenditure Summary:**

Through May 31, 2020, encumbrances total \$18.8m and expenditures total \$142.2m. Combined, this represents 97% of the Town's revised general fund budget of \$166.4m. This compares to \$15.0m and \$144.3m respectively, or 97%, for the same period in the prior year.

The \$2.1m reduction in expenditures is comprised of decreases in Education expenditures of \$1.1m, Debt and Transfers of \$0.9m, and Town expenditures of \$0.1m compared to the prior year. The reduction in Education expenditures is driven by timing related to delayed receipt/processing of invoices due to the pandemic. The \$0.9m 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 favorable variance in Town is driven by a prior year, one-time grant repayment of \$275k for Storm Alfred.

Below is an Expenditure & Transfer summary report through May 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 %
<b><u>2018/2019</u></b>				
<b>Town</b>	\$ 42,792,563	\$37,494,203	\$ 2,483,388	93%
<b>Education</b>	105,834,933	92,162,755	12,503,131	99%
<b>Debt/Transfers</b>	15,052,804	14,641,337	56,500	98%
<b><u>2019/2020</u></b>				
<b>Town</b>	\$ 43,742,562	\$37,382,503	\$ 3,451,674	93%
<b>Education</b>	108,699,846	91,039,812	15,360,349	98%
<b>Debt/Transfers</b>	13,973,755	13,746,255	-	98%

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

	2018/2019	%	2019/2020	%
<b>ADMIN SERVICES</b>	\$ 5,246,735	86%	\$ 5,306,557	85%
<b>PUBLIC SAFETY</b>	13,041,507	91%	12,825,885	87%
<b>PHYSICAL SERVICES</b>	6,337,300	89%	6,467,802	87%

cc: Karen Bonfiglio, Finance Manager; Narae McManus, Controller

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

5/31/2020  
11:19:12AM

**FUND 010 - GENERAL FUND**

DESCRIPTION	2020 ORIGINAL BUDGET	2020 REVISED BUDGET	2020 THRU MAY	2020 ENCUMB	AVAILABLE BALANCE	2020 % USED
<b>GENERAL GOVERNMENT</b>						
TOWN COUNCIL	143,233	165,233	127,032	7,101	31,100	81.2 %
CUSTOMER SERVICE	60,316	60,316	55,575	-	4,741	92.1 %
TOWN MANAGER	615,550	787,450	532,394	63,788	191,269	75.7 %
HUMAN RESOURCES	507,055	507,055	407,968	46,340	52,747	89.6 %
FACILITIES MAINTENANCE	1,985,648	2,001,383	1,784,070	152,694	64,620	96.8 %
TOTAL GENERAL GOVERNMENT	3,311,802	3,521,437	2,907,038	269,922	344,477	90.2 %
<b>COMMUNITY DEVELOPMENT</b>						
COMMUNITY DEVELOPMENT	562,910	564,110	510,724	52,696	690	99.9 %
BUILDING INSPECTION	552,405	571,765	477,942	101,289	(7,465)	101.3 %
FIRE MARSHAL	359,192	356,832	316,429	27,564	12,839	96.4 %
HEALTH	727,422	734,212	637,008	48,691	48,513	93.4 %
TOTAL COMMUNITY DEVELOPMENT	2,201,929	2,226,919	1,942,103	230,239	54,577	97.5 %
<b>ADMINISTRATIVE SERVICES</b>						
FINANCIAL ADMINISTRATION	676,644	645,884	498,005	83,136	64,744	90.0 %
INFORMATION TECHNOLOGY	840,403	840,403	741,406	84,325	14,672	98.3 %
ACCOUNTING	449,625	461,238	436,901	41,997	(17,660)	103.8 %
PROPERTY ASSESSMENT	677,385	677,385	574,733	44,231	58,422	91.4 %
REVENUE COLLECTION	497,684	497,684	438,182	50,718	8,784	98.2 %
TOWN CLERK	546,198	603,198	511,054	47,454	44,690	92.6 %
VOTER REGISTRATION	170,200	170,200	111,421	2,315	56,464	66.8 %
LEGAL SERVICES	300,000	300,000	302,021	-	(2,021)	100.7 %
PROBATE SERVICES	24,800	27,633	13,993	7,870	5,770	79.1 %
INSURANCE/PENSIONS	2,030,799	2,030,799	1,678,841	32,707	319,251	84.3 %
TOTAL ADMINISTRATIVE SERVICES	6,213,738	6,254,423	5,306,557	394,751	553,115	91.2 %
<b>PUBLIC SAFETY</b>						
POLICE	13,396,071	13,488,599	11,781,755	1,072,570	634,274	95.3 %
VOLUNTEER AMBULANCE	20,820	20,820	13,464	515	6,840	67.1 %
FIRE	1,131,961	1,139,863	1,009,733	33,371	96,759	91.5 %
CIVIL PREPAREDNESS	31,202	31,202	20,934	206	10,062	67.8 %
TOTAL PUBLIC SAFETY	14,580,054	14,680,484	12,825,885	1,106,663	747,936	94.9 %
<b>PHYSICAL SERVICES</b>						
ENGINEERING	1,657,000	1,665,000	1,456,269	177,920	30,811	98.1 %
HIGHWAY	4,534,907	4,534,907	3,933,489	285,635	315,783	93.0 %
FLEET MAINTENANCE	1,265,363	1,257,363	1,078,044	126,049	53,270	95.8 %
TOTAL PHYSICAL SERVICES	7,457,270	7,457,270	6,467,802	589,604	399,864	94.6 %
<b>SANITATION</b>						
REFUSE DISPOSAL	859,961	881,622	699,955	103,471	78,196	91.1 %
TOTAL SANITATION	859,961	881,622	699,955	103,471	78,196	91.1 %
<b>HUMAN SERVICES</b>						
CONTRIBUTORY GRANTS	32,577	32,577	32,577	-	-	100.0 %
YOUTH/FAMILY SERVICES	1,301,056	1,301,056	1,038,571	107,649	154,836	88.1 %
SENIOR & COMMUNITY SERVICES	1,630,871	1,630,871	1,379,705	112,591	138,575	91.5 %
TOTAL HUMAN SERVICES	2,964,504	2,964,504	2,450,854	220,239	293,411	90.1 %

