

**GLASTONBURY BOARD OF FINANCE
REGULAR MEETING MINUTES
WEDNESDAY, MAY 15, 2024**

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. Also in attendance was Christopher Liebel, Controller.

Roll Call

Members

Mr. Constantine “Gus” Constantine, Chairman
Mr. Jared Soper, Vice Chairman
Mr. James Zeller
Mr. Robert Lynn
Ms. Susan Karp
Mr. Kevin Graff

1. Public Comment Session: Comments pertaining to the call ***None.***
2. Communication: Minutes of April 17, 2024 Regular Meeting

Minutes accepted as presented.

3. Discussion and possible action: The Board of Finance moves to change the interest rate assumption for the OPEB Plan from 6.50% that was originally presented by Milliman in the July 1, 2023 OPEB valuation to 6.25% as reflected in the Milliman OPEB Valuation Highlights dated April 19, 2024.

Mr. Soper thanked Town Staff for finding both the ordinance and policy statement from May 2011, which indicates that the BOF are the trustees for this account, so they can make this action.

Motion by: Mr. Soper

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance moves to change the interest rate assumption for the OPEB Plan from 6.50% that was originally presented by Milliman in the July 1, 2023 OPEB valuation to 6.25% as reflected in the Milliman OPEB Valuation Highlights dated April 19, 2024.

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

4. Communication:
 - a. Pension Report - March 2024
 - b. Flash Report – April 2024 (if available)

Ms. Rowley stated that Mr. Kachmar will attend the Board’s June meeting to review these reports, as well as present on the OPEB trust. Mr. Soper pointed out that the BOF had requested to keep more money in the treasury bill, which was a good decision.

5. Communication: OPEB Investment Policy and Memo for follow up discussion in June

Ms. Rowley presented the report dated May 10, 2024. Mr. Soper believes that the May 2011 OPEB Investment Policy would still be in place. Ms. Rowley could not find a record of when that policy was presented and adopted by the Board, so the suggestion is to review that May 2011 policy statement, rework it if needed, and adopt a new draft. Mr. Soper stated that the May 2011 mimics the retirement investment policy statement, but the difference is the asset allocation and the benchmark. Mr. Zeller asked if this policy could be adopted in June. Ms. Rowley replied yes, BOF members can email their requested changes, which she will present in a document at their June BOF meeting. Mr. Soper recommends that any draft for the asset allocation be the same as the pension. Mr. Lynn asked if their risk and run rate mirrors the pension, too. Mr. Soper asked about the timeframe of the liabilities they are looking at. Ms. Rowley will report back.

Mr. Zeller asked if they would like to dive into the two different groups, pre-65 and post-65. Ms. Rowley explained that OPEB is currently set up to be more complex than necessary, but that is similar to how it is for most municipalities. The Town has been putting money into this OPEB trust fund, but what they are taking out are administrative costs because they pay healthcare costs out of the health insurance fund for those under-65. For the over-65s, they are paying out of another account, with a fully-insured Medicare plan. Even though the additional expenditures do not run through the OPEB trust, they are recorded as a contribution-in from the town and an expenditure-out, so it is like they run through the trust. Ms. Karp asked to show a visual of everything just described. Ms. Rowley will put together a chart for the Board.

6. Communication: Month End Investments – March 2024

Mr. Liebel presented the report dated May 15, 2024.

7. Discussion and possible action on updating the Investment Policy – Short-Term Versus Long-Term Portfolio

- a. Increase longer-term investment amount from 5% to 8%

Mr. Liebel presented the report dated May 15, 2024. After speaking with other towns on their investment policies, he believes that there is room to increase the Town's limit on long-term investments. It seems like none of their surrounding towns have a limit, so Glastonbury is already very well-controlled and structured compared to other communities. What he proposes is increasing the limit of investments from 5% of general expenditures to 8%; the net impact would be over \$5 million extra to deploy.

