

**GLASTONBURY BOARD OF FINANCE  
REGULAR MEETING MINUTES  
WEDNESDAY, SEPTEMBER 16, 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 {not in attendance}  
Mr. James McIntosh {joined 4:12 p.m.}  
Mr. James Zeller  
Mr. Walter Cusson

- 1. Public Comment Session Pertaining to the Call** *None*
- 2. Communication: Minutes - July 15, 2020** *Minutes accepted as presented.*
- 3. Action / Communication: Year-End Items**
  - a. Communication: Preliminary Year End Review 2019-2020 After Year End Close**

Ms. Twilley presented the report dated September 8, 2020. She reminded the Board that these unaudited numbers are subject to change, and many of the variances are the result of the COVID-19 pandemic. She noted that because many expenses were cancelled, this resulted in a net increase of the unassigned fund balance.

**b. Communication & Action: Health Self Insurance Fund YE Contribution (and transfer)**

Ms. Twilley presented the report dated September 8, 2020. She explained that this positive variance was mostly driven by employee vacancies, caused by the pandemic. Ms. Twilley asked the Board if they approve an employer contribution to the health self-insurance fund in the amount of \$31,700.

***Motion by:*** Mr. Cusson

***Seconded by:*** Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby approve a transfer of \$31,700 from the Insurance Pensions - Deductibles and Casualty Insurance Funds to the Insurance Pensions - Employee Related Insurance Fund.

***Result:*** Motion passed unanimously {4-0-0}. Mr. McIntosh joined the meeting after the vote.

**c. Communication: Special Revenue Funds June 30, 2020 Reports**

- **Sewer Operating and Sewer Sinking Funds**

Ms. Twilley presented the report dated August 11, 2020. Ms. Sanford asked where the \$3.3 million in assets sits. Ms. Twilley replied that those monies are mostly in ladder CDs.

- **Recreation Activities and Police Private Duty Funds**

Ms. Twilley presented the report dated September 8, 2020. Ms. Sanford asked if the recreation fund has always carried a surplus. Ms. Twilley explained that while there were many pandemic-induced cancellations this year, the fund has always been in this general area. Mr. Constantine explained that, in the past, they funded it by \$400,000 and then the balance fluctuated throughout the year, depending on revenues and expenses. Mr. Johnson further explained the history behind the approach, adding that, going forward, if need be, they would allocate expenditures to that fund, in order to relieve pressure from the general fund.

**d. Communication: Review of Capital Outlay Carry Forwards**

Ms. Twilley presented the report dated September 8, 2020. These were items that were not ordered by June 30. She noted that another account was identified for facilities and software that was inadvertently overlooked when this report was put together. She read the actual amount that will be carried forward as capital outlay.

**e. Action: Review and Approval of Encumbrance Carry Forwards**

Ms. Twilley presented the report dated September 8, 2020. She explained that these were items that were ordered by June 30 but were not received by June 30.

**Motion by:** Mr. Cusson

**Seconded by:** Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance hereby recommends to the Town Council the approval of the FY19/20 carry forward of encumbrances totaling \$320,825.46 for the General Fund and \$11,725.00 for the Sewer Operating Fund, as appropriations from Fund Balance.

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

**f. Communication: Review of Capital Projects to be Closed**

Ms. Twilley presented the report dated September 11, 2020. She reviewed the 9 projects that will be closed and the amounts that will be transferred back to the Capital Reserve Fund.

**Motion by:** Mr. Cusson

**Seconded by:** Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance hereby transfers \$14,260 from the Bikeways/Bikepaths Project to the General Bicycle/Pedestrian Capital Improvement Project.

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

**Motion by:** Mr. Cusson

**Seconded by:** Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance hereby transfers \$15,960 from the Fire Apparatus Capital Improvement Project to the Fire Co Renovation/Code Compliance Capital Improvement Project.

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

**g. Communication: Review of Intra-Department Transfers Under \$5,000**

Ms. Twilley presented the report dated September 8, 2020.

**h. Action: Review and Approval of Intra-Department Transfers Over \$5,000**

Ms. Twilley presented the report dated September 8, 2020.

**Motion by:** Mr. Cusson

**Seconded by:** Mr. Zeller

The Board of Finance approves the June 30, 2020 intra-department transfers over \$5,000 in the amount of \$946,556.

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

**i. Action: FY2020 Year-end Inter-Departmental Transfers**

Ms. Twilley presented the report dated September 11, 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 approval of the June 30, 2020 inter-department transfers in the amount of \$36,302.

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

**4. Communication: Pension Report – July 2020**

Ms. Twilley presented the report dated August 14, 2020. Mr. McIntosh asked why the employee contribution was relatively small compared to the town contribution. Ms. Twilley stated that the employer contribution is made just once annually whereas the employee contribution grows over the course of the year. Ms. Sanford asked if the unfunded ratio reflects the new mortality table. Ms. Twilley explained that the mortality table has been applied but the actual pension valuation report was not issued at the time this report was created. Next month's report will include the new valuation, so the number will be revised.

**5. Communication: Month End Investments – July 2020**

Ms. McManus presented the report dated August 24, 2020.

