

# TOWN OF WINDSOR, CONNECTICUT

## Special Meeting Notice



**AGENCY:** Finance Committee

**DATE:** June 15, 2016

**TIME:** 6:30 PM

**PLACE:** Town Hall – Ludlow Room

### AGENDA

1. Call to Order
2. Public Comment
3. \*Review of Year End Purchase Orders
4. \*Review of Year End Transfers
5. Staff Reports
6. Approval of Minutes
  - a) \*March 14, 2016
7. Adjournment

\*Backup materials will be posted prior to the meeting

Public Act 75-312 requires notice of Special Meetings to be posted in the Town Clerk's Office not less than 24 hours prior to the time of such meeting. No other business shall be considered at this meeting than that listed on this Agenda.

## Agenda Item Summary

Date: June 15, 2016

To: Members of the Finance Committee

Prepared by: James Bourke, Assistant Finance Director

Reviewed by: Peter Souza, Town Manager 

Subject: Approval of FY 16 Year-End General Fund Encumbrances

Background

Below for the Finance Committee's review are FY 16 year-end encumbrances as of June 15, 2016. When goods and services are received and paid for in the next fiscal year, a purchase order must be opened to encumber the funds. By encumbering the funds, the Town Council is formally extending budgetary authority into the next fiscal year for that line item.

Discussion/Analysis

There are six FY 16 General Fund open purchase orders as of June 15, 2016, totaling \$73,400.39 that are expected to be encumbered. They are as follows:

Town of Windsor FY 16 Year-End General Fund Open Purchase Orders As of June 15, 2016				
Department	P.O. #	Vendor Name	Product / Service Description	Amount
<i>Administrative Services - Information Technology</i>				
Other Capital Equipment	16276	Y and S Technologies	Uninterruptible Power Supply - Unit	\$11,472.90
<i>Library - Main Building</i>				
Contractual Services	16220	Automatic Door Doctor Inc.	New Front Entry Door	\$8,500.00
<i>Public Works - Facilities Management</i>				
Contractual Services	16275	Brian Electric	Uninterruptible Power Supply - Electrical	\$15,800.00
<i>Police - Administration</i>				
Other Capital Equipment	16217	Eaton Corporation	Uninterruptible Power Supply - Unit	\$13,377.49
Repair & Maintenance	16211	Lombardo Brothers Constr.	Repair Sidewalk Police Station	\$14,980.00
<i>Police - Uniformed Patrol</i>				
Clothing Allowance	16209	Guardian Uniform & Supply	Police Uniforms	\$9,270.00
			<b>Total Police</b>	<b>\$37,627.49</b>
<b>General Fund Total</b>				<b>\$73,400.39</b>

Other Board Action

None

Recommendations

If the Finance Committee is in agreement, the following motion is recommended for approval:

**“MOVE that the Finance Committee recommend that the FY 16 General Fund open purchase orders as of June 15, 2016 be submitted and approved by the Town Council until October 17, 2016.”**

Attachment

None

## Agenda Item Summary

Date: June 15, 2016

To: Members of the Finance Committee

Prepared By: James Bourke, Assistant Finance Director

Reviewed By: Peter Souza, Town Manager 

Subject: Approval of FY 16 Year-End Transfers

### Background

The Town Council has traditionally granted the Finance Director the authority to transfer up to \$5,000 between departments (offsetting those that have gone over budget with those that have come in under budget) at the end of the year. This same authorization is respectfully requested at this time.

In addition, the Finance Director has historically requested finance committee authorization to transfer funds to service units that have gone over budget by more than \$5,000. In FY 16, two service units, Recreation and General Government, are projected to be over budget in an amount greater than \$5,000. Therefore, we are requesting the Town Council to authorize the transfer of funds from the Public Works Department budget as it is projected to have an approximate year-end balance of \$204,950 primarily due to a mild winter and salary savings.

### Discussion/Analysis

Staff is projecting the Town Support for Education portion of the budget to go over budget by \$4,730. The main drivers for these additional costs are mandated funding for aid to private schools related to health/nursing services (Medina Academy) and staffing cost for public works staff assigned to athletic field maintenance. It is recommended that the Finance Director be authorized to make this year-end transfer.

General Government is projected to go over budget by \$34,550 for FY 16. The main driver for these additional costs are three additional (2 for FY 16 and 1 for FY 17) budget referendums, as well as legal fees mostly due to workers compensation cases. It is recommended that a transfer of \$34,550 be made from the FY 16 Public Works Department budget.

Recreation and Leisure Services is projected to go over budget by \$7,840. The main drivers for these additional costs are due to an underground water leak at Welch Park, a motor replacement at Goslee Pool and vehicle repairs. It is recommended that a transfer of \$7,840 be made from the FY 16 Public Works Department budget.

