

**GLASTONBURY BOARD OF FINANCE
REGULAR MEETING MINUTES
WEDNESDAY, SEPTEMBER 20, 2023**

The Glastonbury Board of Finance, along with Finance Director, Keri Rowley, and Town Manager, Jonathan Luiz, held a regular meeting at 4:00 p.m. in the Council Chambers of Town Hall at 2155 Main Street with an 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
Mr. Jared Soper, Vice Chairman
Mr. James Zeller
Mr. Robert Lynn {excused}
Ms. Susan Karp
Mr. Kevin Graff

1. Public Comment Session: Comments pertaining to the call *None*
2. Discussion and Possible Action on Unassigned Fund Balance

Mr. Graff came away from the last meeting thinking that there were two main areas of interest: either paying down the pension debt or giving the Council flexibility to pay down the callable bonds. Regarding the latter, he finds 5% to be a worthwhile interest rate to invest at. By saving an additional \$900,000 a year for the next three years, the Council will have more flexibility to maintain the mill rate as low as possible.

Motion by: Mr. Graff

Seconded by: Ms. Karp

MOVED, that the Glastonbury Board of Finance hereby recommends to the Town Council that \$4.0 million be made available from the Fund Balance allocated in the following way: \$2.73 million to pay down the 3 callable bonds and \$1.27 million to pay down the pension.

Disc: Mr. Soper is unsure where the 18% minimum for the Unassigned Fund Balance came from because their policy is 16% and the general accepted percentage is 16.7%. Ms. Karp explained that several BOF members were uncomfortable going down to the 16% level. It made more sense to lower the amount incrementally. Mr. Zeller does not want to set a new minimum. He also finds that it is not the job of the BOF to provide flexibility for the Council with one-time found money. This action would create a budget cliff in three years, instead of the glide path that they are on now. Many people have expressed that they are not doing enough for infrastructure, and paying off bonds seems like a step backwards. Putting money into the pension would save more money, so he is unsure that paying off bonds is even a good use of funds.

Ms. Karp disagreed. The time pressure is to call the bond now, and she thinks this is a good action. Mr. Soper will not support the motion because they will be worse off financially by

calling the bond than by not doing so. There is no need to move money from CIP into Operations when operating expenses have been running a surplus revenue. They missed their opportunity to bond capital projects. He supports using the money for the pension and the capital reserve fund because that will support longer-term projects. The Town needs to have a long term strategic plan relative to its capital infrastructure. Paying down bonding that supports capital infrastructure makes a statement which runs counter to this.

Result: Motion failed {3-2}, with Mr. Zeller and Mr. Soper voting against.

3. Action / Communication: Year-End Items

a. Communication: Preliminary Year End Review 2022-2023 After Year End Close

Ms. Rowley presented the report dated September 14, 2023. There were no comments from the Board.

Result: Motion passed unanimously {5-0-0}.

b. **Action:** Review and Approval of Encumbrance Carry Forwards

Motion by: Ms. Karp

Seconded by: Mr. Graff

MOVED, that the Glastonbury Board of Finance hereby recommends to the Town Council the approval of the FY 2023 carry forward of encumbrances as appropriations from the Fund Balance as follows:

\$349,931 from the General Fund and \$11,752 for the Sewer Operating Fund

Result: Motion passed unanimously {5-0-0}.

c. Communication: Review of Capital Outlay Carry Forward

Ms. Rowley reviewed the report dated September 14, 2023. There were no comments from the Board.

d. Communication: Review of Intra-Department Transfers Under \$5,000

Ms. Rowley reviewed the report dated September 15, 2023. There were no comments from the Board.

e. **Action:** Review and Approval of Intra-Department Transfers Over \$5,000

Motion by: Ms. Karp

Seconded by: Mr. Graff

MOVED, that the Glastonbury Board of Finance hereby approves the June 30, 2023 intra-department transfers over \$5,000 in the amount of \$1,343,743.05.

Disc: Mr. Zeller asked if they will still be under budget by \$1.08 million if they do this. Ms. Rowley stated yes.

Result: Motion passed unanimously {5-0-0}.

f. **Action:** FY2023 Year-end Inter-Departmental Transfers

Motion by: Ms. Karp

Seconded by: Mr. Graff

MOVED, that the Glastonbury Board of Finance hereby approves the June 30, 2023 inter-department transfers in the amount of \$183,460.

Result: Motion passed unanimously {5-0-0}.

g. **Action:** FY 2023 Transfer to Capital Reserve

Motion by: Ms. Karp

Seconded by: Mr. Zeller

MOVED, that the Glastonbury Board of Finance hereby approves a transfer of \$567,000 from Employee Health Insurance and a transfer of \$62,000 Debt - Temporary Notes to Transfers Out - Capital Reserve for a total of \$629,000.

Result: Motion passed unanimously {5-0-0}.

4. Communication:

a. Pension Report - July 2023

Ms. Rowley reviewed the report dated August 21, 2023. Mr. Constantine asked if the funding ratio goes up every month. Ms. Rowley stated that it fluctuates. An additional \$2.7 million in assets is needed for it to go up.

b. Flash Report - August 2023

Ms. Rowley noted that Mr. Kachmar will attend the Board's October meeting.

5. Communication: Month End Investments – July 2023

Ms. Rowley reviewed the report dated September 20, 2023. There were no comments from the Board.

6. Communication: Financial Summary (Expenditures) for 2 months - August 2023

Ms. Rowley reviewed the report dated September 15, 2023. There were no comments from the Board.

7. Communication: Capital Projects – August 2023

Ms. Rowley reviewed the report dated September 14, 2023. There were no comments from the Board.

8. Communication: Self Insurance Reserve Fund – August 2023

Ms. Rowley reviewed the report dated September 6, 2023. There were no comments from the Board.

9. **Action:** Transfers over \$5,000 (10 Coltsfoot)

Motion by: Ms. Karp

Seconded by: Mr. Zeller

MOVED, that the Glastonbury Board of Finance hereby approves to transfer \$22,950 from Town Manager - Office Supplies to Town Manager - Professional Services.

Disc: Mr. Zeller asked if the Town owns this property. Mr. Luiz explained that 10 Coltsfoot Circle is owned by a private person but the neighborhood has complained that it is dangerous. The Building Official determined it was a hazard and asked the owner to take care of it, but they refused. The Town is collecting quotes to demolish the building and place liens on it.

Result: Motion passed unanimously {5-0-0}.

10. Communication: Bank Collateralization Report

Ms. Rowley reviewed the report as of June 30, 2023.

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

12. Adjournment

Motion by: Ms. Karp

Seconded by: Mr. Graff

BE IT RESOLVED, that the Glastonbury Board of Finance hereby adjourns at 4:59 p.m.

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.