**6. Communication: Financial Summary (Expenditure) for 2 months- August 2020**

Ms. Twilley presented the report dated September 8, 2020.

**7. Communication: Education Reconciliation – July 2020**

Ms. McManus presented the report dated August 31, 2020. Ms. Sanford asked about the process of the BOE closing and reopening their accounts. Ms. Twilley explained that that was related to the CARES Act money that they received. The Town has not yet received CARES money. Mr. Zeller stated that, each August, the BOE closes out their books, and there is usually paperwork that goes with that. Mr. Johnson stated that he does not have those sheets as of yet.

**8. Communication: Capital Projects – August 2020**

Ms. Twilley reviewed the report dated September 8, 2020. Mr. Cusson asked about the bike path project between House Street and Western Boulevard. Mr. Johnson stated that construction should be completed this fall.

**9. Communication: Self Insurance Reserve Fund – August 2020**

Ms. Twilley reviewed the report dated September 3, 2020. There have been no large loss claims thus far this year.

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

**a. PC for Environmental Technician \$1,200**

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

**a. Bulky Waste Closure Fund \$100,000**

*Motion by:* Mr. Cusson

*Seconded by:* Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby recommends to the Town Council the transfer of \$100,000 from the General Fund - Unassigned Fund Balance to the newly established Closure Fund for the Bulky Waste Landfill.

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

**b. Education – GHS Kitchen Upgrades \$45,000**

*Motion by:* Mr. Cusson

*Seconded by:* Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby transfers \$45,000 from the Education - GHS Auditorium Acoustics and Energy Audit-All Schools projects to the Education - GHS Kitchen Upgrades project.

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

**c. Police Body Cameras \$150,000**

*Motion by:* Mr. Cusson

*Seconded by:* Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby recommends to the Town Council the transfer of \$150,000 from the General Fund - Unassigned Fund Balance to the Capital Outlay - Police - Office Equipment/Furniture Fund for the purchase of body cameras for police officers.

*Disc:* Mr. Zeller stated that this sounds like the right thing to do, but it is important that they figure out what the ongoing expenses will be. Mr. Johnson explained that, typically with systems like this, there is an ongoing maintenance contract, which is around \$20,000 a year. Ms. Sanford remarked that this was not a budgeted item. Mr. Johnson stated that is correct. There is a legislative requirement that cameras be in place by July 2021. He noted that they have identified the potential for 50% grant funding, but it is limited, so they are moving as quickly as possible to secure that.

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

## **12. Communication: Bank Collateralization Report**

Ms. Twilley reviewed the report as of June 30, 2020. She noted that everything is in good shape.

## **13. Communication: Pension**

Ms. Twilley reviewed the report dated September 10, 2020. Mr. Zeller asked if this is in response to the question that he has been asking about the BOE's approach to their pension fund as opposed to the Town's approach. Mr. Johnson explained that it is a three-part response. There was a question on the Town's 14-year amortization schedule. The Town Manager looked at 10 other AAA-rated Connecticut towns, and he found that 8 of them have an amortization of 14-20 years.

The second part to this approach is that the actuarially defined contribution was \$500,000 higher than the estimate they received, which formed the basis for the budget. The third part was the Plan design. The Town Manager's recommendation is to have decisions on an approach to collective bargaining be held separately. He suggested the BOF schedule a non-meeting with the BOE to discuss strategies related to collective bargaining.

Ms. Sanford thanked the Town Manager for his data on the bond ratings but stated that there is a lot of context missing. For example, some of the municipalities listed are on a downgrade watch, like West Hartford. She also noted that Glastonbury went from a 13-year amortization schedule to a 14-year one, whereas some of these towns went from 20 years down to 10 years. She concluded that she is still concerned about Glastonbury extending its amortization. Mr. Johnson asked if the question is how to use resources to lower the investment rate, there are models that could be developed to show how to smooth the budgetary impact of a reduction in the investment assumption without using significant cash resources.

## **14. Communication: 1% Non-Lapsing Fund - Education**

Ms. Twilley reviewed the report dated September 11, 2020. Ms. Sanford noted that the BOE had unbudgeted expenditures this year. She asked if there were any on the Town's side, such as the two items that the BOF took action on today: the police cameras and the closure fund. Mr. Johnson replied no. Ms. Sanford congratulated Town staff on closing the books with a stunning surplus.

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

Mr. Constantine asked about the repair costs associated with the boathouse settlement. Mr. McIntosh followed up by asking if the Town is still going to pay for legal fees. Mr. Johnson explained that the legal expenses are all taken care of, so the \$1.65 million goes against legal fees and the cost to complete the repairs.

Mr. Constantine stated that PBC has not yet met.

Mr. McIntosh stated that he has been reading Boston newspapers, which are filled with reports of fraud by the police over-inflating overtime pay. He requested assurance from the Town Manager that there are procedures in place so that this would not occur in Glastonbury. Mr. Johnson stated that there are such procedures in place in town. Ms. Sanford remarked that, in Connecticut, it is hospital workers who have mostly abused overtime pay, not the police.

## **16. Adjournment**

*Motion by:* Mr. Cusson

*Seconded by:* Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of September 16, 2020, at 5:05 p.m.

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

**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.*