

TOWN OF WINDSOR, CONNECTICUT

Special Meeting Notice



AGENCY: Finance Committee
DATE: November 26, 2018
TIME: 6:30 PM
PLACE: Town Hall – Ludlow Room

AGENDA

1. Call to Order
2. Public Comment
3. *Review and discussion of MDC integrated plan
4. *Overview of property revaluation results
5. *Review of FY 2020 Budget Parameters
6. *Review of FY 2020 Budget Calendar
7. *Review of FY 2020 Budget Format
8. Staff Reports
9. Approval of Minutes
 - a) *October 8, 2018
10. Adjournment


*Backup materials

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: November 5, 2018

To: Honorable Mayor and Members of the Town Council

Prepared By: Peter Souza, Town Manager 

Subject: Metropolitan District Commission Presentation

Background

The Metropolitan District Commission (MDC) staff will be providing an update on the Clean Water project's long-term control plan and outlining their proposed 'Integrated Plan' which would need to be submitted to the State of Connecticut Department of Energy and Environmental Protection (DEEP). Below is a short overview of the integrated planning concept provided by MDC. Also attached is a draft presentation from MDC.

Integrated Planning Overview (based on USEPA definition)

EPA, states and municipalities have achieved real progress in implementing the Clean Water Act (CWA) and protecting public health and the environment. However, today there are many factors stressing the implementation of CWA programs. Stressors include population growth, aging infrastructure, increasingly complex water quality issues, limited resources, and other economic challenges. Currently, EPA, states and municipalities often focus on each CWA requirement individually. This may not be the best way to address these stressors and may have the unintended consequence of constraining a municipality from addressing its most serious water quality issues first.

An integrated planning approach offers a voluntary opportunity for a municipality to propose to meet multiple CWA requirements by identifying efficiencies from separate wastewater and stormwater programs and sequencing investments so that the highest priority projects come first. This approach can also lead to more sustainable and comprehensive solutions, such as green infrastructure, that improve water quality and provide multiple benefits that enhance community vitality.

The integrated planning approach is not about changing existing regulatory or permitting standards or delaying necessary improvements. Rather, it is an option to help municipalities meet their CWA obligations while optimizing their infrastructure investments through the appropriate sequencing of work.

MDC's Position

The EPA overview (above) describes the position MDC believes we are currently in, with regard to costs associated with the maintenance of an aging utility infrastructure and the impact of these costs on our customers and member towns.

For MDC customers, an 'Integrated Plan' would allow consideration of all necessary infrastructure improvements while calculating the affordability and prioritization of these improvements within

the USEPA guidelines. Conversely, under the current requirements of the CWA, only the MDC's Clean Water Project work is permitted to be considered in affordability and prioritization calculations. That still leaves all other sewer work not related to the Clean Water Project, and all water infrastructure work as well, potentially adding to the cost of necessary utility infrastructure improvements, costs which are ultimately passed on to our customers and member towns. These costs are very likely not affordable for member towns and MDC customers.

MDC representatives will present how they believe utilizing the 'Integrated Plan' approach will help to provide a level of stabilization and predictability related to the member towns' annual ad valorem assessment, while achieving the objectives of the Clean Water Act and making needed reinvestments in the region's sewer infrastructure.

Next Steps

MDC is making similar presentations to the other member towns and is planning to hold a required public hearing on the proposed 'Integrated Plan' in December prior to formally submitting the plan to DEEP by the end of the year. The MDC would like the eight individual member towns to consider approving a resolution supporting the plan submittal to DEEP.

Other Board Action

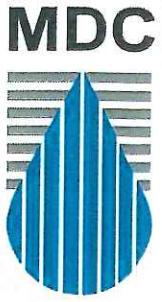
None

Recommendations

At this time there is no specific action requested of the Town Council. The MDC will provide a presentation of the 'integrated planning approach' and the Town Council at a later date in 2018 may consider a resolution of support.

