

**GLASTONBURY TOWN COUNCIL
FINAL BUDGET HEARING
WEDNESDAY, MARCH 20, 2024**

The Glastonbury Town Council with Town Manager, Jonathan Luiz, in attendance, held the Final Budget Hearing at 7:00 p.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.

1. Roll Call.

Council Members

Mr. Thomas P. Gullotta, Chairman
Ms. Jennifer Wang, Vice Chairman
Ms. Deborah A. Carroll
Mr. Kurt P. Cavanaugh
Mr. John Cavanna
Mr. Larry Niland
Ms. Mary LaChance
Mr. Jacob McChesney
Mr. Whit Osgood

a. Pledge of Allegiance. *Led by Jonathan Luiz*

PUBLIC HEARING AND ACTION ON PUBLIC HEARING

7:00 P.M. FINAL BUDGET HEARING – 2024-2025 GENERAL FUND – TOWN OPERATIONS, EDUCATION, DEBT AND TRANSFER, REVENUES, TRANSFERS AND USE OF FUND BALANCE, CAPITAL IMPROVEMENT PROGRAM, AND SPECIAL REVENUE FUNDS.

Mr. Luiz explained the changes that have been made to the proposed budget. Regarding the CIP, he reviewed the key differences between two possible funding scenarios, A and B. He then reviewed the Debt and Transfers, explaining an overview of the Town Manager’s proposal, the BOF’s adjustment, and the proposed adjustments presented tonight. Regarding the OPEB Trust, he is comfortable recommending a \$100,000 reduction from what was originally proposed for funding. Mr. Luiz explained that the BOF had recommended a \$157,000 reduction to the Town Operating Budget. He put forward how that could be accomplished. He then explained that, should the Council choose, the aforementioned \$100,000 in OPEB savings could be allocated to fund the Library Maker Space position. Alternatively, those funds may not be allocated at all.

Mr. Luiz alerted the Council to revenue assumptions, such as various fees increasing in different Town departments. Additionally, there is the question of the interest income. His initial proposed budget was 4%, but later suggested 4.25% to the Board of Finance. His recommendation now is to return to 4%, given that the Federal Reserve has indicated cutting interest rates several times before the end of the year. He also explained that the BOF changed the collection rate from

99.15% to 99.2%, but he prefers to leave it at 99.15%. He explained that the BOF's proposed budget yields a 3% increase in the mill rate. He noted that, if the Town did not experience the loss of the motor vehicle state grant revenue, then the mill rate increase would have been only 1.46%.

Mr. Luiz explained that \$225,000 is available to cover the projected \$191,000 cost for the EV charging stations. He also noted that the Town does not adequately fund reasonable expectations of police overtime. In the past few years, the police department has not been fully staffed, which is why the underfunding of overtime has not yet become a problem overall in the police budget. He cautioned that if the GPD was to ever be fully staffed, then police overtime funding would need to increase.

2. Public Comment.

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

John Stevens of 12 Flanagan Drive, supports the Town Manager's proposed CIP Scenario B, which allows the Town to bond sooner than Scenario A. Under Scenario B, more projects will be completed and not delayed another year. It will also allow the Town to have more cash funding for needed projects such as a new Fire Engine and Animal Shelter.

Ms. Wang wants to ensure that the \$1.83 million is the entire remaining ARPA funds. Mr. Luiz replied yes; after this action, there will be nothing left to allocate for ARPA. Regarding the animal shelter proposal, Ms. Wang asked if Wethersfield would still be doing their own animal control operations, or would they utilize Glastonbury's services. Mr. Luiz explained that the extent of his discussion was on them using Glastonbury's shelter. Ms. Wang asked what they would contribute to the construction cost, as well as ongoing maintenance. Mr. Luiz stated that the Town can submit an application for a STEAP grant this summer, and they can also ask Wethersfield and Marlborough to do the same. Ms. Wang asked if the other fire apparatus (not Engine Tanker 42), which is on next year's pro forma, has also gone through inspections. Mr. Luiz stated that it is mandatory to do inspections periodically, but he will report back.

Ms. Carroll asked to speak to the collection rate. Mr. Luiz explained that, at the BOF meeting, he was comfortable going up from a 4% investment return to 4.25%. After that meeting, he read articles about the Federal Reserve cutting interest rates three times before January 2025. He is comfortable building in a little margin of error. Mr. Niland pointed out that, even if the cuts are made, they will not be until later in the year, and the Town will have overperformed that 4% number as it is. Mr. Luiz explained his 4% is on the conservative side.

Mr. Osgood asked if the \$61,000 difference between 4% to 4.25% would be placed back into the Town Operating budget. Mr. Luiz stated that they could allocate it wherever the Council would like, but should they not allocate it for more spending, then it would lower the amount to be collected from property taxes. Mr. Osgood supports the 4% investment return figure. Regarding the collection rate, Mr. Osgood is comfortable raising it to 99.2%, as they have exceeded the 99.15% figure every year that he has been on the Council. This would be an additional \$88,000 in revenue.

