

AGENDA

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GLASTONBURY BOARD OF FINANCE MEETING

AGENDA OF REGULAR MEETING

Wednesday, July 15, 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:
 - a. Minutes of June 17, 2020 (Regular Meeting)
 - b. Minutes of June 24, 2020 (Special Meeting)
3. Action / Communication - Chris from FIA (Material to be distributed week of 7/13):
 - a. Action: Remove current investment manager(s) and replace with other manager(s).
 - b. Communication: Governance Calendar, June Report, and other related items.
4. Communication: Pension Report – May 2020
5. Communication: Month End Investments – May 2020
6. Communication: Financial Summary (Revenue & Expenditure) for 12 months- June 2020
7. Communication: Education Reconciliation – May 2020
8. Communication: Capital Projects – June 2020
9. Communication: Self Insurance Reserve Fund – June 2020
10. Communication: Transfers Approved by Town Manager Since Last Meeting (none)
11. Action: Transfers over \$5,000
 - a. Pension/Insurance
12. Communication: Elderly Homeowners Tax Credit Update
13. Communication: Bond Sale & Rating Reports
14. Action: Bond Authorization – Reserve for Land Acquisition and Preservation
15. Board of Finance Committee Reports, comments and remarks (no action to be taken)
16. 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, JULY 15, 2020, AT 4:00 PM WILL BE CONDUCTED THROUGH ZOOM VIDEO CONFERENCING.

Join the Meeting - 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/89275926625?pwd=NytuMnk1NDk1NzBoZU1aY2tSODI5dz09>

Password: 806723

Join by Phone:

Dial: +1 646 558 8656

Webinar ID: 892 7592 6625

Password: 806723

Public Comment may be submitted through a form at the following link no later than 2:00 p.m. on Tuesday, July 14, 2020. Be sure to select *Board of Finance* in question 4 of the form:

www.glastonbury-ct.gov/publiccomment

There is also the opportunity to give Public Comment as part of the virtual meeting if joining through the Zoom Meeting Link.

Watch the Meeting - This meeting will be broadcast in real-time through Public Access Television on Channel 16, or live streamed on the town website. [Click here to view by live streaming.](#)

**GLASTONBURY BOARD OF FINANCE
REGULAR MEETING MINUTES
WEDNESDAY, JUNE 17, 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
- Mr. James Zeller
- Mr. Walter Cusson

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

2. Communication:

a. Minutes - May 20, 2020

Minutes accepted as presented.

3. Communication: Pension Report – April 2020

Ms. Twilley presented the report dated May 18, 2020.

4. Communication: Month End Investments – April 2020

Ms. McManus presented the report dated May 18, 2020.

5. Communication: Financial Summary for 11 months - May 2020

Ms. Twilley presented the report dated June 10, 2020. She noted that there is a separate agenda item that will go over the impact from COVID-19.

6. Communication: Education Reconciliation – April 2020

Ms. McManus presented the report dated May 22, 2020.

7. Communication: Capital Projects – May 2020

Ms. Twilley presented the report dated June 10, 2020.

8. Communication: Self Insurance Reserve Fund – May 2020

Ms. Twilley presented the report dated June 5, 2020.

9. Communication: Transfer to Education for supplemental funding [SS10-222a]

Ms. Twilley presented the document listing the administrative transfer dated June 10, 2020. Ms. Sanford asked if the volatility or variability of this number is the same every year. Ms. Twilley said yes, it is very close to that.

10. Communication: Transfers Approved by Town Manager Since Last Meeting (none)

11. Action: Transfers over \$5,000

a. \$7,000 New Vision Software

Motion by: Mr. McIntosh

Seconded by: Mr. Zeller

MOVED, that the Glastonbury Board of Finance hereby transfers \$7,000 from the Accounting - Office Equipment/Furniture account to the Town Clerk- Data Processing account.

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

b. Debt Service to Capital Reserve Fund

Motion by: Mr. McIntosh

Seconded by: Mr. Zeller

MOVED, that the Glastonbury Board of Finance hereby recommends the transfer of \$174,000 from the General Fund - Debt Service to the Capital Reserve Fund.

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

Mr. Johnson explained that the Council will likely wish to move the \$174,000 from the Capital Reserve Fund to the Capital Projects for Land Acquisition Fund. In order to mitigate the back and forth, he suggested the Board make that recommendation tonight. Mr. Zeller expressed that he would like more information on this, so it would be better to hold off on this action. Mr. Cusson explained that he is in favor of moving both actions at the same time. Mr. Lynn agreed.

Motion by: Mr. Cusson

Seconded by: Mr. Lynn

MOVED, that the Glastonbury Board of Finance hereby adds to the agenda an additional action item on moving money from the Capital Reserve Fund to the Land Acquisition Fund.

Disc: Mr. Zeller expressed that he is uncomfortable with this action because he would like to know what he is voting on. He also agreed with Mr. McIntosh's point that a land acquisition can wait a month or two.

Result: Motion failed {2-4-0}, with only Mr. Cusson and Mr. Lynn voting in favor.

12. Communication: Bank Collateralization Reports

Ms. Twilley reviewed the report as of March 31, 2020.

13. Action: Approval of Financial Institutions

Ms. Twilley reviewed the report dated June 11, 2020.

Motion by: Mr. Zeller

Seconded by: Mr. McIntosh

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

14. Communication: Budget Projections

Mr. Johnson reviewed the report dated June 11, 2020. He explained that the projections were based on information available as of April 30. He expects revenues to be pretty much on target. Due to COVID-19, there are wage savings for some positions. This year will generally be a good year. Next year, a couple of items will be of significance: 1.25% interest rates were projected when the budget was enacted on March 5. However, the investment market is not good. Some investment earnings will also be lost because tax payments have been extended to October. Going into 2021, they will keep an eye on the collection rate and the investment returns.

Mr. Zeller pointed out that there was an article in the Glastonbury Citizen which stated that, though the school buses are not running, the BOE had to purchase the fuel anyway. Mr. Johnson explained that they purchase fuel many months in advance to lock in a low price. Therefore, they have made a commitment to the vendor and cannot back out of that deal. However, typically, the liquidation rate is lower than if you were to use the fuel. In the worst-case scenario, the BOE would be liquidating about \$60,000 of fuel that they did not receive and burn. He expects that this would be a COVID-related expenditure because the state closed the schools, and they would put that in for reimbursement. Mr. Zeller asked about nulling and voiding the contract or selling the fuel. Mr. Johnson stated that those options seem implausible, but he will take a look at them again.

Ms. Sanford explained that some municipalities are receiving money from the CARES Act. Has Glastonbury received any revenues, and will any aid come in to assist in ensuring safe elections? She also stated that, in the future, with surpluses like \$174,000 for land acquisition, the Council could give that money back to the taxpayer, such as by not extending the amortization by \$200,000. Mr. Johnson replied that Glastonbury will be receiving some funding for certain election expenses, though it might not be a windfall. Ms. Twilley added that the funds will reimburse expenditures but will not cover lost revenues. Mr. Johnson explained that they are seeking reimbursement from the CARES Act, as well as from FEMA and the COVID-19 Relief Fund.

15. Communication: Pension Plan Design

Mr. Johnson reviewed the report dated May 22, 2020. He explained that Mr. Zeller asked for the pension contribution plans for the hybrid plan contrasted with the legacy plan. The approach that the BOE took on the hybrid plan was that they increased employee contributions but did not roll out a new plan design. He explained the thought process behind the hybrid plan.

Mr. Zeller stated that he would like to ask the BOE what assumptions they made because the Superintendent claims that his approach saves the Town more money than the Town's approach, which the Town Manager disagrees with. It is the BOF's obligation to advise the BOE on the best course of action, and he is not able to reconcile these two disparate approaches to pension plan funding. He asked if anyone else on the Board shares this concern. Mr. McIntosh expressed that though they are different approaches, that fact alone does not necessarily mean that there is anything wrong or right about either of them.

