

**GLASTONBURY BOARD OF FINANCE
REGULAR MEETING MINUTES
WEDNESDAY, DECEMBER 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. James McIntosh
Mr. Walter Cusson
Mr. James Zeller
Mr. Robert Lynn

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| 1. Public Comment Session Pertaining to the Call | <i>None</i> |
| 2. Communication: Minutes – November 18, 2020 | <i>Accepted as presented.</i> |
| 3. Communication: Pension Report – October 2020 | |

Ms. Twilley reviewed the report dated December 2, 2020.

- 4. Communication: Month End Investments – October 2020**

Ms. McManus reviewed the report dated November 10, 2020.

- 5. Communication: Financial Summary for 5 months - November 2020**

Ms. Twilley reviewed the report dated December 1, 2020. Mr. Constantine asked about the increase in administration services (59% versus 48% this time last year). Ms. Twilley explained that the difference is explained by the following: the timing of insurance payments, the election expenditures, and the big increase in the annual pension contribution.

- 6. Communication: Education Reconciliation – October 2020**

Ms. McManus reviewed the report dated November 17, 2020. Ms. Sanford asked how long it takes to do the reconciliation. Ms. McManus stated that she does not know how long it takes on the BOE’s side, but she explained her process: when Ms. McManus receives the monthly reconciliations, which come in at different times, she quickly reviews them by checking the beginning balance and the monthly activities; then, she books them and reconciles the ending balance with the BOE’s number.

7. Communication: Capital Projects – November 2020

Ms. Twilley reviewed the report dated December 1, 2020. Mr. Cusson stated that the multi-use trail from Western Boulevard to House Street has been substantially completed. He finds that it was well done and likes how, in many places, it is close to Salmon Brook. Mr. Zeller stated that the new Fisher Hill Bridge is nice. He asked if the piece between Manchester Road and the bridge will be paved. Mr. Johnson believes that is on the tentative list for next spring, but he will double check.

8. Communication: Self Insurance Reserve Fund – November 2020

Ms. Twilley reviewed the report dated December 7, 2020. There have been two large loss claims from the BOE and neither have exceeded the individual stop-loss limit.

9. Communication: Bank Collateralization Report

Ms. Twilley explained that this is simply a listing of banking institutions and whether or not they meet the minimal collateral requirements, which they all do.

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

11. Action: Transfers over \$5,000

a. Election Expenditures

Ms. Twilley explained that while they increased the budget for the election, they did not anticipate the pandemic or the absentee ballots, so these are the accounts that were overspent and need to be replenished via a transfer. Ms. Twilley did note that they received about \$37,000 to \$38,000 in revenue to offset some of these expenditures.

Motion by: Mr. Zeller

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance recommends to the Town Council the transfer of \$52,961 from the General Fund - Unassigned Fund Balance to the Registrar of Voters and Town Clerk funds.

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

12. Communication: Bond Refunding and Moody's Affirmation of AAA Stable Rating

Ms. Twilley reviewed the report dated December 7, 2020. She explained that they did a refunding a few weeks ago. The Town will save around \$875,000 over the term of the loan, which is 10 years. Mr. McIntosh asked what the interest rate was. Ms. Twilley stated that it is 0.556%.

Mr. Zeller asked if the Town Council will take a look again at the BOF's previous recommendation, which is to borrow for capital projects as opposed to continuing on a cash

basis, which drives the tax rate up. Mr. Johnson stated that the Council is not discussing that now, but he will raise that as a potential at the upcoming CIP workshop. Mr. McIntosh stated that Mr. Zeller's point is a good one. This is a very good market to borrow money, and it shifts the cost of the bonds to the people who will benefit from the improvements that are being proposed, so it is an equitable and advantageous action. Mr. Lynn agreed, as long as they can maintain their capital and use it for pensions.

Mr. Lynn asked how Glastonbury's AAA rating is 40 basis points below a 10-year treasury bond rate. Ms. Twilley stated that she will look into that and get back to him. Ms. Sanford remarked that there are some differences in tax treatments which generate a spread that some bonds might trade better than treasuries, based on taxes in municipality. There is also a fixed universe of people who need to own municipal bonds of a certain rating, of which there is a small supply, which forces people to own things, regardless of its price.

13. Communication: Budget Schedule FY21/22

Ms. Twilley reviewed the options for next year's meeting schedule. All budget meetings will be held via Zoom. She discussed the option of rescheduling the January meeting from January 21 to January 20, so that it would occur on the same evening as the CIP workshop. She also listed a few options for holding the BOF workshops.

Motion by: Mr. Zeller

Seconded by: Mr. Lynn

BE IT RESOLVED, that the Glastonbury Board of Finance move their scheduled regular meeting from Thursday, January 21 to Wednesday, January 20 at 4:00 p.m., to be held via Zoom.

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

Motion by: Mr. Zeller

Seconded by: Mr. Cusson

BE IT RESOLVED, that the Glastonbury Board of Finance schedule the following budget meetings, all to be held via Zoom:

- BOF Town Operating Budget and CIP Workshop: Monday, February 1 from 3:30 p.m. to 6:30 p.m.
- Workshop during which the BOF recommends the Budget to the Town Council: Monday, February 8 from 3:30 p.m. to 6:30 p.m.
- Board of Education and Public Hearing: Wednesday, February 3 from 3:30 p.m. to 6:30 p.m.

Disc: Mr. McIntosh asked about reverting to in-person meetings for their regular BOF meetings. Ms. Twilley stated that all of the budget meetings will be held via Zoom, but they are not committed to holding their regular meetings throughout next year via Zoom. When she submitted the 2021/2022 calendar, she requested that meetings be held either via Zoom or in person. The Board came to a consensus that they would like a hard copy of the budget at CIP. Mr. Johnson stated that they will make the hard copies available to the Board. Mr. McIntosh requested hard

copies of the BOE budget, as well. Mr. Johnson will make that request known to Dr. Bookman.

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

14. Communication: Pension Follow-Up

Mr. Zeller asked about the timeline. Mr. Johnson explained that he and Dr. Bookman have discussed it and he also spoke with the actuary, Becky Sielman, following the BOF's last meeting. Mr. Johnson would prefer to base discussions on the updated valuation. They have asked a series of questions for comparative data, which he expects to have by the end of this month, no later than the second week of January. When he receives it, they will discuss it with the actuary and then circle back with the Board. Mr. Zeller stated that his only concern is the hard stop on the BOE's contracts. Mr. Johnson stated that he and Dr. Bookman discussed that very matter, in terms of scheduling. Ms. Sanford asked if the actuary is going to do additional work on comparative data, such as on the assumed rate of return or on adding an additional contribution of \$1 million and its impact to liquidity. Mr. Johnson will double check with Ms. Sielman, but he is fairly certain that she has those points on her list.

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

Mr. Constantine stated that the PBC has not yet met, but there is a ground opening this Saturday at 9:00 a.m. at the library.

16. Adjournment

Motion by: Mr. Cusson

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of December 16, 2020, at 4:31 p.m.

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

Respectfully submitted,

Lilly Torosyan

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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.