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

5/31/2020  
11:19:12AM

**FUND 010 - GENERAL FUND**

DESCRIPTION	2020 ORIGINAL BUDGET	2020 REVISED BUDGET	2020 THRU MAY	2020 ENCUMB	AVAILABLE BALANCE	2020 % USED
LEISURE/CULTURE						
PARKS/RECREATION	3,942,912	3,954,047	3,230,006	394,645	329,396	91.7 %
WELLES TURNER LIBRARY	1,786,855	1,786,855	1,537,302	142,140	107,413	94.0 %
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	4,782,308	536,785	436,809	92.4 %
OTHER:DEBT & TRANSFERS						
DEBT SERVICE	7,157,157	7,157,157	6,929,657	-	227,500	96.8 %
TRANSFERS	6,816,598	6,816,598	6,816,598	-	-	100.0 %
TOTAL OTHER:DEBT & TRANSFERS	13,973,755	13,973,755	13,746,255	0	227,500	98.4 %
EDUCATION						
EDUCATION	108,699,846	109,259,259	91,628,641	319	17,630,299	83.9 %
TOTAL EDUCATION	108,699,846	109,259,259	91,628,641	319	17,630,299	83.9 %
<b>TOTAL GENERAL FUND</b>	<b>166,007,626</b>	<b>166,975,576</b>	<b>142,757,399</b>	<b>3,451,993</b>	<b>20,766,184</b>	<b>87.6 %</b>

# GLASTONBURY PUBLIC SCHOOLS

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TO: Board of Education  
Board of Finance  
FROM: Alan B. Bookman, Superintendent  
Karen Bonfiglio, Finance Manager  
DATE: May 22, 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 April 2020 are \$79,859,452.
- 2) Checking Account Reconciliations:

<b><u>ACCOUNT TITLE</u></b>	<b><u>Date Completed By Education</u></b>	<b><u>Date Reviewed By Town</u></b>
<b><u>General Fund:</u></b>		
Accounts Payable	05/07/2020	05/08/2020
Payroll	05/07/2020	05/08/2020
<b><u>Other Funds:</u></b>		
Educational Grants	05/07/2020	05/08/2020
Student Activities	05/18/2020	05/22/2020
School Foods	05/18/2020	05/22/2020
Dependent Care	05/18/2020	05/22/2020
Planetarium	05/18/2020	05/22/2020

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

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June 10, 2020

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

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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 May 31, 2020 report is **\$88.25m**.

Expenditures for current projects since inception through May 31, 2020 total **\$73.9m**. Encumbrances outstanding total **\$6.3m**. The most significant encumbrances are for Bridge Replacement/Rehabilitation (\$1.9m), GHS Kitchen Upgrades (\$1.4m), and the Multi-Use Trail (\$1.0m).

Capital expenditures through the month of May totaled **\$15.5m** and were for Land Acquisitions, Cider Mill Pump Station, 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 May 31, 2020**

