

GLASTONBURY BOARD OF FINANCE
Amended - REGULAR MEETING MINUTES (see page 4)
WEDNESDAY, NOVEMBER 17, 2021

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. in the Council Chambers of Town Hall at 2155 Main Street. The meeting was broadcast in real time via a live video stream.

Also present was Narae McManus, Controller.

Roll Call

Members

Mr. Constantine “Gus” Constantine, Chairman
Ms. Jennifer Sanford, Vice Chairman
Mr. James McIntosh
Mr. Robert Lynn
Mr. James Zeller
Ms. Susan Karp

1. Public Comment Session: Comments pertaining to the call. ***None***

2. Communication: Minutes of October 20, 2021 Regular Meeting
Minutes accepted as presented.

3. Communication: Pension Report – September 2021

Ms. Twilley reviewed the report dated October 19, 2021.

4. Communication: Month End Investments – September 2021

Ms. McManus reviewed the report dated October 25, 2021. Ms. Sanford asked if there is a column denoting where each account sits in the grid of investments. Mr. Johnson explained that it is all pooled cash, so generally, no. Ms. Sanford asked how much is in the Unassigned Fund Balance right now. Ms. Twilley stated about \$32 million. Mr. Zeller asked how many accounts comprise the Town’s pooled cash investments. Ms. McManus stated close to 30 different funds. Mr. Zeller asked to be provided a list of those funds at a future meeting. Ms. Twilley noted that it is in the annual CAFR report.

5. Communication: Financial Summary (Expenditures) for 4 months - October 2021

Ms. Twilley reviewed the report dated November 9, 2021.

6. Communication: Capital Projects – October 2021

Ms. Twilley reviewed the report dated November 9, 2021.

7. Communication: Self Insurance Reserve Fund – October 2021

Ms. Twilley reviewed the report dated November 3, 2021. There have been no large loss claims yet this year. Ms. Karp asked if the Recommended Minimum Reserve amount has been reconsidered at any point. Mr. Johnson stated that nothing has jumped out to them right now to reassess that number. Ms. Twilley added that when the Town switched consultants, the new consultants looked at that and they were comfortable with the formula. Mr. Zeller asked if there would still be the projected lag-then-bump in elected procedures because of COVID-19. Mr. Johnson stated that it is all driven by claims, which can go up and down, irrespective of the pandemic. He believes that if claims continue as they have, the Town should be in good shape going into the coming fiscal year.

Mr. Lynn asked if there has been consideration of taking on additional risk to push down the premium. He then asked what the individual stop loss of \$8.8 million represents in terms of potential losses for the year. Mr. Johnson explained that he will have to go back and look at it. Ms. Twilley added that the consultants have pointed out that, compared to other municipalities, Glastonbury has had fewer sick people, and among those who are sick, they are less so than those in other municipalities. The Town has been very lucky on their stop loss number, and she hopes that will continue.

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

9. **Action:** Transfers over \$5,000 (None)

10. **Action:** Review of CIP Criteria

Ms. Karp asked if the Town Council has indicated anything that they would like to see changed in the CIP criteria. Mr. Johnson stated that they went through a significant rewrite in 2016-7. He is not aware of any changes that the Council has requested, but they will consider any updates at their meeting next Tuesday.

Motion by: Mr. Zeller

Seconded by: Ms. Karp

BE IT RESOLVED, that the Glastonbury Board of Finance hereby recommends to the Town Council to adopt the CIP Criteria as presented, without changes.

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

11. **Action:** Establish 2022 and January 2023 Regular Meeting Schedule

Motion by: Mr. McIntosh

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby accepts the Regular Meeting Schedule as presented.

Disc: Ms. Karp asked if any thought had been given to holding meetings in the evenings so that members of the public could attend more easily. Mr. Zeller and Mr. McIntosh noted that that was brought up in the past for discussion.

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

12. Communication: Availability on Nov. 29 and Nov. 30 for a Special BOF Meeting re. Funding Request

Mr. Johnson explained that the reasoning behind this special meeting request is that the Council has scheduled a priority funding item next week for which they seek approval. The Board agreed to meet on Monday, November 29th at 12:00 P.M.

13. Communication: Memo re. Recreation Activities Fund

Mr. Johnson explained that the fund was established because, prior to it, programs and activities were restricted by the budget. The fund is cost neutral. He wanted to make the Board aware that there was an action to establish a budget of \$1.545 million, which they could theoretically exceed, in revenues and expenses. The reason for the change is an unanticipated enrichment program that the Parks and Recreation Department has partnered with the Board of Education on to provide an alternative childcare option for elementary students given the extension of Wacky Wednesdays. This request is for approval of the potential to incur \$150,000 of unbudgeted expense, which would be directly offset by fee revenue, and may or may not happen given demand for the enrichment programs.

Ms. Sanford would like to see what kind of activities are in the fund and what is driving it to grow. Even if it is revenue neutral, she believes that it should have some gateway of transparency. She suggested a paragraph detailing that information to distribute to the Board. Ms. Karp stated that it is a revenue neutral situation which could not have been anticipated, and it is one that will occur again in the future, so she is comfortable moving forward as Mr. Johnson has recommended. Mr. Johnson explained that the fund consists of anything that the recreation department does for recreation activities. There is a long list of activities and a detailed fee structure which is enacted and amended every year. Mr. Zeller suggested scheduling this for action on November 29.

Motion by: Mr. Zeller

Seconded by: Ms. Karp

Motion to add an action item to the agenda: regarding the Recreation Activities Fund.

Result: Motion to add action item passed unanimously {6-0-0}.

Motion by: Ms. Karp

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby approves an increase in the FY2021-2022 expenditures budget of the Recreation Activities Fund, by not more than \$150,000, which will be offset by fee revenue.

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

14. Communication: Memo re. Bid Process

Mr. McIntosh stated that he will discuss with the Town Manager the topic of correcting what he considers inartful language of the Town Charter.

15. Communication: Credit Rating Reaffirmation & Refunding of ~\$7.5m of Taxable Issues (2011B and 2013)

Ms. Twilley stated that Moody's and S&P reaffirmed the Town's AAA rating. They also did a refunding of 2011B and 2013, generating about \$650,000 in savings, which will largely spread out over the next five years. Mr. Lynn asked what standard criteria Moody's and S&P use for the Unassigned Fund Balance. Ms. Twilley explained that different rating agencies use their own formulas. Mr. Johnson noted that Moody's tends to prefer a higher Unassigned Fund Balance than S&P's. He stated that, during his upcoming budget presentation, he will outline two or three options for the Board to consider. Mr. Zeller stated that the AAA rating is great, but if the Town never borrows any money, he is not sure how much they can let it drive all of their decision making. He is curious to see what municipalities would have to do to lose their AAA ratings.

16. Board of Finance Committee Reports, comments, and remarks (no action to be taken) **None**

Mr. Constantine stated that the PBC has not yet met.

17. Adjournment

Motion by: Mr. Lynn

Seconded by: Ms. Karp

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of November 17, 2021, at 5:03 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.