Mr. Soper asked how he arrived at 8%. Mr. Liebel would have recommended 10%, but on face value, he felt that doubling the limit overnight felt excessive. Mr. Soper asked what 25% of the portfolio is in dollars. Mr. Liebel stated that it would be 25% of about \$119 million. Mr. Constantine asked if there is a downside to this. Mr. Liebel stated potentially, if they have a cash crunch or rates go up; however, given that the Town has had enough cash and rates will go down, he does not see a downside. Mr. Zeller noted that the biggest hit they took was Storm Albert, so the Town is well covered. He supports going to 8% but looking to possibly increase it in future years. Mr. Soper will support Mr. Liebel's recommendation.

Motion by: Ms. Karp

Seconded by: Mr. Soper

BE IT RESOLVED, that the Glastonbury Board of Finance approve the updated Investment Policy, as presented at the May 15, 2024 meeting.

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

8. Communication: Financial Summary (Expenditures) for 10 months – April 2024

Ms. Rowley presented the report dated May 10, 2024.

9. Communication: Special Revenue Funds Q3-2023 Reports

- a. Sewer Operating and Sewer Sinking Funds
- b. Recreation Activities and Police Private Duty Funds

Ms. Rowley reviewed the reports May 10, 2024.

10. Communication: Capital Projects – April 2024

Ms. Rowley reviewed the report dated May 10, 2024.

11. Communication: Capital Projects - Follow-up questions from board members

Ms. Rowley explained that this is a follow up from the BOF's April meeting. The Council supported the BOF's recommendation to bond, and she anticipates in-depth conversations about this in FY25. She asked if there is anything that the BOF would like more information on now for her to research. Mr. Soper asked if thought was raised to hold two referendums. Mr. Luiz stated that the Council discussed this, and he and Ms. Rowley recommended one referendum, which would take place in November 2025. There may be two questions on the ballot: one for the fire package and one for the school package. Mr. Soper supports holding one referendum.

Recognizing that the referendum is not considered until November 2025, Ms. Karp asked about the timeframe or schedule for considering capital projects going forward. Mr. Luiz has met with the Superintendent and Facilities Director to ensure that the timing was right for each of these projects. He noted that they have the dates down for when the fire apparatus and school roofs need to take place, but that would all go out the window if the referendum does not go through.

12. Communication: Self Insurance Reserve Fund – April 2024

Ms. Rowley reviewed the report dated May 7, 2024. There have been 17 large loss claims. Of those, 7 that have triggered the stop loss: 2 from the Town and 5 from the BOE.

13. Communication: Transfers Approved by Town Manager Since Last Meeting - None

14. **Action:** Transfers over \$5,000

- a. \$91,967 Capital Projects – ARPA Senior Center Facilities Improvements

Motion by: Ms. Karp

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby approves a transfer of \$91,967 from Capital Reserve – Unassigned Fund Balance to Capital Projects – ARPA Senior Center Facilities Improvements, as presented without changes.

Disc: Mr. Luiz noted that the state legislature may have reduced the total pool of funding for this program, but they do not know yet. Therefore, there is a possibility that the Town will receive a

letter, stating that the total reimbursals is less than this listed amount. If that happens, he explained that the Council will approve whatever that lower number is.

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

b. \$47,000 Insurance Employee Related Insurance

Motion by: Ms. Karp

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby approves a transfer of \$47,000 from Insurance – Pension to Insurance Employee Related Insurance, as presented without changes.

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

15. **Action:** Recommend the transfer of certain uncollected taxes to the Suspense Tax Book

Motion by: Ms. Karp

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby recommends the transfer of certain uncollected taxes to the Suspense Tax Book.

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

16. Board of Finance Committee Reports, comments and remarks (no action to be taken)

Mr. Constantine stated that PBC has not yet met. He asked Town Staff to compile and present a document listing the rules, procedures, and responsibilities of the BOF. Mr. Soper supports the suggestion.

17. Adjournment

Motion by: Ms. Karp

Seconded by: Mr. Lynn

BE IT RESOLVED that the Glastonbury Board of Finance moves to adjourn their meeting of May 15, 2024, at 4:51 p.m.

Result: Motion passed 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 link to access the 'Town's Video OnDemand platform.'