Description	Revised Budget	Life Expenditures	2020 Exp through Now	2020 Encumbrances	Available Balance
<b>FUND 301 - CAPITAL RESERVE PROJECTS</b>					
<b>General Government/Public Safety</b>					
Academy Re-Use Phase One	2,221,238	2,219,672	-	-	1,566
Town Buildings Security	605,000	506,501	95,521	6,995	91,504
Disaster Prep/Recovery Resourc	884,000	883,866	19,118	-	134
Fire Co Renovations/Code Compl	420,000	253,658	209,612	15,166	151,176
Public Safety Communications	515,000	397,516	-	-	117,484
Police Lockers	305,000	303,806	236	-	1,194
Police Building Windows	202,500	63,956	56,624	133,088	5,456
Fiber Optic Network-School/Twn	1,117,000	1,116,058	5,975	-	942
Fire Apparatus	710,000	693,165	690,602	859	15,976
Land Acquisition	1,253,639	1,164,684	14,259	-	88,955
Town Facilities Shop/Storage	1,045,000	1,046,174	143,700	-	(1,174)
Property Revaluation	1,706,500	1,540,779	107,898	-	165,721
Townwide Boiler/HVAC Replaceme	557,323	556,812	-	-	511
Document Management System	460,000	263,092	4,798	68,373	128,535
Telephone System	175,000	173,630	-	-	1,370
Tn Hall Improvements	1,717,283	1,699,847	50,032	11,427	6,009
Townwide Roof Replacement	750,000	552,293	22,288	70,700	127,007
Clean Renewable Energy In	1,387,044	1,274,440	4,068	792	111,812
Renovation Rental Property	-	-	-	-	-
<b>General Government/Public Safety Total</b>	<b>16,031,527</b>	<b>14,709,948</b>	<b>1,424,731</b>	<b>307,400</b>	<b>1,014,179</b>
<b>Physical Services/Sanitation</b>					
Bulky Waste Scale	91,000	91,523	-	-	(523)
Dam Maintenance/Replacement	615,531	615,531	24,285	-	-
Bridge Replacement/Rehabil	5,150,000	2,968,617	230,393	1,872,326	309,057
Hebron Ave Trail Fencing	35,000	35,000	-	-	-
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	7,398	920,583
Parking/Access Drive Improvmnt	600,000	501,840	242,317	98,160	-
Hebron Avenue Resurfacing	1,276,806	1,058,808	51,564	48,459	169,539
Sidewalk Construction Townwide	100,011	861	861	72,757	26,393
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	1,168,311	1,168,311	251,003	10,678
Heavy Equipment	449,070	358,751	304,886	-	90,319
Glastonbury Blvd Paving	1,800,000	302	302	-	1,799,698
Traffic Calming	100,000	-	-	-	100,000
Renovation andSite Restoration	1,623,189	1,572,556	134,008	28,403	22,230
Town Center Traffic/Street Imp	2,125,000	2,118,814	37,952	-	6,186
Hebron Ave/House St Improvemnt	1,975,000	1,515,716	110,359	236,763	222,521
Public Water Service - Uranium	-	-	-	-	-
<b>Physical Services/Sanitation Total</b>	<b>19,245,598</b>	<b>12,297,267</b>	<b>2,535,005</b>	<b>2,616,357</b>	<b>4,331,973</b>

**TOWN OF GLASTONBURY  
CAPITAL PROJECTS FUND  
FY 2020 Through May 31, 2020**

Description	Revised Budget	Life Expenditures	2020 Exp through Now	2020 Encumbrances	Available Balance
<b>Culture/Parks &amp; Recreation</b>					
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	352,543	3,320	2,900	157,057
Library Exterior Renovations	94,624	-	-	-	94,624
Multi-Use Trail	1,228,000	37,806	37,806	993,409	196,785
Parks Facility Renov/Expansion	1,067,500	1,002,736	50,935	23,418	41,346
Riverfront Park Extension	803,973	777,023	-	-	26,950
Library Upgrade/Redesign	450,000	247,561	-	-	202,439
Library Windows	156,376	156,376	-	-	-
Salmon Bk PkStudy	-	-	-	-	-
Grange Pool	350,000	344,572	13,007	-	5,428
Tree Management	125,000	95,590	95,590	24,618	4,791
Cider Mill	80,000	39,926	275	-	40,074
Open Space Access	540,000	337,421	-	1,000	201,579
Winter Hill	100,000	99,550	2,224	450	-
Library Space Planning Study	39,485	39,485	-	-	-
<b>Culture/Parks &amp; Recreation Total</b>	<b>6,627,458</b>	<b>4,580,724</b>	<b>203,157</b>	<b>1,056,395</b>	<b>990,339</b>
<b>Education</b>					
HVAC/Boilers	1,414,178	1,358,077	1,191,442	51,199	4,902
Energy Audit--All Schools	285,500	241,303	-	-	44,197
Carpet Replacement - Schools	309,859	297,270	-	-	12,589
GHS Fieldhouse	1,115,000	68,793	46	47,009	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	190,000	186,996	83,283	-	3,004
GHS Kitchen Upgrades	1,630,000	199,872	57,330	1,361,936	68,193
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	87,000	86,150	-	-	850
<b>Education Total</b>	<b>9,345,379</b>	<b>6,681,374</b>	<b>1,479,984</b>	<b>1,463,744</b>	<b>1,200,262</b>
<b>GHS Renovation</b>					
GHS Auditorium Acoustics	100,000	64,533	-	-	35,467
<b>GHS Renovation Total</b>	<b>100,000</b>	<b>64,533</b>	<b>-</b>	<b>-</b>	<b>35,467</b>
<b>TOTAL CAPITAL RESERVE PROJECTS</b>	<b>51,349,962</b>	<b>38,333,846</b>	<b>5,642,877</b>	<b>5,443,897</b>	<b>7,572,219</b>
<b>FUND 302 - SEWER SINKING PROJECTS</b>					
<b>Physical Service Sewer Sinking</b>					
WPC Emergency Power	202,500	145,764	-	5,498	51,238
WPC Energy Conservation Prog	315,000	92,247	24,196	12,021	210,731
Cider Mill Pump Station	1,791,000	1,461,632	1,373,037	189,372	139,997
<b>Physical Service Sewer Sinking Total</b>	<b>2,308,500</b>	<b>1,699,643</b>	<b>1,397,234</b>	<b>206,891</b>	<b>401,966</b>

