

**GLASTONBURY TOWN COUNCIL
REGULAR MEETING – FINAL BUDGET HEARING MINUTES
TUESDAY, MARCH 23, 2021**

The Glastonbury Town Council with Town Manager, Richard J. Johnson, in attendance, held a Regular Meeting and Final Budget Hearing at 7:00 p.m. via Zoom video conferencing. The video was broadcast in real time and via a live video stream.

1. Roll Call.

Council Members

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

a. Pledge of Allegiance *Led by Mr. Bobby Ashton*

2. Public Comment.

Ms. Carroll read the written comment received, as listed on the Town website.

Pamela Bayer of 129 Knob Hill Road, asked to review the budget comparisons from the actual 2020 compared to the 2021 proposed. She also asked what the percentage increase is from 2019 to 2020 per line item for income and expenses.

Mr. Niland opened the floor for attendees to comment.

Barbara Theurkauf of 2055 Main Street, spoke on the budget. She agreed with the BOF's recommendation to use some of their cash to fund their pension obligation, adding that there must be a way to reduce the budget to fund some of their capital projects.

George Norman of 378 Weir Street, also spoke on the budget. He agreed with Ms. Theurkauf that they should take this opportunity to reduce their pension rate of return. He asked if there might be opportunities to use the stimulus to keep a flatter rate, knowing that there will be government funding coming in.

3. Special Reports. *None*

PUBLIC HEARING AND ACTION ON PUBLIC HEARING

7:00 P.M. FINAL BUDGET HEARING – 2021-2022 GENERAL FUND-TOWN OPERATIONS, DEBT AND TRANSFER, EDUCATION, REVENUES, TRANSFERS AND USE OF FUND BALANCE, CAPITAL IMPROVEMENT PROGRAM, AND SPECIAL REVENUE FUNDS.

Mr. Niland opened the floor for the public hearing. There were no comments from the public.

Mr. Johnson provided an overview of the pension, explaining that the BOF has recommended a decrease in the investment assumption from 6.5% to 6.25%. He clarified that the Town historically has always 100% funded the actuarially determined contribution, with the exception of 2010, when there was such a significant increase, they funded it over two years. Mr. Osgood stated that the BOF made a sound, fiscally responsible decision to reduce the investment assumption by one-quarter of a percent. He would rather they be overfunded than underfunded, so he strongly recommends this action. Mr. McChesney asked what the investment assumption was in 2007. Mr. Johnson stated that, in 2007, the investment return was 8.75%, then the following year, it dropped to 8.25%. Then, for a number of years, it was reduced by about one-quarter of a percent, and most recently, it has been one-eighth of a percent.

Mr. Niland is in favor of the 6.375% assumption rate. He thinks that adding \$825,000 to the budget after a difficult year with another difficult one ahead is a lot to lay on the taxpayers. He noted that their actuaries were comfortable with the 6.5% rate. He also stated that they cannot count on the additional \$375,000 from the ECS funding because they may not actually receive it. They have to choose, either increase the mill rate or kick the can down the road. He would rather choose a softer landing for their taxpayers. Ms. LaChance agreed, adding that the new mortality tables have saddled them greatly, but the Council has been very deliberate with the pension. Ms. Tanski stated that a savings found out of their pension obligations is not a savings to taxpayers, but it is pushing a bill off to future taxpayers and creating fiscal risk. With the exception of this year, over the past decade, their pension funds have come in under expectation. She stated that the BOF has been strongly urging them to meet their pension liabilities for years, and she agrees with them.

Ms. Carroll does not object to arriving at the 6.25% rate, but she agrees with Mr. Niland to phase it in over two years, in order to save taxpayers money. She thinks it is appropriate to make the taxpayers feel the weight less in a single year if they do not have to. Ms. LaChance stated that it is disingenuous to say that they are not meeting their pension obligation. They are not meeting what the BOF has recommended this year, but they have listened to their actuaries. Dr. Beckett supports the BOF's recommendation of 6.25% because they had so many closures last year, which resulted in enough savings to have the least impact this year. Mr. McChesney expressed frustration with this process because he feels that the role of the BOF and the Council should be to take a holistic approach to the budget, and not just focus on a certain mill rate or pension assumption rate each year.

Motion by: Ms. Carroll

Seconded by: Dr. Beckett

BE IT RESOLVED, that the Glastonbury Town Council hereby amends the percentage recommended for the pension assumption by the Board of Finance from 6.25% to 6.375%.