Ms. Sanford agreed with Mr. Zeller, stating that one approach is a more financially sustainable plan. As they move to this extremely low interest rate environment, and as they see the 7-year success of this other design plan, it is important that they reconcile why a big part of the BOE is not considering that. She noted that, awhile back, the Superintendent said that they looked into it and concluded that it would not save them more money, but that does not seem true. One plan looks more financially stable than the other. Mr. Johnson suggested a way forward by having a discussion with the BOE on this topic. The Board agreed.

16. Communication / Action: Special Meeting on June 24, 2020 at 10:00 AM

Mr. Lynn and Mr. McIntosh will not be able to attend. The Board came to a consensus to have a special meeting with four members attending.

17. Communication / Possible Action: Templeton Fund and Equity-Bond Rebalancing (Report of Pension Fund balances to be provided early next week)

Ms. Sanford explained that she would like to talk about the current pension asset allocation. They have over-weighted equities and under-weighted bonds. She would like to bring their pension back to target and let FIA move forward in the manner they see best to achieve this goal. Mr. Lynn agreed, saying that he would like to hear their opinion at the June 24th meeting before making a final determination.

Ms. Sanford suggested asking Ms. Twilley to send FIA a letter now, to give them more optionality. She feels that doing this sooner rather than later is best. Mr. Cusson and Mr. McIntosh support Ms. Sanford's suggestion. Ms. Twilley stated that she will reach out to Mr. Kachmar and ask him to rebalance to get back to target the way that he sees fit. He does not need to wait until the next meeting to do so.

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

Mr. Constantine noted that there was a PBC, but he was unable to attend. Mr. Johnson explained that they took action on the library project and are finalizing the documents to go to bid in late June/the beginning of July. Mr. McIntosh asked if solar panels are being planned for other municipal buildings. Mr. Johnson explained that most town and school facilities have them. They have been installing solar panels in a phased approach.

19. Adjournment

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of May 20, 2020, at 5:32 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; click on Public Broadcast Video On Demand, and an audio recording is available in the Finance and Administrative Services Office.

BOF 7/15/20
Item # 2b

**GLASTONBURY BOARD OF FINANCE
SPECIAL MEETING MINUTES
WEDNESDAY, JUNE 24, 2020**

The Glastonbury Board of Finance, along with Finance Director, Julie Twilley, and Town Manager, Richard J. Johnson, held a special meeting at 10:00 a.m. via dial-in conferencing.

The purpose of the meeting is to discuss topics pertaining to the Pension plans including, but not limited to, the current pension portfolios, current investment practices, asset allocations, manager attribution, plan performance, and market analysis.

Also on the call were Chris Kachmar and Matt Kaminski from FIA.

Roll Call

Members

- Mr. Constantine “Gus” Constantine, Chairman
- Ms. Jennifer Sanford, Vice Chairman
- Mr. Robert Lynn
- Mr. James Zeller {joined at 10:20 a.m.}
- Mr. Walter Cusson {excused}
- Mr. James McIntosh {excused}

With only three members present at the onset, the meeting proceeded as a Pension Sub-Committee meeting. However, with Mr. Zeller’s presence, quorum was met, and the meeting reverted to a special meeting.

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

2. Discussion: Presentation provided by Fiduciary Investment Advisors (FIA)

Chris Kachmar introduced Matt Kaminski, a partner at FIA, who presented FIA’s philosophy of selecting active managers. He explained that their team in Chicago selects managers the same way that their team in Windsor does. So, the merger is very integrative. Their manager research philosophy is to identify managers who can outperform benchmark and stay the course. Both qualitative and quantitative metrics are important. He added that while they look at historical performance, without the qualitative understanding of how the manager got there, that quantitative record has less meaning.

Ms. Sanford asked, when the merger occurred, was there a change of control? Specifically, how has it impacted Glastonbury today, in terms of resources? Mr. Kaminski explained that, going forward, they will split the private and public. They are mixing the analysts between the two teams. As for changing control, some team members will report to the project lead in Chicago,

but they are in constant communication and are philosophically aligned with each other. In terms of the impact to the portfolio, there are overlaps in some names that they each use. Over the coming months, they will dig deep and try to refine what they have and what the best ideas are going forward.

Mr. Lynn stated that he is looking at trying to exceed the benchmark and reduce risk. He would like to look at each of their funds specifically, which would give them a better idea of how to proceed. Mr. Kachmar stated that the Board showed specific interest in going over the Templeton Global Bond Fund. Mr. Lynn noted that, for the last 7 years, that fund has been 90 basis points off of benchmark. He asked why they continue to keep that fund in their portfolio. Mr. Kaminski explained that their approach is understanding that the fund can just as easily perform very well, and there are periods where that has happened. They want to avoid selling managers when they are at the bottom of their cycle. He thinks that, over time, it will overperform. Mr. Kachmar added that they like their thoughtfulness, their resources, and the way they build portfolios. Mr. Lynn asked why they are moving it now to BlackRock if they think that this is a better hold for the future. Mr. Kachmar explained the attributes of the international market, adding that it is an exercise in balance, to mix and match.

Ms. Sanford stated that she is more partial to derivatives than fixed income. She asked if FIA is finding it more challenging now than in the past 10 years. She remarked that FIA is committed to this manager and feels that the Templeton Fund is a diversifier to the portfolio. Mr. Kaminski replied yes, it is a very difficult environment to think about 20-30% of a portfolio to be invested in US bonds, which are yielding what they are today. It is definitely as challenging as it has ever been. He thinks that it is the same idea here with the Templeton Fund. He feels quite confident at the ability for this to create returns to benefit the portfolio, and same with BlackRock.

Ms. Sanford asked, due to performance, why wouldn't a fund like this just systematically be put on a watch list? Mr. Kaminski explained that, with Templeton, there are periods where performance has outperformed to the same magnitude as it has underperformed. Ms. Sanford asked, what is the right size of a fund, and how does that impact the total riskiness of the portfolio and the rate of return?

The discussion then moved over to Cape Ann. Mr. Lynn asked why the switch wasn't proposed six weeks ago. Does this mean that FIA does not have conviction in these managers? Mr. Kachmar stated that the idea is vetted, researched, and takes time to reach a thoughtful basis going forward. Touchstone and Westfield is a good large-cap manager and DFA is very well-regarded. FIA just thinks that, on a go-forward basis, saving a little and dialing down that portion of the program while introducing a couple of mid-cap managers is a good proposition. It is not that those managers are bad, but they are just trying to work with the market. So, yes, they believe that there is a better way to structure the domestic equity program going forward.

Mr. Lynn stated that he would like to see the top 2 or 3 funds in the small/mid cap, so that he can understand FIA's homework. Mr. Kaminski stated that they have the research, which the Board can access, and speak directly to the analysts.

Mr. Kaminski explained that the Cape Ann Emerging Markets is a value approach to emerging markets. They have underperformed because they are a value-focused investor. Mr. Lynn stated that he did not know that they were heavily into energy. If FIA is comfortable with them, then he is comfortable, too. He then stated that \$5 million is probably not enough to help the Board achieve a 6.5% yield return target. He asked if they should consider private equity to get some long-term return here. He asked if there are other municipalities that have private equity or hedge funds within their portfolio?

Mr. Kachmar explained that, at the local level, most committees decide that the headline risk with private equities and hedge funds is not a profile that they want to adopt. So, most of their plans look like Glastonbury's plans. Mr. Kaminski agreed, saying that that option is almost a nonstarter here, but the Town could mimic private equity.

Mr. Lynn stated that he would defer to Mr. Kachmar and Ms. Sanford to wait until July to take action on the portfolio changes. Ms. Sanford stated that she is uncomfortable with delaying action and would prefer to have the professionals at FIA take action now.

Mr. Constantine summarized the recommendations from FIA as the following:

- Moving the Templeton Global Bond Fund from 7.5% to 5%
- The Touchstone and DFA Funds would go to 0
- Small midcap and small value stocks would go to 6%

The Board decided that the Templeton Fund is the most pressing matter at the moment, and they can wait to vote on the rest of the items at a later meeting date.

3. Action: Remove current investment manager(s) and replace with other manager(s).

This action is postponed until the next meeting.