**TOWN OF GLASTONBURY  
CAPITAL PROJECTS FUND  
FY 2020 Through May 31, 2020**

Description	Revised Budget	Life Expenditures	2020 Exp through Now	2020 Encumbrances	Available Balance
<b>FUND 303 - LAND ACQUISITION</b>					
<b>Land / Open Space</b>					
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)
<b>Land / Open Space Total</b>	<b>12,933,000</b>	<b>13,120,938</b>	<b>8,379,331</b>	<b>-</b>	<b>(187,938)</b>
<b>FUND 304 - TOWN AID</b>					
<b>Physical Service Connecticut Grant</b>					
Town Aid Improved Rds	884,945	53,968	53,968	630,379	200,597
Town Aid Unimproved Rds	25,691	11,880	11,880	5,100	8,711
<b>Physical Service Connecticut Grant Total</b>	<b>910,635</b>	<b>65,848</b>	<b>65,848</b>	<b>635,479</b>	<b>209,308</b>
<b>FUND 314 - RIVERFRONT PARK</b>					
<b>Riverfront Park - Phase I</b>					
Administrative	147,738	147,737	-	-	1
Engineering	121,418	121,417	-	-	1
Machinery & Equipment	196,373	196,373	-	-	0
Construction	3,784,471	3,784,470	-	-	1
Contingency	-	-	-	-	-
<b>Riverfront Park - Phase I Total</b>	<b>4,250,000</b>	<b>4,249,998</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Riverfront Park - Phase II</b>					
Administrative	18,000	17,962	-	-	38
Engineering	863,500	844,120	14,353	74	19,306
Machinery & Equipment	-	-	-	-	-
Construction	14,680,000	14,712,305	-	-	(32,305)
Contingency	48,500	30,833	30,503	-	17,668
<b>Riverfront Park - Phase II Total</b>	<b>15,610,000</b>	<b>15,605,220</b>	<b>44,856</b>	<b>74</b>	<b>4,706</b>
<b>TOTAL RIVERFRONT PARK</b>	<b>19,860,000</b>	<b>19,855,218</b>	<b>44,856</b>	<b>74</b>	<b>4,708</b>
<b>FUND 316 - GATEWAY PROJECT</b>					
<b>Gateway Corporate Park</b>					
Gateway Corp. Park	888,541	869,410	-	-	19,131
<b>Gateway Corporate Park Total</b>	<b>888,541</b>	<b>869,410</b>	<b>-</b>	<b>-</b>	<b>19,131</b>
<b>GRAND TOTAL</b>	<b>88,250,638</b>	<b>73,944,903</b>	<b>15,530,145</b>	<b>6,286,340</b>	<b>8,019,395</b>



**TOWN OF GLASTONBURY****MEMORANDUM**

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**DEPARTMENT OF ADMINISTRATIVE SERVICES****FINANCIAL ADMINISTRATION**

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

BOF 6/17/20  
Item # 8

FROM: Julie Twilley, Director of Finance & Administrative Services  
DATE: June 5, 2020  
SUBJECT: Self Insurance Reserve Update May 2020

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The attached report summarizes the Self Insurance Reserve fund through May 31, 2020. The total reserve is \$9,208,048 allocated \$749,423 and \$8,458,625 between Town and Board of Education, respectively. As of May the fund is experiencing a \$2,381,863 gain for the fiscal year.

There are 58 large loss claims which are defined as any claims that exceed \$50,000. BOE has 44 while the Town has 17 large loss claims. There are seven, four for BOE and three for 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: May 31, 2020

	Town	Education	Total
<b>Contributions</b>			
Employer	3,806,248	\$13,765,579	\$17,571,827
Employee	1,289,652	2,542,419	3,832,071
Stop Loss Reimbursement	615,164	1,185,519	1,800,683
<b>Total Revenues</b>	<b>\$5,711,063</b>	<b>\$17,493,518</b>	<b>\$23,204,581</b>
<b>Expenditures</b>			
<b>Anthem</b>			
ASO Fees	\$22,125	\$129,474	\$151,598
Claims	981,707	10,682,503	11,664,210
	\$1,003,831	\$10,811,977	\$11,815,809
<b>CTCare</b>			
ASO Fees	\$112,801	\$158,809	\$271,611
Claims	3,338,512	3,428,194	6,766,706
	\$3,451,313	\$3,587,003	\$7,038,317
<b>Delta Dental</b>			
ASO Fees	\$14,694	-	\$14,694
Claims	174,834	-	174,834
	\$189,528	-	\$189,528
Bank Fees/PCORI Fee	\$1,250	\$3,964	\$5,214
CT Prime	398,021	1,285,830	\$1,683,851
OneDigital Consultant Fees	18,000	72,000	90,000
	\$417,272	\$1,361,794	\$1,779,066
<b>Total Expenditures</b>	<b>\$5,061,945</b>	<b>\$15,760,774</b>	<b>\$20,822,719</b>
Current Year Revenues Less Expenses	\$649,119	\$1,732,744	\$2,381,863
Reserve July 1, 2019	\$100,304	\$6,725,881	\$6,826,185
Reserve at end of month	\$749,423	\$8,458,625	\$9,208,048

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

TOWN OF GLASTONBURY  
BUDGET TRANSFERS AND AMENDMENTS

BOF 6/17/20  
Item # 9

FUND	GENERAL FUND
SOURCE OF FUNDS	GRANT/FEE REVENUE
ACTION REQUIRED	ADMINISTRATIVE

REASON FOR TRANSFER

Provides for supplemental funding pursuant to State Statutory requirements (CGS section 10-222a).