Mr. Cavanaugh asked about the \$100,000 proposal for the library maker space. Mr. Luiz explained that there was a proposal to have a new full-time maker space position and also more part-timers. The library was able to increase part-time hours due to the passport program being eliminated, but the greatest need is for the maker space position, which is \$96,000 with benefits. Mr. Niland asked how much lead time is needed for the fire trucks. He requests at least discussion on bonding for fire equipment. Mr. Luiz stated that the Fire Chief initially submitted the full amount for Tanker 42, but agreed to break it up into two allotments. Under that scenario, they would not have placed an order until the second year, so this would not put them behind the timeline. Mr. Niland asked how much lead time is needed to get it on the docket for a November referendum. Mr. Luiz will speak with the Town Clerk about that. Mr. Niland is very concerned about their outyears in CIP and how underfunded they are now. Mr. Luiz noted that the BOF will take up this matter in their April meeting.

Ms. Carroll supports moving the OPEB money to create the full-time library position. Mr. Osgood is against it because the tax increase is too much. Ms. Carroll countered that the majority of the town voted to expand the library and many residents have expressed that they want to be able to use that space. To her, it seems more wasteful to build an addition which they will not use. Mr. McChesney believes that the maker space has the potential to offer programming for everyone, so he will support it. Mr. Cavanaugh agrees with Mr. Osgood's philosophy that the \$344 tax increase on the average property owner this year will increase indefinitely, but this is not where the bulk of the money is in the budget, so he sees no reason to deny it. Ms. Wang supports adding this position as a means to bring the Town closer to where peer communities are on library staffing and programming.

Mr. Osgood proposed that the Town Operating budget be reduced by \$100,000. He explained that by adding \$100,000 for the library, the Town Operating budget would remain the same. Mr. Niland is not interested in reducing it more from the BOF's \$157,000 reduction. Mr. Osgood also proposed decreasing the Education budget by an additional \$200,000 from the \$475,000 that the BOF recommended. Mr. Niland is also not in favor of that because the BOE is already in a soft budget freeze this year and will be losing another \$200,000 in reimbursement revenue for magnet school tuition. Mr. Cavanaugh asked Assistant Superintendent Matthew Dunbar where exactly the 1% fund stands today. Mr. Dunbar does not have the number. Mr. Niland later updated that there is just over \$200,000 left in the 1% fund.

Mr. Niland agreed with Mr. Osgood on the 99.2% collection rate and 4% investment return assumption. Ms. Wang concurred. Mr. Gullotta would like to stick with the old collection rate figure, so he will not support this. Mr. McChesney asked what impact this would make financially on the budget. Mr. Luiz explained that, once the Council makes their decision on which CIP scenario to proceed with, that will provide clarity.

The Council then shared their comments on the CIP Scenarios A versus B. Ms. Carroll asked, if the animal control shelter becomes a shared project, will the Town have to increase staffing or will they pool together resources with other municipalities. Mr. Luiz has not discussed staffing yet. Mr. McChesney found the recent presentation on the Williams Memorial project very helpful. He believes that it is a worthy expenditure to create expanded flex space in town. Ms.

Wang agreed. Regarding the Fire Apparatus, Mr. Niland strongly supports a bonding referendum in November, as well as evaluation of longer-term needs with the Fire Chief.

On every capital item presented, the Council agreed to proceed with CIP Scenario A, with no changes.

Mr. Luiz then returned to answer Mr. McChesney's earlier question. He explained that, under Scenario A, he built in a \$149,000 further reduction, as a conservative measure in anticipation of the Council choosing to keep both the interest rate and the collection rate lower. Because the Council chose to proceed with the higher collection rate, there is an additional \$88,000 available, which could be reprogrammed anywhere in the budget. If it is not reprogrammed, then it could reduce the transfer-in to the Capital Reserve, which would lower the mill rate to 2.97% as opposed to 3%. The majority of the Council seemed to agree with that.

The Council then recessed for five minutes, returning at 8:17 p.m.

With no further comments from the public, the public hearing was closed.

3. Old Business.

a. Action on Resolutions Adopting the 2024-2025 Operating Budget.

(1) General Fund Appropriations and Transfers.

- Town Operations
- Education
- Debt and Transfer

Motion by: Ms. Carroll

Seconded by: Mr. Cavanaugh

BE IT RESOLVED, that the Glastonbury Town Councils approves an appropriation of \$50,305,500 for the 2024/2025 **Town Operating Budget**.

Amendment by: Mr. Osgood

Seconded by: Mr. Cavanaugh

To reduce the appropriation by \$100,000.

Disc: Mr. Osgood explained that this is important, in order to keep taxes as low as possible.

Result: Amendment failed, {1-8-0}, with Mr. Osgood voting for.

Returned to original motion

Disc: Mr. McChesney is voting for this because it reflects a \$100,000 transfer from Debt and Transfers to fund the library position. Mr. Cavanaugh thanked Mr. Luiz for being very responsive to their questions and for all his hard work.