4. Action: Adjust asset allocation / portfolio construction.

Motion by: Mr. Lynn

Seconded by: Ms. Sanford

BE IT RESOLVED, that the Glastonbury Board of Finance hereby moves the Templeton Global Bond Fund shares from 7.5% to 5% of the current pension portfolio.

Result: Motion passed unanimously {4-0-0}.

5. Adjournment

Motion by: Ms. Sanford

Seconded by: Mr. Lynn

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of June 24, 2020, at 11:22 a.m.

Disc: Mr. Lynn appreciated FIA for answering their questions. In the future, he would like to have such meetings not on Zoom but in person, and discussions focused on the micro not macro level.

Result: Motion passed unanimously {4-0-0}.

Respectfully submitted,

Lilly Torosyan
Lilly Torosyan
Recording Clerk

For anyone seeking more information about this meeting, a video on demand is available at www.glastonbury-ct.gov/video; click on Public Broadcast Video On Demand, and an audio recording is available in the Finance and Administrative Services Office.

DEPARTMENT OF FINANCE & ADMINISTRATIVE SERVICES

BOF 7/15/20
Item # 4

June 18, 2020

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

As of May 31, 2020 the pension asset value is \$159,083,944, a net increase of \$5,784,691 from July 1, 2019. Through the month of May, the fund experienced an unrealized loss of \$223,969, which is indicative of the current market and there were realized gains of \$2,583,237. Investment income through May totaled \$3,114,054.

July 1, 2019 Balance	\$ 153,299,253
Revenues:	
Employer Contributions	\$ 8,170,908
Employee Contributions	\$ 1,856,791
Total Contributions	\$ 10,027,699
Investment Income	\$ 3,114,054
Realized Gains/Losses	\$ 2,583,237
Unrealized Gains/Losses	\$ (223,969)
Total Revenues	\$ 15,501,021
Expenditures:	
Benefit Payments	\$ 9,515,694
Administrative Fees	\$ 77,688
Investment Management Fees	\$ 122,948
Total Expenditures	\$ 9,716,330
Net Increase/Decrease	\$ 5,784,691
Ending Balance May 31, 2020	\$ 159,083,944

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

June 15, 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 May 31, 2020 were \$84,492,413. As of month-end, the investment balances for all funds combined were as follows:

Type of Investment	Amount	Rate	
STIF	\$ 42,837,732	0.42	
Citizens Bank	1,222,169	0.15	
Northern Capital Investment Account	11,536,583	0.70-3.40	Est. current accrued interest \$28,631
Northern Capital Sewer Funds	9,313,185	0.85-3.15	Est. current accrued interest \$13,160
People’s United Investments	11,098,638	0.20	
TD Bank CD	8,039,471	0.29	Matures 6/26/2020
TD Bank Investments	<u>444,635</u>	0.15	
Total	<u>\$84,492,413</u>		

General Fund Earnings

- The General Fund portion of pooled investments at May 31 was \$54.2 million.
- As of May 31, the General Fund has realized investment earnings of \$1,013,828.
- As of May 31, Sewer Sinking funds totaling \$9,289,000 were invested in fully-insured CDs with terms varying from 6 months to seven years, with current-year realized investment earnings of \$156,391.

Comparative information concerning General Fund earnings follows.

Fiscal Year	Budget	Realized Investment Earnings July-May	Percent of Budget
2019	\$800,000	1,227,122	153.39%
2020	\$1,500,000	1,013,828	67.59

cc: Julie B. Twilley, Director of Finance

TOWN OF GLASTONBURY
ADMINISTRATIVE SERVICES - Financial Administration

July 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 Twelve Months Ended June 30, 2020 (FY 2019/20)

Preliminary results for the twelve months ended June 30, 2020 suggest a projected surplus of approximately \$1m+, with revenues projected to be ~\$169m and expenditures projected to be ~\$167m.

The following summary provides financial results for FY 2020, as of the first week in July 2020. The fiscal year will not be completely closed for another few weeks to allow for receipt of invoices for services performed in FY 2020 as well as auditor adjustments.

Note that many of the variances to budget and prior year are a result of the COVID-19 pandemic. Efforts are on-going to reduce non-business critical expenditures to help offset reductions in revenues.

Revenues & Transfers Summary:

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

Fiscal Year	Amend/Budget	Actual Through June	Actual % of Budget Collected	Category as % of Total Town Budget
Tax Revenues				
2018/2019	150,395,708	150,979,389	100.4%	91.1%
2019/2020	153,589,767	153,871,115	100.2%	91.8%
Licenses & Permits				
2018/2019	1,126,100	1,366,710	121.4%	0.7%
2019/2020	1,150,800	1,203,254	104.6%	0.7%
Intergovernmental				
2018/2019	8,313,504	8,620,972	103.7%	5.0%
2019/2020	8,146,340	8,430,357	103.5%	4.9%
Charges for Services				
2018/2019	1,450,470	1,504,769	103.7%	0.9%
2019/2020	1,448,895	1,246,365	86.0%	0.9%
Other Revenues				
2018/2019	1,784,841	2,120,709	118.8%	1.1%
2019/2020	2,474,251	3,694,435	149.3%	1.5%

cc: Karen Bonfiglio, Finance Manager
Narae McManus, Controller

Anticipated revenues for 2019/20 total \$167.4m comprised of revenues, transfers and an appropriation from Fund Balance to finance the 2019/20 adopted operating budget. At the end of the fourth quarter, the Town collected \$169.0m in revenues, which represents an increase of \$3.0m when compared to the previous year for the same period. The majority of the year-over-year change is related to:

- Tax Revenues collected were approximately \$2.9m higher than the prior year. The majority of this increase was on the Current Levy and was somewhat offset by lower Prior Years and Interest/Fees.
- Other Revenues in the current year were \$1.6m higher than the prior year and include a \$1.6m settlement and \$0.1m of revenue from the sale of bulky waste fill, which was somewhat offset by \$0.2m of year-over-year lower interest on investments.
- Other year-over-year unfavorable variances include:
 - Charges for Services were \$0.3m lower than the prior year due to lower Town Clerk Conveyance Fees, Parks/Rec Swim and Program Fees, Senior Service & Nutrition programs, Library Fines and Passport Processing (pandemic related).
 - Intergovernmental revenues were \$0.2m lower than the prior year due largely to the ECS reduction.
 - Licenses and Permits revenues were \$0.2m lower than the prior year due to a reduction in building inspection fees and health fees (pandemic related).
 - Also note that Transfer In was \$0.8m lower than the prior year. (\$1.4m in 2018/2019 and \$0.6m in 2019/2020 for the Elementary School Air Conditioning Project.)

The biggest drivers of the \$1.7m variance of actual revenues collected through June 30, 2020 compared to the full year budget include the following:

- Other Revenues is \$1.2m above budget, driven by a \$1.65m settlement and \$0.1m of bulky waste fill sales, offset by \$0.5m of unfavorable interest on investments. (*The 2019/2020 Budget assumed an interest rate of 2.25%, which, if achieved, would have yielded \$1.5m in revenue.*)
- State Education Entitlements (including ECS) is \$0.3m above budget.
- Tax Revenue is \$0.3m above budget driven by the Current Levy & Auto Supplemental somewhat offset by lower Prior Years and Interest/Fees.
- Charges for Services is \$0.2m below budget largely due to the pandemic, with lower Parks/Rec Swim and Program Fees, Senior Service & Nutrition programs, Library Fines, Solid Waste Tip Fees and Passport Processing, partially offset by higher than budgeted Town Clerk Recording and Conveyance Fees.

Expenditure Summary:

Through June 30, 2020, encumbrances total \$4.0m and expenditures total \$160.6m. Combined, this represents 98% of the Town's revised general fund budget of \$167.8m. This compares to \$2.3m and \$160.4m respectively, or 99%, for the same period in the prior year.

Note that receipt and payment of some invoices is delayed due to the pandemic. As of the first week in July, expenditures for services rendered towards the end of the fiscal year, such as wages, legal fees, unemployment claims, etc. have not yet been received/booked. In addition, transfers and carry forward requests will be forthcoming and have not yet been booked. This includes large bookings such as the \$175k transfer for Debt Sewers and the annual supplemental funding of the Health Self Insurance Account.