### Other Board Action

None

Recommendations

If the Finance Committee is in agreement, the following motions are recommended for approval:

**“MOVE that the Finance Committee recommend to the Town Council that the Director of Finance be granted approval of transfer authority to make year-end transfers in the General Fund of not more than \$5,000 per account.”**

**“MOVE to recommend to the Town Council approval of a transfer of \$34,550 from Public Works to General Government to cover the year-end projected deficit.”**

**“MOVE to recommend to the Town Council approval of a transfer of \$7,840 from Public Works to Recreation and Leisure Services to cover the year-end projected deficit.”**

Attachments

None

**TOWN OF WINDSOR  
FINANCE COMMITTEE  
SPECIAL MEETING  
MARCH 14, 2016  
TOWN HALL – LUDLOW ROOM**

**UNAPPROVED MINUTES**

**1. CALL TO ORDER**

Deputy Mayor Jody Terranova, Chair of the Finance Committee, called the meeting to order at 7:00 p.m. Present were Deputy Mayor Jody Terranova, Councilors Randy McKenney and Donald Jepsen. Town Manager Peter Souza was also present.

**2. PUBLIC COMMENT - None.**

**3. DISCUSSION OF JOINING CAPITAL REGION STOP LOSS INSURANCE COLLABORATIVE.**

Town Manager Peter Souza provided an overview of the Capital Region Education Council's (CREC) initiative to create a stop loss insurance collaborative. He explained that the objective is to minimize risk and potentially save money. A decision would have to be made by Windsor in April/May as to whether or not the town would commit to joining the collaborative.

Town Manager Souza introduced Tracey May of Arthur Gallagher Company, and invited him to speak about the collaborative. Mr. May provided background information about Windsor's current stop loss insurance situation. He explained ways to mitigate stop loss insurance coverage costs, including establishing a stop loss insurance collaborative. Mr. May went on to explain CREC's role in organizing and potentially funding the collaborative. He said that in terms of governance structure, each participating entity would have a single vote as well as the opportunity for its representatives to participate in committees and subcommittees. Mr. May said that the current concept is for each municipality to commit to a three year period. Town Manager Souza explained that the Windsor Town Council would appoint a representative to the collaborative.

Councilor McKenney asked if a school district could be in the collaborative but not the town. Mr. May explained that there are very few entities in the collaborative that are stand-alone. Town Manager Souza said that at this point in time, just the Windsor general government is actively pursuing joining the collaborative.

Councilor McKenney inquired about how CREC came to establish an insurance company. Mr. May explained that CREC has been pursuing municipal regional efficiencies. Town Manager Souza said that while CREC is the corporate member, it would not have more voting power than other participants. Mr. May said the State of

Connecticut Department of Insurance has endorsed CREC's stop loss captive in concept as well as CREC's timeline for establishing the stop loss captive.

Councilor Jepsen sought clarification on the amount of savings that is targeted for capture and how any surpluses would come back to Windsor. Mr. May explained that end-of-year surpluses could be dispersed in accordance with board decision.

Councilor Jepsen asked about the establishment of a reserve. Mr. May provided information about the establishment of the initial rate and how that will take into consideration the requirements for reserves.

Councilor Jepsen asked if a member of the consortium can be voted out by the other members. Mr. May said the answer to that question depends on governance. He pointed out that the different rate charged each participating entity would be adjusted based on claims experience.

Deputy Mayor Terranova asked how the seventeen interested parties came to get involved in the consortium. Town Manager Souza said that it was generally the Capital Region Council of Governments communities with self-funded health insurance that were asked to consider joining the stop loss insurance consortium.

Deputy Mayor Terranova asked who is drafting the bylaws now. Town Manager Souza said that municipal representatives and Day Pitney and Marsh have been working together on the bylaws.

Deputy Mayor Terranova asked if there are any other stop loss insurance captives like this in Connecticut. Mr. May said this would be the first municipal stop loss insurance captive of this type in Connecticut because recent legislation allowed municipalities to establish a captive.

Councilor McKenney left the room at 7:36 p.m. and returned at 7:37 p.m.

#### **4. REVIEW OF CARING CONNECTION AND DISCOVERY CENTER ENTERPRISE FUND BUDGETS**

##### *Child Development Enterprise Fund*

Town Manager Souza discussed the projected end of fiscal year loss for FY16. He went on to discuss programmatic changes proposed for FY17.

Deputy Mayor Terranova asked about the change. Director of the Discovery Center Laura Casey provided specific details about the change. Town Manager Souza said that a modest fee increase is proposed for FY17. He went on to explain that a change is proposed for after school care in FY17.

Town Manager Souza discussed the retained earnings amounts projected for the end of FY16 and the end of FY17. He said that the enterprise's expenditures and revenues would be closely monitored for the remainder of FY16.