Disc: Ms. Tanski stated that the BOF's recommendation is to match the assumed rate of return closer to reality and to meet their unfunded liability. This year, the BOF's priority was the pension, not the mill rate, because pension needs had not been addressed in this way for a few years and they expect their pension

obligation to go up in future years. Mr. Osgood believes that the BOF recommendation is the best for the Town.

Result: Motion failed {4-5-0}, with Dr. Beckett, Mr. Cavanaugh, Mr. McChesney, Mr. Osgood, and Ms. Tanski voting against.

Motion by: Dr. Beckett

Seconded by: Mr. Cavanaugh

BE IT RESOLVED, that the Glastonbury Town Council reduce the pension assumption rate from 6.5% to 6.25%, as recommended by the Board of Finance.

Result: Motion passed {6-3-0}, with Ms. LaChance, Mr. Niland, and Mr. Gullotta voting against.

4. Old Business.

a. Action on Resolutions Adopting the 2021-2022 Operating Budget.

1. General Fund Appropriations and Transfers.

- Town Operations

Mr. Johnson explained that all of the non-pension funds increased by a total of 0.23%. Mr. Gullotta asked Mr. Johnson how he would spend an additional \$100,000 in Town Operations. Mr. Johnson stated that the BOF asked him the same question and he answered it with the following: he is concerned about a post-COVID bump in claims. Therefore, he would direct some funds to the health insurance account, some monies to technology to bring efficiencies to their HR system, a small sum to their fuel accounts, and a little to capital outlay.

Dr. Beckett prefers to instead reduce the Capital Transfer and take \$500,000 out of the CIP because some of those projects will not be completed this year. Mr. Cavanaugh is not inclined to increase the Town Operations budget. He asked Mr. Johnson if he anticipates a gain in that fund. Mr. Johnson stated yes, but he projects a very modest gain. Mr. Osgood does not think that this is the year to increase the Town Operations fund unnecessarily. He supports maintaining it as presented. Ms. LaChance agreed, adding that while she does not want to count on any funding from the federal government, she does not feel that this is the year to increase taxes on people.

Ms. Tanski also agreed, adding that this is not a statement on the Town Manager's operating budget, which is very efficient and lean, simply that she does not believe that this is the year to increase the load on taxpayers. Ms. Carroll concurred. Mr. Niland is not in favor of moving the dump truck to CIP. He does not find it prudent to include the \$303,000 of ECS funding in the budget as anticipated revenue because there is no guarantee that they will receive it. Ms. LaChance is against moving the dump truck to CIP, as well.

Motion by: Dr. Beckett

Seconded by: Ms. Carroll

BE IT RESOLVED, that the Glastonbury Town Council adjusts the Board of Finance's recommendation by \$15,000, both expenses and revenues, to accommodate the waste disposal fee changes.

Result: Motion passed {8-1-0}, with Mr. Cavanaugh voting against.

The revised motion was then read aloud:

Motion by: Ms. Carroll

Seconded by: Dr. Beckett

BE IT RESOLVED, that the Glastonbury Town Council approves an appropriation of \$46,099,904 for the 2021/2022 **Town Operating Budget**.

Result: Motion passed {8-1-0}, with Mr. Cavanaugh voting against.

○ **Debt and Transfer**

Mr. Niland is concerned about the cliff they have created, if they want to get back to the \$5.75 million. Mr. Osgood echoed Mr. Niland's comment, which is that, historically, they have done a good job of maintaining pay-as-you-go for items in their capital budget. He believes that a \$500,000 cliff is significant and to do more than that would put a detrimental burden on taxpayers. He noted that if there is a chance for bonding in the future, they could take advantage of low interest rates for certain projects, but they have to maintain a high level of Capital Transfer.

Ms. Tanski would move for a much larger reduction to the Capital Transfer. This year, she feels that, instead of the taxpayer, it should be on the Council to find funding via supplemental appropriation or the federal money that is coming in. She then proposed a \$1.3 million reduction in the Capital Transfer.

Ms. Carroll stated that they cannot know what their federal funding will be. She does not want to push the envelope and underfund themselves down the road. She also believes that delaying infrastructure is not a good choice in any context. Regardless of any financial context, they need to find a way to meet those needs. Mr. Cavanaugh stated that the cliff language is unnecessary with the capital transfer, if they come to some agreement that they can bond some projects. He summarized that the CIP has been used for projects that it was not intended for.

The Council then recessed for about 10 minutes to hold a caucus.