The year-over-year expenditure decrease of \$0.1m is comprised of decreases in Debt and Transfers of \$1.2m related to a reduction in debt service and in Town expenditures of \$0.3m, which is largely offset by increases in Education expenditures of \$1.4m compared to the prior year.

Actual expenditures and encumbrances are \$3.5m below budget, but as mentioned above, do not yet include all expenditures and transfers incurred during the fiscal year.

cc: Karen Bonfiglio, Finance Manager
Narae McManus, Controller

Below is an Expenditure & Transfer summary report through June 30, 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	\$ 42,792,563	\$40,203,100	\$ 871,393	96%
Education	107,194,548	105,453,263	1,414,599	100%
Debt/Transfers	15,052,804	14,751,337	56,500	98%
<u>2019/2020</u>				
Town	\$ 43,742,562	\$39,948,986	\$ 1,342,607	94%
Education	110,077,273	106,837,259	2,674,785	99%
Debt/Transfers	13,973,755	13,761,280	-	98%

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

	2018/2019	%	2019/2020	%
ADMIN SERVICES	\$ 5,603,547	92%	\$ 5,555,972	89%
PUBLIC SAFETY	13,757,627	96%	13,696,394	93%
PHYSICAL SERVICES	6,869,497	97%	6,896,753	92%

cc: Karen Bonfiglio, Finance Manager
Narae McManus, Controller

TOWN OF GLASTONBURY
CURRENT YEAR EXPENDITURES BY DIVISION
FY 2020 THROUGH JUNE 30 2020

FUND 010 - GENERAL FUND

Description	2020 ORIGINAL BUDGET	2020 REVISED BUDGET	FY2020 THRU EOY	2020 ENCUMB	AVAILABLE BALANCE	2020 % USED
GENERAL GOVERNMENT						
TOWN COUNCIL	143,233	165,233	128,026	7,006	30,201	81.7%
CUSTOMER SERVICE	60,316	60,316	59,993	-	323	99.5%
TOWN MANAGER	615,550	787,450	571,242	20,566	195,641	75.2%
HUMAN RESOURCES	507,055	507,055	442,631	14,456	49,968	90.1%
FACILITIES MAINTENANCE	1,985,648	2,001,383	1,929,152	59,119	13,112	99.3%
TOTAL GENERAL GOVERNMENT	3,311,802	3,521,437	3,131,045	101,148	289,245	91.8%
COMMUNITY DEVELOPMENT						
COMMUNITY DEVELOPMENT	562,910	564,110	549,780	11,897	2,433	99.6%
BUILDING INSPECTION	552,405	571,765	511,690	67,223	(7,148)	101.3%
FIRE MARSHAL	359,192	356,832	337,434	6,793	12,605	96.5%
HEALTH	727,422	734,212	677,254	11,314	45,643	93.8%
TOTAL COMMUNITY DEVELOPMENT	2,201,929	2,226,919	2,076,158	97,227	53,533	97.6%
ADMINISTRATIVE SERVICES						
FINANCIAL ADMINISTRATION	676,644	645,884	538,271	34,523	73,090	88.7%
INFORMATION TECHNOLOGY	840,403	840,403	803,375	34,665	2,363	99.7%
ACCOUNTING	449,625	461,238	467,563	(3,569)	(2,756)	100.6%
PROPERTY ASSESSMENT	677,385	677,385	610,335	8,309	58,740	91.3%
REVENUE COLLECTION	497,684	497,684	474,842	19,248	3,594	99.3%
TOWN CLERK	546,198	603,198	549,481	68,352	(14,635)	102.4%
VOTER REGISTRATION	170,200	170,200	115,868	2,258	52,073	69.4%
LEGAL SERVICES	300,000	300,000	315,435	205	(15,640)	105.2%
PROBATE SERVICES	24,800	27,633	15,223	-	12,410	55.1%
INSURANCE/PENSIONS	2,030,799	2,030,799	1,679,256	35,412	316,130	84.4%
TOTAL ADMINISTRATIVE SERVICES	6,213,738	6,254,423	5,569,651	199,404	485,369	92.2%
PUBLIC SAFETY						
POLICE	13,396,071	13,488,599	12,605,891	264,845	617,863	95.4%
VOLUNTEER AMBULANCE	20,820	20,820	16,712	115	3,993	80.8%
FIRE	1,131,961	1,139,863	1,078,864	8,035	52,964	95.4%
CIVIL PREPAREDNESS	31,202	31,202	27,450	1,415	2,337	92.5%
TOTAL PUBLIC SAFETY	14,580,054	14,680,484	13,728,917	274,410	677,157	95.4%
PHYSICAL SERVICES						
ENGINEERING	1,657,000	1,665,000	1,585,615	41,253	38,132	97.7%
HIGHWAY	4,534,907	4,534,907	4,183,399	60,985	290,522	93.6%
FLEET MAINTENANCE	1,265,363	1,257,363	1,138,099	68,444	50,821	96.0%
TOTAL PHYSICAL SERVICES	7,457,270	7,457,270	6,907,113	170,681	379,476	94.9%

TOWN OF GLASTONBURY
CURRENT YEAR EXPENDITURES BY DIVISION
FY 2020 THROUGH JUNE 30 2020

FUND 010 - GENERAL FUND

Description	2020 ORIGINAL BUDGET	2020 REVISED BUDGET	FY2020 THRU EOY	2020 ENCUMB	AVAILABLE BALANCE	2020 % USED
SANITATION						
REFUSE DISPOSAL	859,961	881,622	758,311	70,700	52,612	94.0%
TOTAL SANITATION	859,961	881,622	758,311	70,700	52,612	94.0%
HUMAN SERVICES						
CONTRIBUTORY GRANTS	32,577	32,577	32,577	-	-	100.0%
YOUTH/FAMILY SERVICES	1,301,056	1,301,056	1,113,156	23,651	164,249	87.4%
SENIOR & COMMUNITY SERVICES	1,630,871	1,630,871	1,462,517	23,560	144,795	91.1%
TOTAL HUMAN SERVICES	2,964,504	2,964,504	2,608,250	47,211	309,043	89.6%
LEISURE/CULTURE						
PARKS/RECREATION	3,942,912	3,954,047	3,518,469	208,331	227,247	94.3%
WELLES TURNER LIBRARY	1,786,855	1,786,855	1,636,072	41,123	109,660	93.9%
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	5,169,541	249,454	336,907	94.1%
OTHER:Debt & Transfers						
DEBT SERVICE	7,157,157	6,983,157	6,770,682	-	212,475	97.0%
TRANSFERS	6,816,598	6,990,598	6,990,598	-	-	100.0%
TOTAL OTHER:Debt & Transfers	13,973,755	13,973,755	13,761,280	-	212,475	98.5%
EDUCATION						
EDUCATION	108,699,846	110,636,686	106,169,545	-	4,467,141	96.0%
TOTAL EDUCATION	108,699,846	110,636,686	106,169,545	-	4,467,141	96.0%
TOTAL 010 - GENERAL FUND	166,007,626	168,353,003	159,879,811	1,210,234	7,262,957	95.7%

GLASTONBURY PUBLIC SCHOOLS

TO: Board of Education
Board of Finance
FROM: Alan B. Bookman, Superintendent
Karen Bonfiglio, Finance Manager
DATE: July 9, 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 May 2020 are \$91,599,096.
- 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	06/22/2020	06/23/2020
Payroll	06/22/2020	06/23/2020
<u>Other Funds:</u>		
Educational Grants	06/22/2020	06/26/2020
Student Activities	07/08/2020	07/09/2020
School Foods	06/22/2020	06/26/2020
Dependent Care	06/22/2020	06/26/2020
Planetarium	06/22/2020	06/23/2020

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

July 10, 2020

TO: Board of Finance
FROM: Julie Twilley, Director of Finance & Administrative Services
RE: Capital Projects Fund Expenditures Report
For the Period Ended June 30, 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 June 30, 2020 report is **\$88.6m**.

