

**GLASTONBURY BOARD OF FINANCE**  
**Amended SPECIAL MEETING MINUTES *(see page 2)***  
**MONDAY, FEBRUARY 7, 2022**

The Glastonbury Board of Finance, along with Finance Director, Julie Twilley, and Town Manager, Richard J. Johnson, held a special meeting at 6:00 p.m. via Zoom video conferencing. The video was broadcast in real time and via a live video stream.

**Roll Call**

***Members***

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

- 1. Public Hearing** – Town Operations, Debt and Transfer, Education, and Revenues and Transfers Fiscal Year 2022-2023                      ***None***

***Motion by:*** Mr. McIntosh

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

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn the public hearing of February 7, 2022, at 6:03 p.m.

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

**2. Unfinished Budget Related Items**

Mr. Johnson reviewed the grand list, noting that while average property values might go up, most real estate assessments will not change. Although real estate has remained relatively static, motor vehicles have increased 32%. There may be state legislation to reduce the motor vehicle cap, but that is currently undecided. Ms. Karp would find it helpful to see other mill rate assumptions included in the grand list chart. Mr. Lynn thinks that this situation will only last a couple years before leveling out. He asked how much of the 32% motor vehicle growth is revenue. Mr. Johnson explained that, of the \$5.4 million total in growth, almost \$4 million is from motor vehicles.

Mr. Johnson discussed the option of establishing a Loss and Benefits Reserve Fund, which Ms. Sielman of Milliman had initially suggested to the Board. This would allow the Town to invest up to 50% in equities. Mr. Constantine asked if there are any limitations in using the reserve fund. Mr. Johnson stated that the reserve could be used up to 40% for property casualty, and if used toward a pension trust fund, one option could be to help smooth the ADC. Mr. Zeller expressed hesitation with the reserve fund. He would like to learn more before making any decision. Ms. Sanford would also like to read more about it. She is concerned about the 72%

unfunded liability, which will hopefully be funded in **12** years, if all the models are correct. Mr. Lynn asked, in the end of year audit, what makes up the extra \$13 million in 26 non-major funds. Mr. Johnson explained that those are all restricted funds. Ms. Sanford noted that the federal government may boost restrictions on ARPA funds. She asked if that could potentially pose a problem for the Town's \$10.2 million allocation. Mr. Johnson explained that there may be flexibility on how towns allocate the funds, and he does not see it being combined with fund balance at this point.

Mr. Zeller asked if there are any major exposures for which the Town does not have insurance or has extremely high deductibles. Mr. Johnson stated that while the Town is very well insured, there are two emerging areas: cyber security and environmental liability. Mr. Zeller asked, if the collection rate were moved from 99.1% to 99.2%, how much additional revenue would be collected. Mr. Johnson stated about \$160,000 for every tenth of a percent. Mr. Zeller remarked that reducing the transfer in of the Unassigned Fund Balance to \$575,000 would make the fund self-sustaining. Mr. Johnson explained that the Board could make a motion to reduce the transfer in from \$875,000 to \$575,000. However, that \$300,000 revenue loss needs to be offset. Mr. Zeller asked what the bids were on the Naubuc School renovation project and the STEAM lab. Mr. Johnson stated that the BOE has not yet gone out to bid for Naubuc School, and he will receive information on the STEAM lab bids tomorrow.

Ms. Sanford inquired about three requests (regarding affordable housing, cyber security, and Cotton Hollow) which were made outside of the budget cycle. Mr. Johnson explained that there is nothing in the budget regarding the Town-owned affordable properties, apart from rental revenue. There is a group raising funds to preserve the Cotton Hollow mills, but the Town is not financing those efforts at this time. Regarding cyber security, there is money in the IT budget for penetration testing. Ms. Sanford finds the 10% revaluation forecast striking. Every year, there is an underlying trending growth rate which is not going away. She finds that just because annual inflation rate is 7%, that does not mean that budgets can grow at that degree.

### **3. Adjournment**

*Motion by:* Mr. Zeller

*Seconded by:* Mr. Lynn

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their special meeting of February 7, 2022, at 7:08 p.m.

*Result:* Motion was passed 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](http://www.glastonbury-ct.gov/video); click on Public Broadcast Video On Demand.*