Excess Costs / Agency Placement Grants	\$1,347,497
Community Use Custodial Fee Reimbursements	\$12,130
Magnet School Transportation	\$17,800
Total	\$1,377,427

ADDITIONAL APPROPRIATION	ACCOUNT CODE	AMOUNT
Special Education / Excess Agency	00287-15311	\$1,347,497
Education Community Services Fee	00287-30307	\$12,130
Magnet School Transportation	00287-15301	\$17,800

ADDITIONAL APPROPRIATION	ACCOUNT CODE	AMOUNT
Educational Services	06587-43699	\$1,377,427

Date 6/10/2020

*Julie B. Twilley*

Julie Twilley, Director of Finance  
Administrative Transfer Pursuant to State Statutory Requirements

# TOWN OF GLASTONBURY TRANSFER OF FUNDS

FUND	GENERAL FUND
SOURCE OF FUNDS	WITHIN DEPARTMENT
ACTION REQUIRED	TOWN MANAGER & BOARD OF FINANCE

REASON FOR TRANSFER

Install New Vision software for on-going redaction of future Town Clerk electronic records.

TRANSFER FROM	ACCOUNT CODE	AMOUNT
Accounting – Office Equipment / Furniture	01521-44710	\$7,000

TRANSFER TO	ACCOUNT CODE	AMOUNT
Town Clerk - Data Processing	01527-43635	\$7,000

Date 5-28-2020

Town Manager 

Date \_\_\_\_\_

Board of Finance \_\_\_\_\_

**MEMORANDUM**

To: Julie Twilley, Director of Finance & Administrative Services

From: Richard J. Johnson, Town Manager

Date: June 11, 2020

Re: **Debt Service**

The annual budget for Debt Service includes estimated funding for short-term interest and the cost of bond sales for short and long-term borrowing. Actual expenditures can vary from estimates and influence by activities during the respective year. For example, land acquisition, referenda and borrowing rates over the respective fiscal year. For the current year, Bond Refunding accrued savings to long-term financing costs. When the Debt Service budget has an available balance at year end, these funds are typically transferred from Debt Service to the Capital Reserve-Unassigned Fund Balance. \$174,000 is available for transfer this fiscal year. For reference, a similar transfer was approved in FY 2019, 2018, 2016 and 2015 ranging from \$110,000 to \$133,800. I have executed the transfer form for this matter for potential action at the Wednesday, June 17<sup>th</sup> meeting of the Board of Finance.

RJJ/sal  
Attachment

**TOWN OF GLASTONBURY  
BUDGET TRANSFERS AND AMENDMENTS**

FUND	GENERAL FUND
SOURCE OF FUNDS	DEBT SERVICE
ACTION REQUIRED	TOWN MANAGER, BOARD OF FINANCE, TOWN COUNCIL

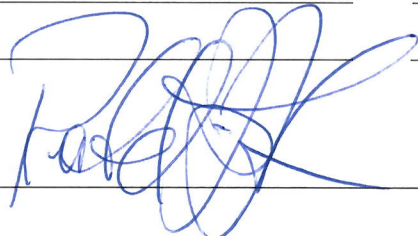
**REASON FOR TRANSFER**

Historically, when a significant balance is available in the Debt Service Account at year-end, a transfer to the Capital Reserve Fund is considered. For this year, \$174,000 is recommended for transfer. The Debt Service Budget typically estimates temporary interest and bond issuance costs, which can vary. In this year, such costs are below budget. In addition, savings were realized from a bond refunding.

This matter can be handled as a between department transfer with approval by the Board of Finance and Town Council.

TRANSFER FROM	ACCOUNT CODE	AMOUNT
GENERAL FUND – DEBT SERVICE		
Debt General Town	06085-45761	\$22,000
Debt Education	06085-45763	\$42,000
Debt Temporary Notes	06085-45767	\$110,000

TRANSFER TO	ACCOUNT CODE	AMOUNT
GENERAL FUND - TRANSFERS		
To Capital Reserve Fund	06089-49991	\$174,000

Date <u>6-11-2020</u>	Town Manager 
Date	Board of Finance
Date	Town Council

# BANK COLLATERALIZATION REPORT

**BOF 6/17/20**  
**Item # 12**

**AS OF March 31, 2020**

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

Bank	Tier-One Leverage Ratio	and	Risk-Based Capital Ratio	Minimum Collateral Required	Uninsured Public Deposits ( in 000's )	Total Collateral ( in 000's )	Is Total Collateral Greater Than Required Collateral <sup>(A)</sup>
	6% or grtr	and	12% or grtr	10%			
	< 5%	and	< 10%	110%			
	All others			25%			
Bank of America	8.52%		13.04%	10.00%	570,543	560,618	Yes
Citizens Bank	9.59%		12.18%	10.00%	160,551	30,000	Yes
JP Morgan/Chase	8.39%		14.59%	10.00%	56,801	101,000	Yes
People's United	8.94%		11.97%	25.00%	1,055,728	111,454	Yes
TD Bank	8.69%		15.60%	10.00%	871,946	110,000	Yes
Webster Bank	8.59%		12.74%	10.00%	1,399,519	226,902	Yes

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

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

**TOWN OF GLASTONBURY**

ADMINISTRATIVE SERVICES - Financial Administration

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June 11, 2020

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

FROM: Julie Twilley, Director of Finance & Administrative Services

RE: Approval of Financial Institutions

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Attached is a proposed list of banking institutions, investment pools, and broker-dealers to be used by the Town, effective June 2020 through June 2021. Please review the attached list and:

- Per Section 7-400 of the Connecticut General Statutes recommend to the Town Council the investment pool (for short-term investments) and the securities broker-dealer (for investments in US Agency Funds) for their approval and
- Per Section 7-402 of the Statutes recommend to the Town Manager to authorize use of the banking institutions and broker-dealer for demand deposits, certificates of deposits and money market investments.