Deputy Mayor Terranova inquired about the open house held recently. Ms. Casey provided statistics about how many people left deposits as a result of the open house. She said that every person than came to the open house except one found out about the services via Google. Ms. Casey explained the work that has already been done concerning advertising the summer camp program. Ms. Casey said that a number of enrolled families have told her that they are leaving the state.

Caring Connection Enterprise Fund

Town Manager Souza provided a recap of the FY16 budget. He said that overall revenues for FY16 should be over what was budgeted. Town Manager Souza reviewed client days' totals for FY16. He also reviewed expenditures for FY16. Town Manager Souza said that he anticipates asking the Town Council for a supplemental appropriation in FY16 in consideration of likely cash flow problems. He discussed staffing changes proposed in FY17 due to an expected retirement. He also explained the proposed reduction in Transportation costs in the FY17 budget.

Town Manager Souza discussed the projected annual losses for FY16 and FY17. He pointed out the expenditures that the enterprise has in its budget that supports the General Fund with respect to utilities expenses at 330 Windsor Avenue.

Deputy Mayor Terranova inquired about third quarter revenues. Caring Connection Director Lois Arsenault said that she expects March revenues to be lower than February revenues due to clients going out on medical leave and leaving temporarily for Florida.

**5. DISCUSSION OF ZERO BASE BUDGET FORMATS FOR HEALTH DEPARTMENT**

Town Manager Souza invited Health Director Dr. Michael Pepe and Finance Department employee Kelly Barrett to discuss the zero based budget exercise they conducted with the Health Department. Ms. Barrett discussed the steps that she and Dr. Pepe followed as part of the exercise.

Dr. Pepe spoke about the challenge of determining what services were core, enhanced and discretionary services of the Health Department. He went on to talk about the calculations done to determine how much of the departmental staff resources are dedicated to each of the departmental services. Dr. Pepe talked about how the zero based budget process highlighted the need and costs associated with increasing the frequency of restaurant inspections in town.

Deputy Mayor Terranova asked how the zero based budget approach differed from how the budget is normally done. Dr. Pepe explained the differences. He explained that budget numbers were similar. Town Manager Souza said that the important aspect of any budget process is having measurable goals.

Deputy Mayor Terranova asked if restaurant inspection was the only service identified as being underfunded. Dr. Pepe answered yes.

Town Manager Souza asked the Committee if they found the exercise to be helpful and understandable.

Deputy Council Terranova expressed appreciation with the budget work being written out in the materials provided.

Councilor Jepsen said it was good and that the property maintenance issue taking away from other things stood out to him.

Town Manager Souza discussed the various services that the Health Department provides and how there can be differing opinions about whether or not they are core, enhanced or discretionary.

Councilor McKenney said that the discussion about what is core can change depending on staffing changes. He spoke of the various tasks that people in the Health Department perform and how people have differing opinions about how valuable services are.

## **6. REVIEW AND UPDATE ON FY 2017 BUDGET PREPARATION**

Town Manager Souza generally discussed the impact of the anticipated October 2016 Grand List and how it will impact the proposed FY17 Budget. He discussed state aid reductions in FY16 and how they impact overall revenue totals for FY16. He said that opening cash used in the FY16 budget will likely not be fully recovered. Town Manager Souza went on to discuss projected state aid figures for FY17. He said the state aid amounts to be included in his proposed FY17 budget will be in-line with the Governor's proposed budget.

Town Manager Souza discussed the impact of state motor vehicle tax changes on Windsor's FY17 and FY18. He said that the FY17 proposed budget will call for significant investment in capital projects such as road repaving, sidewalks, technology upgrades, and energy conservation and cost reductions measures.

Town Manager Souza explained that the minimum wage laws will have an impact on Windsor town employee salaries. He said that the budget will also provide funding for the police to have Narcon and vehicle cameras. He said OPEB contributions would increase by 70% in FY17. He briefly discussed expenditures and tax rates.

Councilor Jepsen asked if the FY18 projection included debt service for the Public Safety Complex project. Finance Director Bob Metcalf said that projections for FY18 does include debt service for the Public Safety Complex project. Town Manager Souza said that projections for future years anticipate using a portion of the Debt Service Fund.

Deputy Mayor Terranova inquired about state aid projections for FY17. Town Manager Souza explained the basis for FY17 state aid projections.

Councilor Jepsen asked about turnover in the police department and how backfilling positions is going. Town Manager Souza discussed the recent retirements and the number of officers eligible for retirement in the near future as well as the positions added in recent years.

**7. STAFF REPORTS**

**8. APPROVAL OF MINUTES**

a) January 25, 2016

Councilor McKenney MOVED and Councilor Jepsen seconded to approve the unapproved minutes of January 25, 2016.

Motion Passed 3-0-0

**9. ADJOURMENT**

Councilor McKenney MOVED and Councilor Jepsen seconded to adjourn the meeting at 8:50 p.m.

Motion Passed 3-0-0

Respectfully submitted by,

Jonathan Luiz, Assistant Town Manager