Expenditures for current projects since inception through June 30, 2020 total **\$75.4m**. Encumbrances outstanding total **\$7.0m**. The most significant encumbrances are for Glastonbury Blvd Paving (\$1.8m), Bridge Replacement/Rehabilitation (\$1.6m), GHS Kitchen Upgrades (\$1.3m), and the Multi-Use Trail (\$0.9m).

Capital expenditures through the month of June totaled **\$16.7m** 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 JUNE 30 2020**

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2020 THRU JUNE	2020 ENCUMB	AVAILABLE BALANCE
FUND 301 - CAPITAL RESERVE PROJECTS					
GenGovt/Public Safety (31006)					
51825 Academy Re-Use Phase One	2,221,238	2,219,672	-	-	1,566
51827 Town Buildings Security	605,000	506,603	95,623	9,736	88,661
51833 Disaster Prep/Recovery Resourc	884,000	883,866	19,118	-	134
51835 Fire Co Renovations/Code Compl	420,000	259,135	215,089	8,725	152,140
51849 Public Safety Communications	515,000	397,516	-	-	117,484
51853 Police Lockers	305,000	303,806	236	-	1,194
51854 Police Building Windows	142,500	8,216	885	133,088	1,196
51854 Police Building Windows (Pol Bthrm Ren)	60,000	55,739	55,739	-	4,261
51855 Fiber Optic Network-School/Twn	1,117,000	1,116,058	5,975	-	942
51857 Fire Apparatus (Fire Engine)	575,000	559,095	556,532	-	15,905
51857 Fire Apparatus (Fire Rescue Boa)	135,000	134,945	134,945	-	55
51873 Land Acquisition	1,253,639	1,164,684	14,259	-	88,955
51875 Town Facilities Shop/Storage	1,045,000	1,046,182	143,708	-	(1,182)
51888 Property Revaluation	1,706,500	1,541,701	108,820	-	164,799
51890 Townwide Boiler/HVAC Replaceme	557,323	556,812	-	-	511
51892 Document Management System	460,000	263,242	4,948	68,223	128,535
51911 Telephone System	175,000	173,630	-	-	1,370
51912 Tn Hall Improvements	1,717,283	1,699,847	50,032	11,427	6,009
51914 Townwide Roof Replacement	750,000	655,817	125,812	-	94,183
51915 Clean Renewable Energy In	1,387,044	1,274,440	4,068	792	111,812
Total GenGovt/Public Safety	16,031,527	14,821,006	1,535,789	231,991	978,530
PhyServices Sanitation (31007)					
51834 Bulky Waste Scale	91,000	91,523	-	-	(522)
52827 Dam Maintenance/Replacement	22,624	22,624	-	-	-
52827 Dam Maintenance/Replacement (Blackledge Dam)	592,907	592,907	24,285	-	-
52827 Dam Maintenance/Replacement (Slocumb Dam)	-	-	-	-	-
52830 Bridge Replacement/Rehabil	5,150,000	3,213,660	475,436	1,627,283	309,057
52837 Hebron Ave Trail Fencing	35,000	35,000	-	-	-
52847 Douglas/Sycamore Str Alignment	210,000	28,811	2,162	1,089	180,100
52848 Main Street Sidewalks Phase 3	965,000	37,019	2,798	18,398	909,583
52871 Parking/Access Drive Improvmnt	600,000	501,840	242,317	98,160	-
52872 Hebron Avenue Resurfacing	1,276,806	1,058,808	51,564	48,459	169,539
52879 Sidewalk Construction Townwide (CapRes 2020)	100,011	27,190	27,190	46,428	26,393
52881 Cedar Ridge Public Water	250,000	50,000	50,000	-	200,000
52882 Sidewalk Repair and Maintenanc	175,000	174,808	174,808	-	192
52883 Townwide Drainage Solutions	100,000	-	-	-	100,000
52886 Old Maids Lane-Public Water	175,000	-	-	-	175,000
52946 Road Overlay (CapRes 2020)	1,429,992	1,169,071	1,169,071	266,389	(5,468)
52951 Heavy Equipment	214,070	163,702	109,837	-	50,368

**TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2020 THROUGH JUNE 30 2020**

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2020 THRU JUNE	2020 ENCUMB	AVAILABLE BALANCE
52951 Heavy Equipment (San Wheel Loadr)	235,000	195,049	195,049	-	39,951
52958 Glastonbury Blvd Paving	1,800,000	302	302	1,823,382	(23,684)
52959 Traffic Calming	100,000	-	-	-	100,000
52960 Renovation andSite Restoration	1,573,189	1,572,431	133,883	3,913	(3,155)
52960 Renovation andSite Restoration (Slocumb Dam)	50,000	12,152	12,152	12,463	25,385
52961 Town Center Traffic/Street Imp	2,125,000	2,118,814	37,952	-	6,186
52963 Hebron Ave/House St Improvemen	1,975,000	1,515,716	110,359	236,763	222,521
Total PhyServices Sanitation	19,245,598	12,581,426	2,819,164	4,182,727	2,481,445
Culture/Parks &Recreation (31008)					
53832 Aquatics Facility	125,000	109,396	-	3,500	12,104
53834 Bikeways / Bikepaths	955,000	940,739	-	7,100	7,162
53837 Minnechaug Golf Improvements	512,500	355,746	6,523	-	156,754
53838 Library Exterior Renovations	94,624	-	-	-	94,624
53839 Multi-Use Trail	1,228,000	156,021	156,021	875,194	196,785
53856 Parks Facility Renov/Expansion	1,067,500	1,002,736	50,935	23,418	41,346
53857 Riverfront Park Extension	803,973	777,023	-	-	26,950
53860 Library Upgrade/Redesign	450,000	247,561	-	-	202,439
53861 Library Windows	156,376	156,376	-	-	-
53872 Salmon Bk PkStudy	-	-	-	-	-
53873 Grange Pool	350,000	344,572	13,007	-	5,428
53874 Tree Management	125,000	106,471	106,471	12,988	5,541
53875 Cider Mill	80,000	39,926	275	-	40,074
53920 Open Space Access	540,000	337,421	-	1,000	201,579
53921 Winter Hill	100,000	99,700	2,374	300	-
53930 Library Space Planning Study	39,485	39,485	-	-	-
Total Culture/Parks &Recreation	6,627,458	4,713,172	335,605	923,500	990,786
Education (31009)					
55836 HVAC/Boilers Study K-6	-	-	-	-	-
55836 HVAC/Boilers (CAP RES-GID WEL)	1,414,178	1,358,077	1,191,442	51,199	4,902
55839 Energy Audit--All Schools	285,500	241,303	-	-	44,197
55846 Carpet Replacement - Schools (CR Naubuc)	309,859	297,270	-	-	12,589
55847 GHS Fieldhouse	1,115,000	79,738	10,991	36,064	999,198
55856 Gideon Wells Window Replmnt	1,723,842	1,687,509	-	-	36,333
55858 Schools Air Conditioning	2,175,000	2,175,000	6,654	-	-
55859 School Code Compliance	190,000	186,996	83,283	-	3,004
55860 GHS Kitchen Upgrades	1,630,000	251,440	108,898	1,323,528	55,033
55863 GHS Parking and Access Drives	365,000	365,616	131,329	-	(616)
55868 Smith Middle School Gym Floor	306,664	306,663	-	3,000	(2,999)
55870 School Roofs	50,000	14,788	9,900	3,600	31,612
55921 School Communications (CR Naubuc)	87,000	86,150	-	-	850
Total Education	9,652,043	7,050,550	1,542,497	1,417,391	1,184,102

**TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2020 THROUGH JUNE 30 2020**

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2020 THRU JUNE	2020 ENCUMB	AVAILABLE BALANCE
GHS Renov/ Capital Reserve (31010)					
63841 GHS Auditorium Acoustics	100,000	64,533	-	-	35,467
Total GHS Renov/ Capital Reserve	100,000	64,533	-	-	35,467
TOTAL 301 - CAPITAL RESERVE PROJECTS	51,656,626	39,230,687	6,233,055	6,755,608	5,670,331
FUND 302 - SEWER SINKING PROJECTS					
PhySer Sewer Sinking (32007)					
52888 WPC Emergency Power	202,500	147,716	1,952	4,285	50,499
52889 WPC Energy Conservation Prog	315,000	92,247	24,196	12,021	210,731
52893 Cider Mill Pump Station	1,791,000	1,461,632	1,373,037	199,261	130,108
52894 Sewer Forced Main Evaluation	-	-	-	-	-
Total PhySer Sewer Sinking	2,308,500	1,701,595	1,399,186	215,567	391,338
TOTAL 302 - SEWER SINKING PROJECTS	2,308,500	1,701,595	1,399,186	215,567	391,338
FUND 303 - LAND ACQUISITION					
Land / Open Space (33157)					
78827 Land 2009	2,233,000	2,233,000	5,500	-	-
78828 Land 2012	4,700,000	4,700,000	2,185,893	-	-
78829 Land 2016	3,000,000	3,000,000	3,000,000	-	-
78830 Land 2017	3,000,000	3,187,938	3,187,938	-	(187,938)
Total Land / Open Space	12,933,000	13,120,938	8,379,331	-	(187,938)
TOTAL 303 - LAND ACQUISITION	12,933,000	13,120,938	8,379,331	-	(187,938)
FUND 304 - TOWN AID					
PhySer Conn Grant (33207)					
52942 Town Aid Improved Rds (Town Aid 2020)	884,945	643,305	643,305	67,387	174,252
52943 Town Aid Unimproved Rds (Town Aid 2020)	25,691	19,740	19,740	5,100	851
Total PhySer Conn Grant	910,635	663,045	663,045	72,487	175,103
TOTAL 304 - TOWN AID	910,635	663,045	663,045	72,487	175,103
FUND 314 - RIVERFRONT PARK					
Riverfront Park - Phase I (34560)					
66805 Administrative	147,738	147,737	-	-	1
66810 Engineering	121,418	121,417	-	-	1
66824 Machinery & Equipment	196,373	196,373	-	-	-
66825 Construction	3,784,471	3,784,470	-	-	1
66829 Contingency	-	-	-	-	-
Total Riverfront Park - Phase I	4,250,000	4,249,998	-	-	2
RIVERFRONT PARK - PHASE II (34561)					
66805 Administrative	18,000	17,962	-	-	38

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2020 THROUGH JUNE 30 2020

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2020 THRU JUNE	2020 ENCUMB	AVAILABLE BALANCE
66810 Engineering	863,500	844,120	14,353	74	19,306
66825 Construction	14,680,000	14,712,305	-	-	(32,305)
66829 Contingency	48,500	30,833	30,503	-	17,668
Total RIVERFRONT PARK - PHASE II	15,610,000	15,605,220	44,856	74	4,706
TOTAL 314 - RIVERFRONT PARK	19,860,000	19,855,218	44,856	74	4,708
FUND 316 - GATEWAY PROJECT					
Gateway Corporate Park (35357)					
52845 Gateway Corp. Park	888,541	869,410	-	-	19,131
Total Gateway Corporate Park	888,541	869,410	-	-	19,131
TOTAL 316 - GATEWAY PROJECT	888,541	869,410	-	-	19,131
GRAND TOTAL	88,557,302	75,440,893	16,719,472	7,043,735	6,072,674

TOWN OF GLASTONBURY

MEMORANDUM

DEPARTMENT OF ADMINISTRATIVE SERVICES

FINANCIAL ADMINISTRATION

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

FROM: Julie Twilley, Director of Finance & Administrative Services

DATE: July 8, 2020

SUBJECT: Self Insurance Reserve Update June 2020

The attached report summarizes the Self Insurance Reserve fund through June 30, 2020. The total reserve is \$9,742,161 allocated \$912,930 and \$8,829,231 between Town and Board of Education, respectively. As of June the fund is experiencing a \$2,915,976 gain for the fiscal year.

There are 71 large loss claims which are defined as any claims that exceed \$50,000. BOE has 53 while the Town has 18 large loss claims. There are 10, seven 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: June 30, 2020

	Town	Education	Total
Contributions			
Employer	4,116,324	\$14,742,155	\$18,858,480
Employee	1,395,838	2,759,601	4,155,439
Stop Loss Reimbursement	668,054	1,243,371	1,911,425
Total Revenues	\$6,180,216	\$18,745,128	\$24,925,343
Expenditures			
Anthem			
ASO Fees	\$23,071	\$141,271	\$164,342
Claims	1,037,138	11,277,518	12,314,656
	\$1,060,209	\$11,418,789	\$12,478,999
CTCare			
ASO Fees	\$122,791	\$173,176	\$295,967
Claims	3,573,622	3,688,018	7,261,641
	\$3,696,413	\$3,861,194	\$7,557,607
Delta Dental			
ASO Fees	\$16,141	-	\$16,141
Claims	177,555	-	177,555
	\$193,696	-	\$193,696
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
Total Expenditures	\$5,367,590	\$16,641,778	\$22,009,367
Current Year Revenues Less Expenses	\$812,626	\$2,103,350	\$2,915,976
Reserve July 1, 2019	\$100,304	\$6,725,881	\$6,826,185
Reserve at end of month	\$912,930	\$8,829,231	\$9,742,161

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**

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

REASON FOR TRANSFER

The actuarial estimate provided for the FY 2021 Pension Contribution was too low and as a result, an additional \$310k of funding is required. Funding is available through savings achieved by marketing the WC insurance as well as the Healthcare coverage.

TRANSFER FROM	ACCOUNT CODE	AMOUNT
GENERAL FUND		
Insurance/Pensions – Employee Related Insurance	01535-43633	\$310,000

TRANSFER TO	ACCOUNT CODE	AMOUNT
GENERAL FUND		
Insurance/Pensions – Pensions	01535-43634	\$310,000

Date <u>7-9-2020</u>	Town Manager
Date	Board of Finance

Memorandum

To: Richard Johnson, Town Manager
From: Nicole Lintereur, Assessor
Date: 6/19/2020
Re: Elderly homeowners tax credit update

The state and local homeowner's tax credit applications have been processed for the 2019 Grand List and applied to each resident's tax account. Although the reapplication process was modified due to the COVID19 shutdown, we were able to assist anyone who needed special considerations, in a timely manner. The Assessor's Office, with assistance from the staff at the Senior Center at the RCC, handled over 450 applications of the biennial program for elderly homeowners.

The income limit for the state program was \$45,100 while the income limit for Glastonbury's local program was \$58,800. Those who qualify for the elderly state tax credit automatically qualify for the local tax credit.

Of the 661 approved applicants on the 2019 Grand List the tax credits were processed as follows:

APPLICATION YEAR GRAND LIST	STATE APPLICANTS	STATE BENEFIT GRANTED	LOCAL APPLICANTS	LOCAL BENEFIT GRANTED
2019	135	\$80,186.50	225	\$313,355.39
2018	107	\$56,172.45	194	\$272,317.42
TOTAL	242	\$136,358.95	419	\$585,672.81

In addition, the local homeowner's residency bonus tax credit of \$100 to the residents who qualify for the local program and have been residents for at least 20 years was granted to 275 accounts for an additional \$27,492. The Town grants a total of **\$613,164.81** in additional credits to the State of Connecticut Homeowner's Program.

The residents should be pleased to have such a model, progressive program in their town.

TOWN OF GLASTONBURY

ADMINISTRATIVE SERVICES - Financial Administration

July 9, 2020

TO: Board of Finance
FROM: Julie Twilley, Director of Finance & Administrative Services
RE: \$10,390,000 General Obligation Bond Issuance

The Town of Glastonbury held a Bond offering for sale at public bidding on July 9, 2020. Leading up to these offerings, Moody's Investors Service issued a Credit Opinion of 'Aaa stable' and S&P Global Ratings assigned its 'AAA/Stable' long-term rating to Glastonbury. The ratings reports are attached.

The offering received eight competitive bids, with the final award as follows:

- \$10,390,000 General Obligation Bonds, Issue of 2020, Series B:
 - Awarded to Janney Montgomery Scott LLC
 - True Interest Cost (TIC) of 1.77%
 - 20-Year Bonds (last maturity 7/15/2040)
 - The Bond proceeds will be used to finance general obligations, including:
 - \$3.995m (Library Renovation)
 - \$1.71m BAN (Howe Property on Keeney Street, Chamberlain Lane Open Space, and Library Renovation)
 - \$4.685m BAN (MDC and Dickinson Road Property)
 - Premium of \$687,438 which will be booked to the general fund (unassigned fund balance).