Motion by: Ms. Carroll

Seconded by: Dr. Beckett

BE IT RESOLVED, that the Glastonbury Town Council approves an appropriation of \$13,573,742 for the 2021/2022 **Debt & Transfers Budget**.

Amendment by: Ms. Carroll

Seconded by: Dr. Beckett

BE IT RESOLVED, that the Glastonbury Town Council hereby reduces the Capital Transfer by \$500,000.

Disc: Mr. McChesney so he supports the \$500,000 reduction but stated that this is the limit he is comfortable going to without the risk of heading to a cliff.

Ms. Tanski moved to amend the amendment for a reduction of \$1.3 million in the Capital Transfer to save taxpayers money in this one exceptional year.

Amendment by: Ms. Tanski

Seconded by: Ms. Carroll

Disc: Dr. Beckett stated that while this is about long-term sustainability, he thinks they will have a tax increase next year to accommodate it. There will be infrastructure problems that their citizens will not be satisfied with. Therefore, he cannot support this large of a cut. Ms. Tanski does not believe that this action will leave them with falling down infrastructure.

Result: Amendment failed {2-7-0}, with all but Mr. Cavanaugh and Ms. Tanski voting against.

Disc: Mr. Niland believes that a \$500,00 reduction creates a cliff that is just too big. He noted that with the Main Street sidewalk project finishing, they have a third opportunity on the table, which they do not know what it will cost. He could support a \$250,000 reduction, but \$500,000 is just too much.

Result: Amendment passed {8-1-0}, with Mr. Niland voting against.

The revised motion was then read aloud:

Motion by: Ms. Carroll

Seconded by: Dr. Beckett

BE IT RESOLVED, that the Glastonbury Town Council approves an appropriation of \$13,073,742 for the 2021/2022 **Debt & Transfers Budget**.

Result: Amended motion passed {9-0-0}.

○ Education

Mr. Johnson presented a quick overview of the Education budget. Mr. Gullotta stated that they are currently looking at a \$500,000 change in their budget. Mr. Johnson stated that is correct, but only \$317,000 of that is to the tax rate. Mr. Cavanaugh asked if they have done analysis on any restrictions to the \$1.4 million the BOE has received. Superintendent Dr. Bookman stated that there have been carve outs of where it could be spent, but other restrictions are complete unknowns to them right now. Mr. Cavanaugh asked if they have any projected savings in terms of buses, etc. Dr. Bookman stated that it is too early to tell right now but have about \$150,000 in savings now and project around \$250,000 in possible total savings.

Ms. Tanski asked what their plans were to apply some federal funding to the STEAM project. Dr. Bookman stated that they have to do a certain amount of construction, such as ventilation for the STEAM labs. They hope to use some of the federal money for that purpose, instead of going to the CIP budget. He also noted that they will be down about \$600,000 in food services, which they will have to supplement. Dr. Beckett is convinced that the HSA is a little rich right now, so he suggested they take \$500,000 off of the current allocation from the BOF, for a total of a \$1 million reduction. Mr. Gullotta received a message that a representative from the Republican Party would like to caucus on this motion, too. Ms. Carroll suggested a reduction of \$200,000 instead. Ms. LaChance echoed that there are a lot of restrictions on the money, and the school will be dealing with a lot of catch-up for children who experienced learning loss during this pandemic.

Mr. Osgood was originally going to suggest a \$400,000 reduction, but for the sake of compromise, he would support a \$350,000 reduction. Mr. McChesney thinks that a \$500,000 cut would be too drastic. Mr. Cavanaugh is very concerned about the tax rate this year. He asked Mr. Johnson to calculate what the tax rate effect would be should they reach a compromise of a \$350,000 reduction, in addition to the BOF's \$500,000 reduction, for a total of a \$850,000 reduction. Mr. Johnson stated that the \$850,000

minus the \$350,000 for the ECS funding would make a \$500,000 reduction, which he agreed to calculate.

Mr. Niland pointed out that the Republican councilmembers had the opportunity this evening to make the tax rate lower and that did not happen. Glastonbury's education is the cornerstone of this town, so cutting their budget is tough for him, but he agreed with Ms. Carroll's proposed reduction of \$200,000. Ms. Tanski shared her perspective, stating that the BOE was able to meet many needs that other districts could not during this pandemic because of their diligence and technological advancements, so she does not believe that the BOE is running in a crisis mode. That, plus government money coming in, makes her confident that reducing the BOE budget by even \$1 million should be okay.

