

**GLASTONBURY BOARD OF FINANCE
SPECIAL MEETING MINUTES
MONDAY, MARCH 21, 2022**

The Glastonbury Board of Finance, along with Finance Director, Julie Twilley, and Town Manager, Richard J. Johnson, held a special meeting at 9:00 a.m. in the Council Chambers of Town Hall at 2155 Main Street with the option for 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 {participated via Zoom video conferencing}

Mr. James McIntosh

Ms. Susan Karp {participated via Zoom video conferencing}

Mr. Robert Lynn {participated via Zoom video conferencing}

Mr. James Zeller

1. Public Comment Session Pertaining to the Call. ***None***
2. Communication: Adopted Budget

Mr. Zeller asked why the \$3.88 million of ARPA monies was not shown as part of the CIP budget when the BOF made their budget recommendation. He also noted that the Council listed the ARPA funding as \$5.6 million. Mr. Johnson explained that the Council made some adjustments. Added onto the \$3.88 million allocation were \$1.6 million for fire apparatuses and \$150,000 for an animal control shelter. Going forward, the Board will see it as a separate item, just like the Council did. Mr. Zeller pointed out that on the motion sheet for this meeting, “motor vehicle mill rate” is listed twice. Ms. Twilley stated that is a typo. It was meant to read “real estate/personal property.”

Mr. McIntosh asked what the Council’s reasoning was for not voting to assign \$1 million into the pension fund from the Unassigned Fund Balance. Mr. Johnson stated that they did not feel comfortable, given that Glastonbury is on target for the 12-year amortization, the ADC is down this year, and they believed that leaving the \$875,000 in Opening Cash was a better approach. Mr. McIntosh stated that the newspaper report he read emphasized the Council’s concern about the bond rating. Mr. Johnson stated that was a factor, as well. Mr. McIntosh remarked that the Council is required, under the Town Charter, to make a statement about why they adjusted the BOF’s proposed budget. Ms. Karp encouraged all to watch the Council’s meeting to hear a more in-depth explanation of how each council member voted.

Mr. Zeller watched the meeting. He noted that the Council will spend \$25,000 more out of the Unassigned Fund Balance than what the BOF proposed. When the Board put together the budget, they used a collection rate assumption of 99.15% to bridge the gap, from \$875,000 to \$575,000, in the Unassigned Fund Balance. If that action is not going to be taken, he believes that 99.1% should be considered instead. Additionally, the Unassigned Fund Balance has grown, not from

operational savings, but from the variation between the assumed versus actual collection rate. Mr. Zeller asked what the mill rate would be, should the assumed collection rate move from 99.15% to 99.1%. Mr. Johnson replied that 99.15% yields a real estate/personal property mill rate of 37.3, whereas 99.1% is 37.32 mills.

Ms. Sanford supports Mr. McIntosh's request for a written explanation from the Council. The intention of the 99.15% was contingent on multiple factors which have not been approved by the Council. She does not find it authentic to say that the Council reduced the mill rate because those savings were achieved by changing the collection rate. Instead, she would have preferred to achieve that naturally by reducing spending on operations. She supports moving the collection rate to 99.1%. Ms. Karp finds 99.15% realistic, if not, conservative, based on what they have seen. Even during the worst of the pandemic, the Town's collection rate did not dip very low. The Council makes a recommendation comprehensively. She does not doubt the authority of the BOF to change the rate, but she feels uncomfortable changing the assumption they have made.

Mr. McIntosh stated that the Board has the authority to set the mill rate at whatever they consider appropriate. However, he agrees with staying at 99.15% because the mill rate is set based on what they think the collection will actually be, and in the past, that has been underestimated. They made the judgment of 99.15%, and he does not see any new factors presented which would indicate a different collection rate. Mr. Zeller finds the new information to be the Council's discussion that the Unassigned Fund Balance is the primary focus. The only way to get to where the Council wants to go is to overperform consistently. Mr. McIntosh finds that to be a political judgment, and the mill rate should not be a political judgment.

Mr. Constantine asked what the actual collection rate has been over the past few years. Mr. Johnson stated, close to 99.4%. The lowest in recent memory was 99.13% in 2009/10. Mr. McIntosh stated that the future is unsettled financially, so taxpayers may have more difficulty paying taxes in the future fiscal year than in the past. He is not tempted to drift higher in the collection rate. While Mr. Lynn is inclined to agree with Mr. Zeller and Ms. Sanford about shifting to 99.1%, he does not think that it is a meaningful change. He is more concerned that they do not have a full grasp as to what the AAA bond rating is worth and how retirement funds are weighed into that rating.

3. Action: Mill Rate Setting

Motion by: Mr. McIntosh

Seconded by: Ms. Karp

BE IT RESOLVED, that the Town Council has adopted a 2022/2023 budget for Town, Education, and Debt/Transfers appropriation of \$177,797,562. Pursuant to the Glastonbury Town Charter, the Board of Finance has determined that this budget appropriation will require from taxation \$161,177,997, and therefore, to finance the 2022/2023 adopted budget, the Board of Finance sets:

- A Real Estate and Personal Property Mill Rate of 37.30, calculated at a 99.20% collection rate, and
- A Motor Vehicle Mill Rate of 29.00, calculated at a 98.50% collection rate.
- This bifurcated collection rate is the equivalent of 99.15% on real estate property tax, real estate, personal property, and motor vehicle combined.

Result: Motion passed {4-2-0}, with Ms. Sanford and Mr. Zeller voting against.

4. Adjournment

Motion by: Mr. McIntosh

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of March 21 2022, at 9:33 a.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.