



**TOWN COUNCIL
COUNCIL CHAMBERS
Virtual Meeting
SPECIAL MEETING
APRIL 24, 2023
APPROVED MINUTES**

CALL TO ORDER

Mayor Trinks called the meeting to order at 6:30 p.m.

Present: Mayor Donald Trinks, Deputy Mayor Lisa Rampulla Bress, Councilor Nuchette Black-Burke, Councilor James Dobler, Councilor Ronald Eleveld, Councilor Kristin Gluck Hoffman, Councilor Kenneth Smith, Councilor Ojala Naeem, and Councilor Len Walker

1) PUBLIC COMMENT

David Furie, 37 Lighthouse Hill Road, stated he knows what an important but difficult task the budget is. It's one of the most important things that is done both on the Board of Education side and town side. He is in support of the proposed budget. He added that the Board of Education budget is 4.8% which is well below the rate of inflation and it is a maintenance budget without any new programs. It was approved by a bi-partisan vote. They are still relying on a small amount of federal funds. On the town side, this budget preserves what we have and makes some necessary investments in Safety Services as well as community investments. Although inflation has made this a difficult year, he believes any proposed tax increase can be rather small, especially with our growth in the grand list.

George Slate, 74 Ethan Drive, stated the town has the opportunity to accomplish what all of us would dream of. Back to back budgets, where one you can have a zero property tax increase followed by one with zero spending increase and still maintain services over that two year period. He believes that with the commentary on capacity, you realize you are looking at a two year time frame, not a one year time frame. He has come to the conclusion that one of the key decisions they are to make for FY 25 is to have zero opening cash, as that is the year that we don't have a spending increase. So this year, you build a capacity. He was surprised that the projected surplus for this year was \$6.3 million with \$3.2 million of it being from extra fees and licenses. He stated that we should increase OPEB (Other Post Employee Benefits) spending by another \$50,000.

2) PRELIMINARY DELIBERATIONS

Councilor Dobler stated that the Town Manager's proposed FY 24 budget came in with a 1% increase. He asked the Town Manager what it would mean moving forward if it went to a 1.95% increase. He asked that the Town Manager go over what the difference would be if we went from a 1% to a 2% increase. Town Manager Souza stated for FY 24, if you added \$1 million to the General Fund for one-time type of expenditures, that would bring the mill rate increase up to 1.95%. If you look to FY 25, that essentially provides up to \$2 million in capacity or flexibility for



Town Council Special meeting
April 24, 2023

the Council as they look to prepare and adopt a budget a year from now during revaluation. Speaking off a scenario that would be for a home in the 2018 revaluation, which had a fair market value of \$200,000, we are expecting on average single value homes to increase approximately 30% from 2018 to the Fall of 2023 for revaluation. There are a host of assumptions as we look at a year from now, but the assumption would be a 5% expenditure increase overall for FY 25. That would combine both the Board of Education and town and would equate to a 5% increase. As we've done in years past with revaluation, we separate out what the tax increase could be based upon the budget increase. Then we try to break out the cost for revaluation only because that will vary depending on what individual properties values are. If we have a 2% increase in the FY 24 proposed budget and took a 5% expenditure increase for FY 25, that home that is currently at \$200,000 fair market value went up to \$260,000, they would potentially see an increase of \$96 for the FY 25 budget. If the Council chose not to increase the proposed budget and remained at a 1% mill increase, then the budgetary increase would be approximately \$44 more or \$140 for FY 25. That's the budgetary component, not speaking to revaluation, which would be consistent no matter what happens on the budgetary side.

Councilor Dobler stated that for the typical household in 2018 that had a market value of \$200,000 with the assumption of a 30% increase, we are looking at somewhere at about a \$40-\$50 savings. Town Manager Souza stated yes on a budgetary level that is correct.

Councilor Eleveld stated based on the base number, he is looking at a 16% tax increase using the Town Manager's base number out of the total FY 25 increase of \$763 on \$140,000. You said you used about \$4,600 as the current tax bill, correct? Town Manager Souza stated that was correct. Councilor Eleveld then stated that person will go to \$5,300 next year. Town Manager Souza stated yes with revaluation incorporated in that number. Councilor Eleveld asked if that includes an increase of 5% of the operating budget? Town Manager Souza said yes.