The Council then recessed for about 15 minutes to hold a caucus.

Motion by: Ms. Carroll

Seconded by: Dr. Beckett

BE IT RESOLVED, that the Glastonbury Town Council approves an appropriation of \$113,749,684 for the 2021/2022 **Education Budget**.

Amendment by: Dr. Beckett

Seconded by: Ms. Carroll

BE IT RESOLVED, that the Glastonbury Town Council approves an appropriation of \$113,249,684 for the 2021/2022 **Education Budget**.

Disc: Dr. Beckett shared his reasoning, which is that they could take \$500,000 out of the health insurance reserve account to allow taxpayers to save some money this year. Mr. Niland feels that that number is too high, so he will not support it. Ms. LaChance stated that the BOE came to them with a very realistic budget this year. They do not know how the funds from the federal government can be used, and there will be a lot of catch-up this year. She noted that the health insurance has gone down so much because a lot of actions there have been delayed, as Mr. Johnson pointed out with his projection of a post-COVID bump in claims. She believes that a \$500,000 reduction is too much. Ms. Tanski clarified that the BOF budget was set before they received word that the federal funding was anticipated.

Result: Amendment failed {4-5-0}, with Ms. Carroll, Ms. LaChance, Mr. McChesney, Mr. Niland, and Mr. Gullotta voting against.

Amendment by: Ms. Carroll

Seconded by: Dr. Beckett

BE IT RESOLVED, that the Glastonbury Town Council approves an appropriation of \$113,549,684 for the 2021/2022 **Education Budget**.

Disc: Mr. McChesney is open to additional cuts because of federal funding coming in and he believes that the BOE would do a great job no matter what is cut. He agrees that there could be some savings from the health insurance fund. He is comfortable with this additional \$200,000 cut. They have to take a holistic approach to the budget.

Mr. Osgood proposed an amendment to the amendment for a \$350,000 reduction instead.

Amendment by: Mr. Osgood

Seconded by: Dr. Beckett

Disc: Mr. Osgood stated that this is basically a compromise. He has no doubt that the BOE will meet students' educational needs. Ms. Tanski feels that a \$350,000 reduction will more than meet the cost of their BOE, so they will end up putting money into the 1% fund, which has become their usual practice. The Council's obligation is to come up with an accurate budget for the BOE; otherwise, they will end up overtaxing their citizens. Mr. Cavanaugh asked for the numbers of the tax rate effect on the \$850,000 total reduction to the BOE budget. Mr. Johnson stated that, leaving the ECS as proposed, it would be 1.03%. With the \$500,000 for the Capital Reserve, \$350,000 to Education, but removing the increase in the ECS, it is 1.25%.

Result: Amendment failed {4-5-0}, with Ms. Carroll, Ms. LaChance, Mr. McChesney, Mr. Niland, and Mr. Gullotta voting against.

Result: Ms. Carroll's amendment passed {7-2-0}, with Mr. Osgood and Ms. Tanski voting against.

b. General Fund Revenues, Transfers and Use of Fund Balance.

Mr. Johnson explained that the new number would be \$172,723,330 to fund the budget. He noted that it is up to the Council whether to include the ECS number in that or not. If they do not, the \$300,000 will be generated through taxes. Mr. Osgood stated that it is somewhat of a risk, but he would go with the budget as proposed. Dr. Beckett agreed.

Motion by: Ms. Carroll

Seconded by: Dr. Beckett

BE IT RESOLVED, that the Glastonbury Town Council approves the 2021/2022 **General Fund Revenues and Transfers** in the amount of \$172,723,330.

Result: Motion passed unanimously {9-0-0}.

Motion by: Ms. Carroll

Seconded by: Dr. Beckett

BE IT RESOLVED, that the Glastonbury Town Council approves a transfer of \$1,000,000 from the General Fund Unassigned Fund to the Pension Fund.

Result: Amended motion passed unanimously {9-0-0}.

c. Capital Improvement Program.

Mr. Johnson explained that the new number will become \$8,751,300, which deducts the money for the Bell Street sidewalks and \$360,000 for the GHS locker room and restroom facility.

Motion by: Ms. Carroll

Seconded by: Dr. Beckett

BE IT RESOLVED, that the Glastonbury Town Council approves the 2021/2022 **Capital Improvement Program Budget** in the amount of \$9,462,517. Funding will be provided as follows:

Capital Reserve Fund	\$8,751,300
Town Aid Road	\$461,217

Sewer Sinking Fund

\$250,000

Result: Amended motion passed unanimously {9-0-0}.

d. Special Revenue Funds.