BE IT RESOLVED that the Board of Finance recommends to the Town Council for approval the investment pool and the securities broker-dealer listed on the attached sheet effective June 2020 through June 2021.

BE IT RESOLVED that the Board of Finance recommends to the Town Manager for approval the banking institutions and broker-dealer listed on the attached sheet effective June 2020 through June 2021.

Attachment

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



## TOWN OF GLASTONBURY FINANCIAL INSTITUTIONS

Effective June 2020 through June 2021

BANK	ACCOUNT NAME
Bank of America 777 Main Street Hartford, CT 06102-5080	Developer's Deposit Library Trust (Burnham) Account
Citizen's Bank 237 Main Street Middletown, CT 06457	Investments/All Funds
JP Morgan Chase Bank Two Corporate Drive, Suite 730 Shelton, CT 06484	Investments/ All Funds Town Procurement Cards
Key Bank N.A. 4910 Tiedeman Road Brooklyn, OH 44144	Investments/ All Funds
Peoples United Bank 850 Main Street, PO Box 7031 Bridgeport, CT 06484	Investments/All Funds Self-Insurance Accounts Town and Education Disbursement/Payroll Accounts Education Grants Police Federal Forfeiture Parks and Recreation Credit Card Proceeds Sanitation Credit Card Proceeds Town Clerk Credit Card Proceeds Community Center Credit Card Proceeds
TD Bank 2481 Main Street Glastonbury, CT 06033	Investments/All Funds Library Bequest Account Police State Forfeiture/Seized Funds Developer's Sewer Replacement Escrow
Webster Bank Webster Plaza Waterbury, CT 06702	Investments/All Funds
Wells Fargo Bank 50 Main Street, NY1007 White Plains, NY 10606	Pension and OPEB Trust Funds Only
Santander Bank 1 Rockdale Street Braintree, MA 02184	Investments/All Funds (Upon reinstatement by CT State Treasurer)
Liberty Bank 245 Long Hill Road Middletown, CT 06457	Investments/All Funds

<b>SECURITIES BROKER-DEALER</b>	<b>ACCOUNT NAME</b>
Northern Capital Securities Corporation (an affiliate of RBC Capital Markets) 300 Brickstone Square, 9 <sup>th</sup> Floor Andover, MA 01810	Investments in Brokered Certificates of Deposit, US Treasuries, and US Government Agencies/All Funds

<b>INVESTMENT POOL</b>	<b>ACCOUNT NAME</b>
State of Connecticut Short-Term Investment Fund	Investments/ All Funds Debt Service Payments and Clean Water Loan

**MEMORANDUM**

To: Julie Twilley, Director of Finance & Administrative Services  
From: Richard J. Johnson, Town Manager  
Date: June 11, 2020  
Re: **Budget Projections**

Per discussion, I understand the Board of Finance has requested a review of estimated operating results for fiscal year 2020 and projections for the coming year. Attached is a copy of my May 22, 2020 letter which served as the basis for presentation and discussion at the May 26<sup>th</sup> Council meeting. Please forward this with the Agenda for the June 17<sup>th</sup> Board of Finance meeting.

As noted, the information reviewed on May 26<sup>th</sup> was based on data available through the end of April. Several updates as follows:

- Police overtime exceeds estimates developed in May. A large contributor is the Sunday, June 7<sup>th</sup> march attracting some 3,000-3,500 attendees.
- Debt Service originally projected at \$300,000 below budget will now total \$174,000 below budget. At the same time, revenues related to borrowing costs, increase \$98,000 over original revenue estimates.
- FEMA and COVID-19 Relief Funding will reimburse eligible costs for COVID-19 activities with such revenues received after July 1<sup>st</sup>. Revenues are estimated at 75%-100% with the total estimated reimbursement to be determined.

I will be prepared to review this information as applicable.

RJJ/sal  
Attachment



# Town of Glastonbury

2155 MAIN STREET • P.O. BOX 6523 • GLASTONBURY, CT 06033-6523 • (860) 652-7500  
FAX (860) 652-7505

ITEM #3(A)  
05-26-2020 Meeting

Richard J. Johnson  
Town Manager

May 22, 2020

The Glastonbury Town Council  
2155 Main Street  
Glastonbury, CT 06033

**Re: Budget Status Report**

Dear Council Members:

A report is scheduled for Tuesday evening on estimated operating results for fiscal year 2020 and preliminary factors expected to influence revenues and expenses in the fiscal year beginning July 1<sup>st</sup>. Background information as follows.