Councilor Eleveld stated it doesn't seem to matter much if we were to increase the budget by using Councilor Dobler's idea by an additional 1%. It doesn't appear that would be much of a savings based upon these numbers. Town Manager Souza stated that based upon the host of assumptions, that would be correct. Councilor Eleveld said he feels the additional 1% doesn't make any sense at this point.

Councilor Eleveld stated the Town Manager has offered another scenario for revaluation in which there would be a 5 year phase in. He asked when was the last time that we did a phase in? Town Manager Souza said he believed it was with the revaluation of 2008. Councilor Eleveld asked if that was a 5 year or 3 year phase in. Town Manager Souza said it was the full five years. Councilor Eleveld then said it looks like you'll be hit with a 2%-3% increase along with the budgetary increase. It spreads the payment out over five years making it a greater challenge over a longer period to manage the town's business. Town Manager Souza said yes, that we've experienced that when we did the phase in. Five years is a long period to try and forecast what the local economy is going to do, not to mention what the service demands are going to be and to have that built in tax increase because of the phase in of revaluation certainly did constrain us in a number of ways.



Town Council Special meeting
April 24, 2023

Councilor Eleveld stated that no matter how you look at it, this will be a challenging couple of years coming up in respect to spending and taxes. Some individuals do pay their taxes via check, but most individuals have it built into their mortgages. So they will just see a \$50-\$75 increase on a monthly basis. To those people, it might not be a material change.

Deputy Mayor Bress asked if this scenario takes into account the increase that we'll be receiving from Amazon and others. Is that all in the next year? Town Manager Souza said they have looked at FY 25 at grand list growth for projects that we know are in the pipeline that are under construction or expect to be under construction in the next several months. There would be some value by October. It does include the declining abatement at Amazon.

Councilor Smith stated the abatements deliver some revenue, but will it balance out with the lost revenue from office buildings? Town Manager Souza replied right now as we look out to this coming fall, what we are expecting is the industrial component of the grand list will see an increase, but our office and smaller commercial buildings will not see an increase.

Deputy Mayor Bress said regarding the scenario, what was the feedback from citizens for a phase in like that? Did you get input from individuals on if that was more manageable for them over time? Have you ever had it where the revaluation was done in just one shot? Town Manager Souza replied that his recollection was a mix up of feedback. Some individuals appreciated that it was spread out. However, the further you went away from the revaluation period, the harder it was for individuals to recall why they were seeing an increase in their bills while they were seeing a level funded budget or in some cases, even services declining or at best holding their own.

Deputy Mayor Bress asked what kind of factors could impact us in a favorable way. Is there anything that the Town Manager foresees in the next few years that could impact us favorably to balance out the revaluation? Town Manager Souza said new economic development creates new growth. It certainly will help in future years. He pointed out that with the town's grand list being as large as it will be (over \$4 billion in total value), to be able to move the dial with Economic Development now in order to have a meaningful decrease or mitigation, it's getting harder and harder. This current grand list growth is absolutely exceptional at 7%. Traditionally, we've been in the 1.5%-2% range when you take away the larger projects. Economic growth is important and critical. We are 80%-85% dependent on local property tax. There isn't much other revenue sources we can avail ourselves to as a local government in Connecticut. We do have an opportunity to grow. There are plenty of our communities in the Hartford metro area that do not have that same growth. It is a challenge that all of us are facing.

Councilor Smith stated on the Town Manager's FY 24 and FY 25 scenarios, the fair market value is at \$260 and the assessed value at \$182. That's at 70%? Town Manager Souza said yes, the \$182 is at the 70%. Councilor Smith then asked if the proposal in the State is to go up to 75%. Town Manager Souza said if the assessed value goes up, potentially revenues for the town, depending on how a future Town Council acted on that, could reduce the mill rate. He does not think that would be noticeable. However, it will be noticeable potentially to a property owner to



Town Council Special meeting
April 24, 2023

go from 70% to 75%. The more concerning part for him is if the legislature forced upon municipalities to have a differential tax rate. One for commercial/industrial and one for residential. Part of that bill is that it will put a cap on the mill rate for commercial and industrial. He doesn't believe it's a provision that is a local option. It's a provision that would be a mandate. So for the town, that would be an automatic loss of revenue which would then be shifted to residential properties.