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

MOODY'S

INVESTORS SERVICE

Rating Action: Moody's assigns Aaa to Glastonbury, CT's \$10.4M GO Bonds, Issue of 2020, Ser. B; outlook stable

01 Jul 2020

New York, July 01, 2020 -- Moody's Investors Service has assigned a Aaa rating to the Town of Glastonbury, CT's \$10.4 million General Obligation Bonds, Issue of 2020, Series B. Moody's maintains a Aaa rating on the town's outstanding parity general obligation (GO) debt. The outlook is stable.

RATINGS RATIONALE

The Aaa rating reflects the town's sizable and growing tax base, strong resident wealth and income profile, stable financial position and manageable long-term liabilities.

We regard the coronavirus outbreak as a social risk under our ESG framework, given the substantial implications for public health and safety. The coronavirus crisis is not a key driver for this rating action. We do not see any material immediate credit risks for the town. However, the situation surrounding Coronavirus is rapidly evolving and the longer term impact will depend on both the severity and duration of the crisis. If our view of the credit quality of the town changes, we will update the rating and/or outlook at that time.

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 A DOWNGRADE OF THE RATING

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

LEGAL SECURITY

The bonds are secured by the town's pledge of its full faith and credit supported by its authority to levy ad valorem property taxes without limit as to rate or amount.

USE OF PROCEEDS

Bond proceeds will fund a library expansion and several land purchases.

PROFILE

The Town of Glastonbury is located 10 miles southeast of the state capital of Hartford (Ba3 stable). The town has approximately 34,578 residents.

METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in September 2019 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1191097. Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: <https://www.moodys.com/researchdocumentcontentpage.aspx?>

[docid=PBC_79004](#).

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Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1133569.

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INVESTORS SERVICE

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Summary:

Glastonbury, Connecticut; General Obligation

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Table Of Contents

Rating Action

Stable Outlook

Credit Opinion

Related Research

Summary:

Glastonbury, Connecticut; General Obligation

Credit Profile

US\$10.39 mil GO bnds ser 2020B due 07/15/2040

Long Term Rating AAA/Stable New

Glastonbury GO bnds

Long Term Rating AAA/Stable Affirmed

Rating Action

S&P Global Ratings assigned its 'AAA' long-term rating to Glastonbury, Conn.'s series 2020B general obligation (GO) 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.

Glastonbury's GO bonds are secured by the town's full-faith-and-credit pledge, and are payable from revenues of an unlimited ad valorem tax. The series 2020B GO bonds (approximately \$10.4 million) will fund several land acquisitions, as well as renovation and expansion of the library. The town's direct debt totals about \$56 million.

Credit overview

The rating reflects our view of the town's continued strong economy that exhibits steady, modest annual growth. In addition, its 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. Our outlook is generally for two years, but we see some risks due to the COVID-19 pandemic and U.S. recession over the next six-to-12 months. There remains significant uncertainty stemming from the potential effects of the COVID-19 pandemic and the related economic recession, which we incorporated into our view of the town's budgetary performance and overall creditworthiness. We will continue to monitor any material adverse effects throughout the outlook period.

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 on RatingsDirect), Glastonbury has a predominantly locally derived revenue source, with approximately 88% of general fund revenue coming from property taxes. The town also has independent taxing authority and treasury management from the federal government.

The long-term rating reflects our view of the following factors for the town:

- 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;

- Adequate budgetary performance, with a slight operating surplus in the general fund and an operating surplus at the total governmental fund level in fiscal 2019;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2019 of 18% of operating expenditures;
- 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 we consider strong;
- Very strong debt and contingent liability position, with debt service carrying charges at 5.3% of expenditures and net direct debt that is 30.0% of total governmental fund revenue, as well as low overall net debt at less than 3% of market value and rapid amortization, with 82.5% of debt scheduled to be retired in 10 years; and
- Strong institutional framework score

Environmental, social, and governance risks

We also analyzed the town's environmental, social, and governance (ESG) risks relative to its economy, management, financial measures, and debt and liability profile. Our rating incorporates our view regarding the indirect risks posed by the COVID-19 pandemic. Absent the implications of COVID-19, we consider the town's social risks in line with those of the sector. We believe its environmental and governance risks are in line with our view of the sector standard.

Stable Outlook

The stable outlook reflects our opinion that Glastonbury will 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. We could lower the rating if the town experiences financial pressures that lead to structural budget imbalance and a material declines in reserves.

Credit Opinion

Very strong economy

We consider Glastonbury's economy very strong. The town, with a population of 34,482, is an affluent and predominantly residential suburb in Hartford County, approximately eight miles southeast of Hartford. It is 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 200% of the national level and per capita market value of \$177,144. Overall, market value grew by 1.2% over the past year to \$6.1 billion in 2021. The county unemployment rate was 3.9% in 2019.

State route 2 and 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.

S&P Global Economics is projecting a slow economic recovery from the COVID-19 recession. Please see the article,

titled "The U.S. Faces A Longer And Slower Climb From The Bottom" (published June 25, 2020). 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 projects grand list growth to average about 0.9% annually over the next several years. Management further reports a number of projects in the pipeline, with continued activity in building permits and related services. While we expect Glastonbury's tax base to continue its incremental growth over the long term, if new growth slows, it could pressure the budget. We do not anticipate revising our view of the town's economy, despite the potential for slowing economic growth, given the strength of the underlying wealth and income metrics.

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. Its five-year comprehensive capital improvement plan is updated annually, 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.

Adequate budgetary performance

Glastonbury's budgetary performance is adequate, 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. General fund operating results of the town have been stable over the last three years, with results of negative 0.6% in 2018 and negative 0.7% in 2017.

The town consistently produced 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. We adjusted performance to reflect these recurring transfers. However, due to the sudden rapid economic deterioration, we incorporated the uncertain revenue and expenditure risk into our assessment of performance to account for these risks over the next one-to-two fiscal years. This assessment incorporates heightened near-term uncertainty that exists due to the recessionary pressures related to the COVID-19 pandemic and resulting financial pressures.

The town's use of conservative budget assumptions typically results in actual revenues and expenditures

outperforming budget estimates. This was particularly apparent in fiscal 2019, when Glastonbury realized positive results, despite state aid cuts that year. We understand the town currently projects a modest surplus for fiscal 2020, in part due to revenues and expenditures outperforming the budget. However, we understand that the town has not revised the revenue and expenditure assumptions in its 2021 adopted budget. It adopted the final budget on March 5, 2020, prior to economic pressures from COVID-19. Management does not expect large aid cuts in 2021, the second year of the state's biennial budget, but is already examining potential effects of interest income coming in under budget.

In fiscal 2019, local property taxes accounted for about 88% of general fund operating revenue. On a budgetary basis, the town's property taxes outperformed by about 0.5%, or \$827,000. It generally budgets collections at 99.1%, despite regularly collecting 99.4% or better, which is one of the areas which management believes provides a budgetary buffer in fiscal 2021. The town's second-largest revenue source, intergovernmental aid, accounted for about 5% of operating revenue in 2019 (excluding pass-through payments for the teachers' retirement system), also outperforming the budget. Licenses and permits, investment income, and charges for services each accounted for about 0.8%-1% of revenues. We believe the town's collection rate is likely to decline somewhat, and other revenues could be pressured in the next one-to-two years. We also believe the unknown and unquantifiable revenue pressures over that period could pressure the budget and we reflected that in our forward-looking assessment of its budgetary performance.

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 its policy to maintain fund balance equal to at least 12% of expenditures. The town would have to draw nearly \$4.5 million, holding 2019 operating expenditures constant, for us to revise our view of available reserves downward, which we do not anticipate. We do not believe it has significant political or practical constraints on its ability to raise taxes or cut expenditures. While we believe the town could experience revenue pressure potentially resulting in variable budgetary performance, we do not expect this to result in a change in our view of flexibility at this time.