**Fiscal Year 2020**

This includes revenue projections for the current fiscal year and estimated systemwide expenditures for Town operations. Estimates are based on results through April 30<sup>th</sup> and projections over the next two months. Debt and Transfer costs are also included.

**Revenues:** Combined General Fund revenues (tax and non-tax) are expected to approximate the adopted budget. Some revenue sources will exceed budget (net taxes \$200,000, ECS \$516,000) while others will underperform (investment income \$500,000). Revenues for programs and activities (Recreation, Senior Services, Youth Services) will underperform given cancellations and amended programming resulting from COVID-19. Expenditures for these programs and activities are below budget. Additionally, other non-tax revenues involving Refuse, Health and other activities will fall below budget. Several specific examples as follows:

- Tax collection rate estimated at 99.4% as compared to 99.1% for the adopted year mill rate. Each 1/10<sup>th</sup> percent equals \$158,000±. Current levy and auto supplemental to over achieve while prior year and interest/fees will underperform.
- ECS totals \$5.6M as compared to \$5.1M± estimated when the current year budget was enacted.
- Investment income will underperform by \$500,000± given decreases in the federal funds rate since March 2019.
- Building permit and Town Clerk fees are estimated to meet and possibly exceed budget.
- Fees and charges for Recreation activities estimated at \$100,000 below budget. Library, Refuse, Health and others will not meet budget.

The preceding is based on information as of April 30<sup>th</sup> and could change. At this point, combined tax and non-tax revenues could fall above or below budget.

**Expenditures:** Response to the COVID-19 pandemic has modified Town operations. This resulted in a number of programs and activities not proceeding as in a typical year. This translates to reduced revenues as noted above and lower expenditures. Additionally, since mid-March, steps are in place to reduce Town operating costs. These actions look to reduce ongoing costs while retaining efficiency and effectiveness and not increase future costs. Most savings are achieved by delaying recruitment of open full-time positions and minimal part-time work. This is a dynamic process that will change as operations return to more normal levels.

Expenditures for Town operations are estimated at \$500,000-\$600,000 below budget. As with revenues, this is preliminary and subject to change. Additionally, Debt Service costs are estimated at \$300,000± below budget. Historically such funding is transferred to the Capital Reserve Fund. This will be scheduled for discussion and action as applicable in June.

Based on the above, a net gain on operations is projected. This does not include Education.



**Fiscal Year 2021**

There are a number of factors expected to influence revenues and expenditures in the fiscal year beginning July 1<sup>st</sup>.

**Revenues:**

- As in the current year, revenues from programs and services will likely vary from budget as such activities continue to be influenced by COVID-19.
- Investment returns will fall below budget and with information now available are estimated to under achieve budget by \$700,000.
- Recent year tax collections totaled 99.4±% as compared to 99.1% when enacting the mill rate. The collection rate dipped to 99.13% in FY2009 and FY 2010 during the recession. Each 1/10% on the collection rate totals \$158,000±. Should the collection rate fall below 99.1%, the current levy will not achieve budget. There will be some reductions from the tax deferral program.
- State aid is assumed to be fully received in the coming fiscal year. Largely ECS.
- FEMA or other federal funding is expected to reimburse COVID-19 expenses. Additional federal aid could be allocated to cities and towns.
- Revenues for Building Permits, Town Clerk and Refuse fees are estimated to achieve budget+.

The preceding and other possible factors will gain greater clarity over coming months. In the meantime, revenues over the coming fiscal year should be closely monitored.

**Expenditures:** Town operating costs will continue to adjust in response to the pandemic. In some cases, programs and activities will be cancelled and reduced in scope. As noted above, this will have a revenue offset. Additionally, as in every year, efforts will be made throughout the organization to achieve cost savings while ensuring such actions sustain efficiencies and service delivery levels, do not increase future costs or create spending spikes.

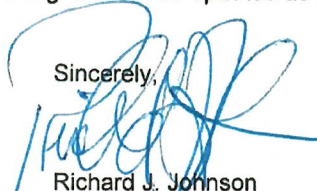
Recent actions in place or under way to achieve costs savings/avoidance include rate lock for unleaded/diesel fuel for Town and Education, continued solar PV for electric savings, RFP and transition to sole carrier for health insurance to achieve cost and administrative efficiency, market competition for other insurance programs (workers' comp, LAP) expected to achieve prospective savings, and a host of other ongoing efforts to achieve operating cost efficiencies.

Debt Service will likely benefit from lower interest rates compared to the 2.75% assumption when the budget was developed. Current long-term borrowing is in the 2.15-2.25%. A \$10M+ bond issue is planned for early summer for recent land acquisitions and the library project.

**Additional Look Ahead:** As noted herein, tax and non-tax revenues are uncertain in the coming year and will vary from the adopted budget. Additionally, Education spending could change from budget in the coming year. These items will be better understood over summer months.

The information herein provides the background for Tuesday evening and can be updated as new information becomes available.

Sincerely,



Richard J. Johnson  
Town Manager

**MEMORANDUM**

To: Julie Twilley, Director of Finance & Administrative Services

From: Richard J. Johnson, Town Manager

Date: June 11, 2020

**Re: Pension Plan Design**

The following responds to the question asked by Board Member Zeller concerning pension plan design for town staff hired on and after 2013. Most particularly, the DB/DC hybrid plan for non-affiliated staff. The hybrid plan was developed with several goals:

- Meaningful pension plan for participating employees and family.
- Shared investment by employee and employer.
- 5% investment assumption for DB component to better achieve long-term investment goals with tighter standard deviation and reduced risk profile for investment portfolio.
- Long-term ability to meet investment assumptions and cost projections for employee and employer. Basically, greater ability to meet actuarial cost projections.

