

**TOWN OF WINDSOR
FINANCE COMMITTEE
SPECIAL MEETING
AUGUST 15, 2016
TOWN HALL – LUDLOW ROOM**

APPROVED MINUTES

1. CALL TO ORDER

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

2. PUBLIC COMMENT

None

3. DISCUSSION OF FABCON PRECAST FIXED ASSESSMENT AGREEMENT

Town Manager Souza invited a representative from Fabcon and Economic Development Director Jim Burke to provide information on the overall fixed assessment agreement proposed for Fabcon. Mr. Burke explained that an extra 10% fixed abatement could be added to the standard 40% fixed abatement if the company meets certain conditions related to employee wage rates and the use of sustainable technologies. Mr. Burke went on to explain how the Town of Windsor will check to see if the company hits the employee wage targets as specified in the draft fixed abatement agreement.

Ryan Ksiazek, project manager from Fabcon, said that he does not feel that the company will have trouble beating the 5% mark for wages.

Council Jepsen asked if data obtained from the state breaks out entry level wages. Mr. Burke answered yes.

Mr. Burke said that he has worked with Fabcon to present proposed wages in a manner that can be accurately compared to State of Connecticut wage targets.

Town Manager Souza said that the Fabcon Chief Financial Officer raised an issue very late this afternoon concerning the \$12 million figure in the draft fixed abatement agreement. Mr. Ksiazek spoke of the investment in the facility. He said there is no hard building cost because the company has not gone out to bid for construction of the facility. Mr. Ksiazek said he wants to avoid a situation where the company loses all of the benefits from the fixed assessment agreement because the total construction cost falls short of the \$12 million amount.

Deputy Mayor Terranova asked if the company is proposing to change the \$12 million floor to \$11 million. Mr. Ksiazek answered yes. He asked if the assessed value would be based on how much money was spent on construction.

Councilor Jepsen asked how the property would be assessed. Mr. Burke described the assessment process to be utilized. Councilor Jepsen asked if the outcome would be a value of \$11 million. Mr. Burke said the value should be at least \$12 million.

Councilor Jepsen asked if the co-generation part of the project would be evaluated annually. Mr. Burke explained that the co-generation system would be evaluated once it is constructed and goes on-line. Mr. Ksiazek explained how the co-generation system would work. He said the system would allow for the site to almost have a net neutral power situation.

Deputy Mayor Terranova asked if the company's other facilities use co-generation. Mr. Ksiazek said this would be the first of the company's facilities to use co-generation.

Mr. Burke explained that the proposed agreement with the company provides up to twenty four months from the time the site plan is approved to complete the investment. Mr. Ksiazek said that if the Town Council gives final approval in September, then the company would want to break ground in January and have the facility up and running in seven months.

Councilor McKenney confirmed that the company wants to reduce the amount of the minimum investment in the facility to \$11 million from \$12 million. Town Manager Souza answered yes.

Councilor McKenney asked if the job titles that the company lists is common in the Hartford labor market. Mr. Burke answered yes. Mr. Ksiazek said that some staff will be hired months in advance of the facility opening so that the company would have adequate time to train them.

Councilor McKenney asked when the wage report would be due. Mr. Burke provided information about when the first wage report would be due after the facility is opened. Mr. Ksiazek explained that hiring would be done in waves based on training schedules. He said that the company would have a job fair in Windsor and that advertising for job openings would be done in local papers and via the local chamber of commerce.

Councilor McKenney asked when the company expects to make its decision. Mr. Ksiazek answered that the company would like to move forward as quickly as possible.

Councilor Jepsen MOVED and Councilor McKenney seconded that the Fabcon Precast, LLC, fixed assessment agreement as amended be recommended for approval by the Town Council.

Motion Passed 3-0-0

4. STAFF REPORTS

Town Manager Souza said that he expects to provide the Finance Department with updates on the Caring Connection and Discovery Center in October. He went on to provide an update of the ongoing financial audit.

Town Manager Souza asked Finance Director Jim Bourke to provide a summary of end-of-fiscal year unaudited projections for Fiscal Year 2016. Mr. Bourke explained that revenues are projected to be about \$880,000 to the good and expenditures are projected to about \$970,000 to the good. He listed the major drivers behind the positive variances. Mr. Bourke went on to explain that when considering the use of \$900,000 for opening cash and other General Fund appropriations approved by the Town Council, the General Fund Balance as of June 30, 2016 on a budgetary basis is projected to be an increase of \$780,000 for a total of \$20.7 million.

Town Manager Souza explained that the figure does not include the use of opening cash for the FY 17 budget.

5. APPROVAL OF MINUTES

a) June 15, 2016

Councilor McKenney MOVED and Councilor Jepsen seconded to approve the unapproved minutes of the June 15, 2016 Finance Committee meeting. The motion passed 3:0.

6. ADJOURMENT

Councilor McKenney MOVED and Councilor Jepsen seconded to adjourn the meeting at 7:32 p.m.

Motion Passed 3-0-0

Respectfully submitted by,

Jonathan Luiz
Assistant Town Manager