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 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- and medium-term certificates of deposits, which we view as relatively liquid. It does not have any variable-rate or direct-purchase debt. Nor does it have any liabilities that we view as a contingent liquidity risk. The town adopted the interest-free tax payment deferral program, which allows certain property owners to defer their first-quarter property tax payments until Oct. 1, 2020. We understand the town is monitoring its cash flow and does not expect to issue cash-flow borrowing as a result of this program. We do not expect it to experience significant cash-flow pressure in the coming year.

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 30.0% of total governmental fund revenue.

Overall net debt is low at 0.9% of market value, and approximately 82.5% of the direct debt is scheduled to be repaid within 10 years, which are, in our view, positive credit factors.

Following this issuance, the town has approximately \$56.2 million in outstanding debt, including clean water notes. We understand it could issue \$1 million-\$2 million over the next few years for land acquisition costs. We expect the town to retire more principal over this period and do not expect a material change in its debt ratios.

Pension and other postemployment benefits

We do not view pension and other postemployment benefit (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 participated 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
- 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.

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
- Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

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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MEMORANDUM

To: Julie Twilley, Director of Finance & Administrative Services
From: Richard J. Johnson, Town Manager
Date: July 9, 2020
Re: **Bond Authorization – Reserve for Land Acquisition and Preservation**

At its meeting of Tuesday, July 14, 2020, the Council will consider a potential bond authorization and appropriation for land acquisition and preservation for referendum this November. Subject to Council discussion, next steps will proceed accordingly and a proposed dollar value will be determined. Since the bond resolution process requires referral to the Board of Finance, this topic should be scheduled for action at the Board's July 15th meeting.

The Reserve was established in the late 1980s. Over the years, 2,200± acres have been acquired by the Town with authorizations approved at 11 separate referenda. Land purchases now under review could exceed the estimated \$800,000 bond authorization now available.

Please schedule this matter for review and action at the Wednesday, July 15, 2020 Board of Finance meeting. I have attached a copy of the proposed action.

Lastly, approval at referendum authorizes borrowing for land acquisition as may be subsequently approved. The authorization does not obligate the Town to any further expenditures. Any action to purchase land requires various approvals and public hearing.

RJJ/sal
Attachment

DRAFT - PORTION OF BOARD OF FINANCE MINUTES

Minutes should indicate the following:

1. That they are minutes of the Board of Finance of the Town.
2. Date, time and place of meeting.
3. Names of members present and absent.
4. Action as follows:

Item :

M introduced the following resolution, which was seconded
by M :

RESOLVED, that the Board of Finance recommends to the Town Council the adoption of the following entitled resolution, the full text of which is attached to the copy of these minutes:

“RESOLUTION APPROPRIATING [**\$X,000,000**] FOR THE PURCHASE OF DEVELOPMENT RIGHTS AND ACQUISITION OF LAND PURSUANT TO THE ORDINANCE ESTABLISHING THE TOWN’S RESERVE FOR LAND ACQUISITION AND AUTHORIZING THE ISSUE OF [**\$X,000,000**] BONDS AND NOTES TO FINANCE SAID APPROPRIATION.”

The resolution was approved by _____ votes in favor and _____ votes opposed.

* * * * *

The meeting adjourned at _____ P.M.

Clerk
Board of Finance

Bond Resolution Attached

RESOLUTION APPROPRIATING **[\$X,000,000]** FOR THE PURCHASE OF DEVELOPMENT RIGHTS AND ACQUISITION OF LAND PURSUANT TO THE ORDINANCE ESTABLISHING THE TOWN'S RESERVE FOR LAND ACQUISITION AND AUTHORIZING THE ISSUE OF **[\$X,000,000]** BONDS AND NOTES TO FINANCE SAID APPROPRIATION

RESOLVED,

(a) That the Town of Glastonbury appropriate **[PAR AMOUNT]** MILLION DOLLARS (**[\$X,000,000]**) for the purchase of development rights and the acquisition of land pursuant to the Town's Ordinance establishing a Reserve for Land Acquisition, as it may hereafter be amended from time to time. Such funds shall be used for the purchase of development rights and/or the acquisition of land but only after referral of the proposed purchase or acquisition to the Town Plan and Zoning Commission and after public hearing as required by said ordinance and approval by the Town Council. The appropriation may be spent for survey fees, feasibility and planning studies related to any potential acquisition, legal fees, net interest on borrowings and other financing costs, and other expenses related to the project and its financing.

(b) That the Town issue bonds or notes in an amount not to exceed **[PAR AMOUNT]** MILLION DOLLARS (**[\$X,000,000]**) to finance the appropriation for the project. The amount of bonds or notes authorized to be issued shall be reduced by the amount of grants received by the Town for the project, unless the Town approves an additional appropriation to spend such grants. The bonds or notes shall be issued pursuant to Section 7-369 of the General Statutes of Connecticut, Revision of 1958, as amended, and any other enabling acts. The bonds or notes shall be general obligations of the Town secured by the irrevocable pledge of the full faith and credit of the Town.

(c) That the Town issue and renew temporary notes from time to time in anticipation of the receipt of the proceeds from the sale of the bonds or notes for the project. The amount of the notes outstanding at any time shall not exceed **[PAR AMOUNT]** MILLION DOLLARS (**[\$X,000,000]**). The notes shall be issued pursuant to Section 7-378 of the General Statutes of Connecticut, Revision of 1958, as amended. The notes shall be general obligations of the Town and shall be secured by the irrevocable pledge of the full faith and credit of the Town. The Town shall comply with the provisions of Section 7-378a of the General Statutes if the notes do not mature within the time permitted by said Section 7-378.

(d) That the Town Manager and the Treasurer of the Town shall sign any bonds or notes by their manual or facsimile signatures. The Town Manager and the Treasurer are authorized to determine the amounts, dates, interest rates, maturities, redemption provisions, form and other details of the bonds or notes; to designate one or more banks or trust companies to be certifying bank, registrar, transfer agent and paying agent for the bonds or notes; to provide for the keeping of a record of the bonds or notes; to designate a financial advisor to the Town in

connection with the sale of the bonds or notes; to sell the bonds or notes at public or private sale; to deliver the bonds or notes; and to perform all other acts which are necessary or appropriate to issue the bonds or notes.

(e) That the Town hereby declares its official intent under Federal Income Tax Regulation Section 1.150-2 that project costs may be paid from temporary advances of available funds and that (except to the extent reimbursed from grant moneys) the Town reasonably expects to reimburse any such advances from the proceeds of borrowings in an aggregate principal amount not in excess of the amount of borrowing authorized above for the project. The Town Manager and the Treasurer are authorized to amend such declaration of official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.

(f) That the Town Manager and the Treasurer are authorized to make representations and enter into written agreements for the benefit of holders of the bonds or notes to provide secondary market disclosure information, which agreements may include such terms as they deem advisable or appropriate in order to comply with applicable laws or rules pertaining to the sale or purchase of such bonds or notes.

(g) That the Town Manager, on behalf of the Town, is authorized to apply for and accept federal and state grants to help finance the appropriation for the project, and to enter into any grant agreement necessary to obtain such grants. Any grant proceeds may be used to pay project costs or principal and interest on bonds, notes or temporary notes.

(h) That the Town Manager or his designee shall administer and supervise the project. The Town Manager, the Treasurer and other proper officers of the Town are authorized to take all other action which is necessary or desirable to complete the project and to issue bonds, notes or other obligations to finance the aforesaid appropriation.

(i) That this resolution shall not become effective until approved at referendum pursuant to Section 312 of the Town Charter. The wording of the question for the referendum ballot shall be:

“SHALL THE TOWN OF GLASTONBURY APPROPRIATE [SX,000,000] FOR THE PURCHASE OF DEVELOPMENT RIGHTS AND ACQUISITION OF LAND PURSUANT TO THE ORDINANCE ESTABLISHING THE TOWN’S RESERVE FOR LAND ACQUISITION AND AUTHORIZE THE ISSUE OF BONDS AND NOTES IN THE SAME AMOUNT TO FINANCE SAID APPROPRIATION?”