Councilor Eleveld asked about the state looking at the differential between commercial and residential rates. He asked the Town Manager to expound on that a little bit more. Town Manager Souza said out of one of the committees that just reported out, there is a component in there that would make a different mill rate for commercial and industrial versus 1-4 unit homes. The shift in taxes for us, between \$2.5 million – \$3 million, was an early calculation that was shift from commercial to residential if it were to be adopted. He does not feel there are enough political legs to move forward with this, because the State said they would reimburse the towns. At \$2.5 million for just Windsor out of the 169 communities, he's not sure that even if the State had the best of intentions, they could sustain that type of assistance in the long run.

Mayor Trinks read the Governor's budget. He asked how they will be aiding municipalities. Town Manager Souza replied that from the town's analysis of that and getting information from Connecticut Conference of Municipalities, local aid is pretty much whole. There are some increases in certain categories. Unlike past years when he was more nervous at this stage of the budget process, he is very confident with what the town has in its revenue section that will follow through with the General Assembly's deliberations and negotiations with the Governor's office.

Mayor Trinks stated that he is in agreement with several of the councilors that it's probably not worth our time and effort for this budget to add a component and to try and mitigate revaluation. There doesn't seem to be enough value to that. The question is what do we want to do this year? Some of the concerns are over revaluation. He is hesitant to reduce the budget but is also hesitant to add to it. He's very satisfied with the Town Manager's budget as it has been presented.

Councilor Eleveld stated the estimated rate of collection is at 99% for FY 24 but he thought that last year we were at 98.75. Mr. Bourke explained when they taxed the car separately at a separate mill rate, it gives you a higher collection rate for real estate. Vehicles are a drain on the collection rate. The collection rate for motor vehicles themselves is about 97%.

Councilor Dobler tends to agree with the Mayor with the 1% with one caveat. When you go by gas, it's not \$4.00, it's \$3.95. If you go and buy a jersey, it's not \$200, it's \$195. Just from a psychological standpoint, he'd be more comfortable if it wasn't 1% but rather a 0.95% increase.

Councilor Gluck Hoffman stated that she doesn't think it will make that much of a difference to the taxpayer whether it is 1% or 0.95%. She is not interested in losing anything in this proposed budget. She agrees with the Mayor that 1% is reasonable.



Councilor Eleveld asked the Town Manager about the Veteran's Tax exemption benefit and how that would impact this. Town Manager Souza replied if the Council wanted to provide a benefit that is similar in scope to the Senior/Disabled tax relief benefit, it would be an increased cost of \$19,000. He does not believe that touches the mill rate. Councilor Eleveld stated we could take that out of reserves if need be. Town Manager Souza said the thought is to make sure it's visible. If you go to page B-4, it can be incorporated into the formula there where you see Senior Tax Relief. If we do incorporate it into there and future councilors want to change it, it can be reflected there.

Councilor Eleveld stated the mill rate for automobiles is at 33.6 because that is a state mandate correct? Town Manager Souza said yes. Councilor Eleveld asked if they sent us money for that? Town Manager Souza stated they are projected for FY 24 to meet their target.

Councilor Smith stated the FY 24 proposed budget has more FTEs than the FY 23 budget. Do you know how many those are? Town Manager Souza said there is a total of 6.8 FTEs and that is a combination of full-time and part-time positions. Those are primarily General Fund positions. Councilor Smith then asked if that is through each department. Town Manager Souza stated yes they looked across all the departments.

Councilor Smith noted that he is coming up with a different total. Town Manager Souza stated that the 6.8 FTEs are coming from the General Fund only. There may be other positions that are using a grant for funding that are not in that figure.

Councilor Dobler asked about the Veteran's tax relief. Is that something that the Town Council just puts into the budget? Is it automatically added to the budget? Is it something that the Council has to agree upon before Wednesday or how does that work logistically? Town Manager Souza said that would be an action that he would recommend that the Town Council take on Wednesday evening. Then procedurally, that gets built into the budget and then in May they can act on amending the ordinance, which establishes the exemption amount.

4) ADJOURNMENT

MOVED by Councilor Dobler and seconded by Councilor Gluck Hoffman to adjourn the meeting at 7:20 p.m.

Motion Passed 9-0-0

Respectfully Submitted,

Helene Albert
Recording Secretary