Per the April 22, 2020 report by FIA the 20-year annual return for the hybrid plan is projected at 5.36% and the 50th percentile portfolio return distribution ranges from 4.9% to 5% (excerpt attached). While the hybrid plan is relatively new at 7± years the Plan is performing as intended.

Also, effective 2013, other employee groups have a DC plan with a 6.5% employer/employee contribution. A public safety hybrid with a base DB component and a DC plan for overtime and private duty is also effective for new hires on and after 2013. The private duty component is fully funded by private contractors and employee.

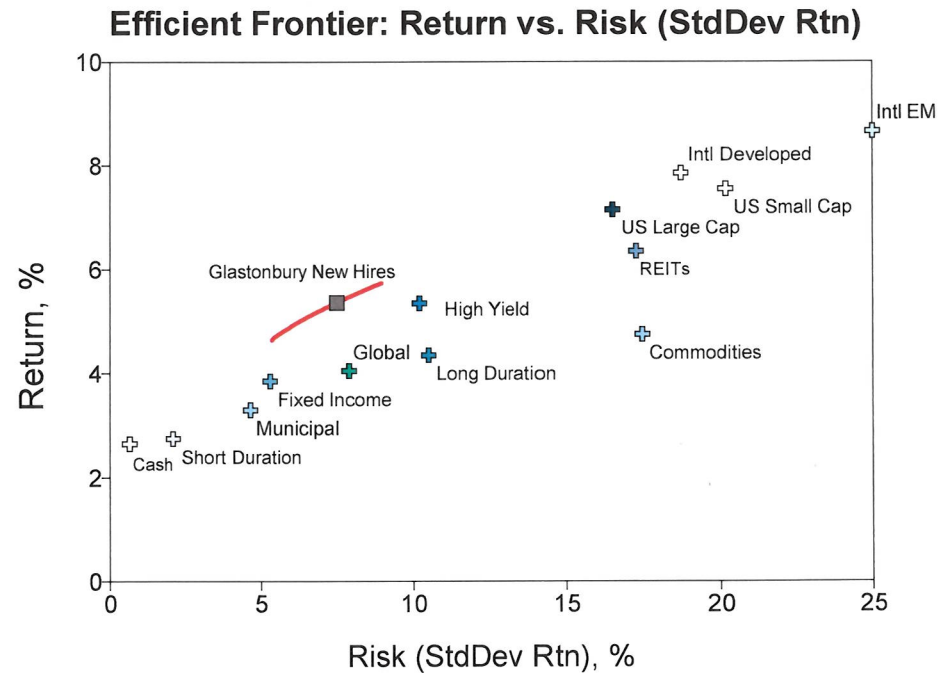
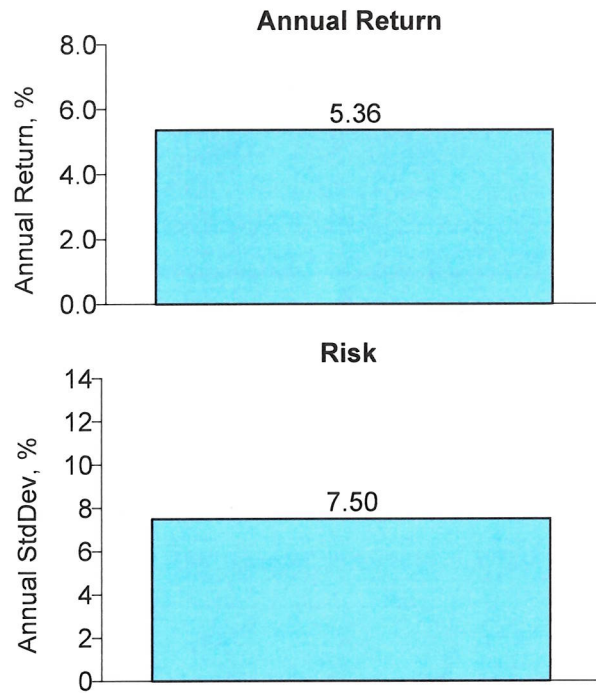
As an alternative to the new hire Plan design the employee contribution can be increased for new hires. This option does not achieve the overarching goals noted above for the hybrid plan. Note: For Town pension eligible employees hired before 2013, the employee contribution has increased and continues to increase through a phased approach.

Should Board members have questions concerning the approach by education the Superintendent and Board of Education can be asked to respond.

RJJ/sal  
Attachment

# Asset Allocation Analysis - New Hires Plan

## Portfolio Risk & Return - Long Term (20 Year)



## Portfolio Return Distributions

Annual Return, %

	Glastonbury New Hires			
	1Y	3Y	5Y	10Y
5th Percentile	-6.1	-1.6	-0.1	1.4
25th Percentile	0.1	2.2	2.8	3.5
50th Percentile	4.9	5.0	5.1	5.1
75th Percentile	10.1	8.0	7.3	6.7
95th Percentile	18.5	12.5	10.7	9.0