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

Motion by: Ms. Carroll

Seconded by: Mr. Cavanaugh

BE IT RESOLVED, that the Glastonbury Town Council approves an appropriation of \$124,471,745 for the 2024/2025 Education Budget.

Amendment by: Mr. Osgood

Seconded by: Mr. Cavanaugh

To reduce the appropriation by \$200,000.

Disc: Mr. Osgood stated that the BOE has available monies in their 1% fund. Mr. McChesney noted the reason he is not voting for the further reduction is because of what Mr. Niland mentioned. Since the proposed BOF reduction, there are reports of more cuts that the BOE will have to make. Mr. Niland stated that a lot of credit needs to go to the BOE for reducing the Superintendent's budget by \$1.1 million. He does not support further cuts. Mr. Osgood noted that the BOF recommendation is a 3.5% increase over last year's BOE budget.

Result: Amendment failed {3-6-0}, with Mr. Osgood, Mr. Cavanna, and Mr. Cavanaugh voting for.

Returned to original motion

Result: Motion passed {6-3-0}, with Mr. Osgood, Mr. Cavanna, and Mr. Cavanaugh voting against.

Motion by: Ms. Carroll

Seconded by: Mr. Cavanaugh

BE IT RESOLVED, that the Glastonbury Town Council approves an appropriation of \$12,194,300 for the 2024/2025 Debt & Transfers Budget.

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

(2) General Fund Revenues, Transfers and Use of Fund Balance.

Motion by: Ms. Carroll

Seconded by: Mr. Cavanaugh

BE IT RESOLVED, that the Glastonbury Town Council approves the 2024/2025 General Fund Revenues and Transfers in the amount of \$186,971,545.

Disc: Mr. Cavanaugh commented that \$187,000 is a lot of money and hardly anyone is in the audience to speak up about it. He is amazed that very few people are participating in their budget process. Mr. McChesney was leaning towards the 99.15% versus 99.2% collection rate, but recognizes that most councilors are in favor of changing it.

Result: Motion passed {7-2-0}, with Mr. Osgood and Mr. Cavanna voting against.

(3) Capital Improvement Program.

Motion by: Ms. Carroll

Seconded by: Mr. Cavanaugh

BE IT RESOLVED, that the Glastonbury Town Council approves the 2024/2025 **Capital Improvement Program Budget** in the amount of \$15,559,141. Funding will be provided as follows:

Capital Reserve Fund	\$7,965,421
Town Aid Road	\$461,217
American Rescue Plan Act (ARPA)	\$1,832,503
Sewer Sinking Fund	\$5,300,000

Disc: Mr. Luiz clarified that this incorporates the BOF’s reduction and the \$149,000 adjustment for the Capital Reserve Fund.

Amendment by: Ms. Carroll

Seconded by: Mr. Cavanaugh

To incorporate the proposed changes Under CIP Scenario A.

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

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

(4) Special Revenue Funds.

- Sewer Operating Fund

Motion by: Ms. Carroll

Seconded by: Mr. Cavanaugh

BE IT RESOLVED, that the Glastonbury Town Council approves the 2024/2025 **Special Revenue Fund Appropriations, Revenues and Transfers:**

Sewer Operating Fund	\$3,519,400
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Result: Motion passed unanimously {9-0-0}.

b. Action on amendments to fees and charges for Transfer Station Operations effective July 1, 2024.

Motion by: Ms. Carroll

Seconded by: Mr. Cavanaugh

BE IT RESOLVED, that the Glastonbury Town Council hereby approves amendments to the Permit Fees, Trip/Tip Fees, and Non-Processibles Fees for disposal of municipal solid waste at the Town Transfer Station effective July 1, 2024, as described in a report by the Town Manager dated March 18, 2024.

BE IT FURTHER RESOLVED, that the Glastonbury Town Council hereby approves amendment of the Proposed Permit Fee Increase to include a Veteran and Active Military Discounted Rate to be equal to the Senior Discounted Rate.

Disc: Mr. Cavanna would like to include a double-benefit option for those who are both seniors and veterans. Mr. Gullotta asked if Mr. Cavanna can hold on that idea until next year, to see how many people will sign up at all. Mr. Cavanna agreed to wait.

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

c. Action on amendment to Parks and Recreation Fee Schedule effective July 1, 2024.

Motion by: Ms. Carroll

Seconded by: Mr. Cavanaugh

BE IT RESOLVED, that the Glastonbury Town Council hereby approves the Parks & Recreation Department Schedule of Fees and Charges – General Fund and Special Revenue Fund, as amended, effective July 1, 2024, as described in a report by the Town Manager dated March 18, 2024 and as recommended by the Recreation Commission.

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

4. Adjournment.

Motion by: Ms. Carroll

Seconded by: Mr. Cavanaugh

BE IT RESOLVED, that the Glastonbury Town Council hereby adjourns the Town Council meeting of March 20, 2024 at 8:36 p.m.

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

Respectfully submitted,

Lilly Torosyan

Lilly Torosyan
Recording Clerk

Thomas Gullotta
Chairman