- Sewer Operating Fund
- Recreation Activities Fund
- Police Private Duty Fund
- Riverfront Park Fund
- Bulky Waste Closure Fund

Motion by: Ms. Carroll

Seconded by: Dr. Beckett

BE IT RESOLVED, that the Glastonbury Town Council approves the 2021/2022 **Special Revenue Fund Appropriations, Revenues and Transfers** as follows:

i) Sewer Operating Fund	\$3,186,660
ii) Recreation Activities Fund	\$1,545,090
iii) Police Private Duty	\$497,847
iv) Riverfront Park Fund	\$312,525
v) Bulky Waste Closure Fund	\$160,000

Result: Motion passed unanimously {9-0-0}.

5. New Business.

- a. Action on potential land acquisition (refer to Town Plan and Zoning and Board of Finance; set public hearing) **No action**

6. Consent Calendar. None

7. Town Manager’s Report.

Mr. Johnson highlighted a few items. For Item 3, he provided a plan to move forward on a previous question about the damaged trees on New London Turnpike. For Item 5, he explained that on Tuesday, March 30 at 7:00 P.M., the Town Plan and Zoning Commission will hold a Special Meeting via Zoom for the applicant of the proposed development on the west side of Main Street. Mr. Johnson will send out a Zoom invitation to councilmembers to attend the meeting. Mr. Osgood asked for notifications to the Council for meetings of the affordable housing subcommittee. Mr. Johnson agreed to provide that information.

- 8. Committee Reports.**
- a. **Chairman’s Report.** *None*
 - b. **MDC.** *None*
 - c. **CRCOG.** *None*

- 9. Communications.**
- a. Letter from CT Siting Council regarding modifications to existing telecommunications facility located at 2108 Main Street.
 - b. Letter from CT Siting Council regarding modifications to existing telecommunications facility located at 374 Three Mile Road.
 - c. Letter from CT Siting Council regarding modifications to existing telecommunications facility located at 115 Birch Mountain Road.
 - d. Letter from CT Siting Council regarding modifications to existing telecommunications facility located at 2577 Main Street.

- 10. Minutes.**
- a. **Minutes of March 3, 2021 Special Meeting – Board of Education Workshop.**

Motion by: Ms. Carroll *Seconded by:* Dr. Beckett

Result: Minutes were approved {8-0-1}. Mr. Cavanaugh abstained because he was not present at the meeting.

- b. **Minutes of March 9, 2021 Regular Meeting.**

Motion by: Ms. Carroll *Seconded by:* Dr. Beckett

Result: Minutes were approved unanimously {9-0-0}.

- 11. Appointments and Resignations.**
- a. Resignation of Jim Parry from the Water Pollution Control Authority (R-2023).
 - b. Appointment of Sue Dzialo to the Zoning Board of Appeals (R-2025).

Motion by: Ms. Carroll *Seconded by:* Dr. Beckett

Result: The resignation and appointment were accepted unanimously {9-0-0}.

12. Executive Session.

- a. Potential land acquisition.

Following the Executive Session, the Council will discuss, in private, collective bargaining negotiations and such discussions are not treated as a meeting under the applicable sections of the Freedom of Information Act (FOIA). Attendees for the private session include the Town Council members and the Town Manager.

Motion by: Ms. Carroll

Seconded by: Dr. Beckett

BE IT RESOLVED, that the Glastonbury Town Council hereby enters into executive session to discuss a potential land acquisition at 10:20 P.M.

Result: Motion passed unanimously {9-0-0}.

Present for the Executive Session item were council members, Mr. Tom Gullotta, Chairman, Mr. Lawrence Niland, Vice Chairman, Dr. Beckett, Ms. Deb Carroll, Ms. Mary LaChance, Mr. Jake McChesney, Mr. Kurt Cavanaugh, Ms. Lillian Tanski, and Mr. Whit Osgood, with Town Manager, Richard J. Johnson.

No votes were taken during the Executive Session, which ended at 10:35 P.M.

Meeting adjourned at 10:36 P.M.

Following Executive Session and Meeting Adjournment, the Council, with Town Manager, Richard J. Johnson in attendance, entered a non-meeting format -discussion. They came out of the non-meeting format discussion at 10:45 P.M.

Respectfully submitted,

Lilly Torosyan

Lilly Torosyan

Recording Clerk

Thomas Gullotta

Chairman