Attachments

MDC Presentation



**MDC's Proposed Integrated Plan
Presentation to Windsor Town Council
November 5, 2018**

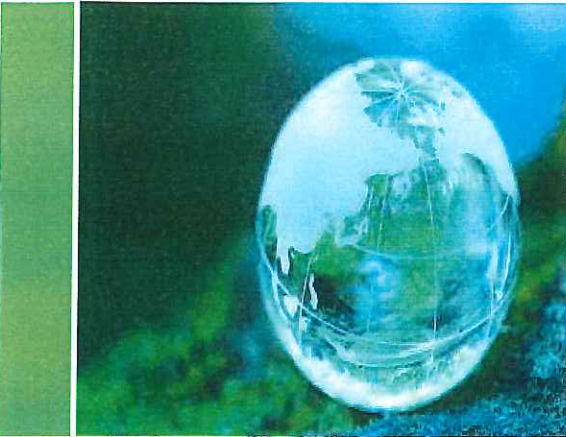
Presentation Acronyms

- CCF – Hundred Cubic Feet
- CCTV – Closed Circuit Television Inspection
- CMOM – Capacity Management Operations & Maintenance
- CIP – Capital Improvement Program
- Cove – Wethersfield Cove – Note: Total elimination of CSOs required
- CSO – Combined Sewer Overflow
- CTDEEP – Connecticut Department of Energy & Environmental Protection
- CWF/SRF – Clean Water Fund/State Revolving Fund
- CWP – Clean Water Project
- CWPC – Clean Water Project Charge (Formerly SSSC – Special Sewer Service Charge)
- EPA – Environmental Protection Agency
- I/I – Infiltration & Inflow
- IP – Integrated Plan
- LTCP – Long Term Control Plan
- MG/MGD – Million Gallons/Million Gallons per Day
- MHI – Median Household Income
- MS4 – Municipal Separate Storm Sewer Systems
- NBPR – North Branch Park River – Note: Total elimination of CSOs required
- NTS – Newington Trunk Sewer
- O&M – Operations and Maintenance
- PMU – Program Management Unit
- R&R – Rehabilitation & Replacement
- SSO – Sanitary Sewer Overflow
- WPCF/WWTP – Water Pollution Control Facility/Wastewater Treatment Plant
- 1-year storm – Design storm for CSO Consent Order with CTDEEP
- Typical year – All rain events in a typical year with no storms bigger than a 1 year storm

Agenda/Meeting Purpose

Why am I here?

1. Explain Integrated Planning
2. Quick Summary of CWP/LTCP Evolution and Accomplishments
3. Moving Forward, **MDC Proposing Integrated Plan**
 - High Points of Recommended Technical Plan
 - Baseline assumption = **sewer system renewal**
4. Financial Benefits of Integrated Plan
5. Next Steps/Schedule
 - **MDC asking for your support**



1. What is Integrated Planning?

Next CSO LTCP Update/ Integrated Plan

- EPA guidance from 2012 allows for Integrated Planning:
 - CSO Consent Order – CT DEEP Approval
 - SSO Consent Decree – EPA Approval
 - **Sewer system investigation/repair (CMOM)**
 - Stormwater (i.e., MS4)
- Consider affordability analysis



National Pollutant Discharge Elimination System (NPDES)

Integrated Planning for Municipal Stormwater and Wastewater

On this page:

- Overview
- Resources
- Technical Assistance

Overview

EPA, states, and municipalities have achieved real progress in implementing the Clean Water Act (CWA) (PDF) (234 pp, 571 K, About PDF) and protecting public health and the environment. However, today there are many factors stressing the implementation of CWA programs. Stressors include population growth, aging infrastructure, increasingly complex water quality issues, limited resources, and other economic challenges. Currently, EPA, states, and municipalities often focus on each CWA requirement individually. This may not be the best way to address these stressors and may have the unintended consequence of constraining a municipality from addressing its most serious water quality issues first.

An integrated planning approach offers a voluntary opportunity for a municipality to propose to meet multiple CWA requirements by identifying efficiencies from separate wastewater and stormwater programs and sequencing investments so that the highest priority projects come first. This approach can also lead to more sustainable and comprehensive solutions, such as green infrastructure, that improve water quality and provide multiple benefits that enhance community vitality.

The integrated planning approach is not about changing existing regulatory or permitting standards or delaying necessary improvements. Rather, it is an option to help municipalities meet their CWA obligations while optimizing their infrastructure investments through the appropriate sequencing of work.

Resources

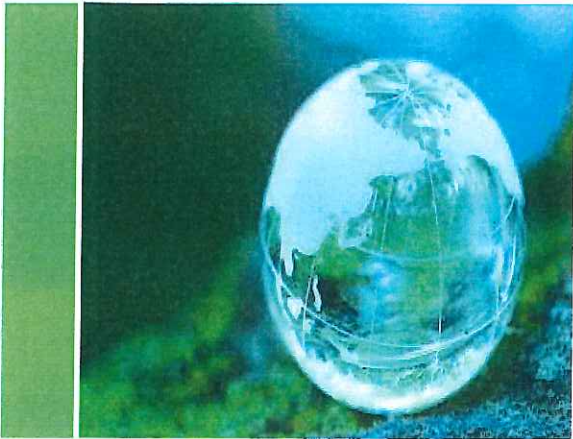
- Memorandum: Achieving Water Quality Through Integrated Municipal Stormwater and Wastewater Plans
- Integrated Municipal Stormwater and Wastewater Planning Approach Framework – Provides guidance for EPA, states, and local governments to develop and implement effective integrated plans under the CWA. This framework was finalized after extensive public input including a series of workshops across the country.
- Combined Sewer Overflows - Guidance for Financial Capability Assessment and Schedule Development (FCA Guidance) – Provides an aid for assessing financial capability as part of negotiating schedules for CWA requirements for municipalities and local authorities.
- Financial Capability Assessment Framework – Provides greater clarity on the flexibilities built into

Primary Benefits of Integrated Planning

- **MDC**
 - **Better** - Prioritize existing infrastructure repair in all 8 Member Towns
 - **More Time** – Control annual spending

- **Member Towns/Public**
 - **Sooner** - Address aging sewers in your town sooner, before they fail
 - **More Stable** - Reduces and stabilizes projected Ad Valorem increases for town budget planning

- **Environmental - Meets Clean Water Project Objectives:**
 - ✓ CTDEEP Consent Order Compliance - CSOs
 - ✓ USEPA Consent Decree Compliance - SSOs
 - ✓ Reduce Nitrogen discharged to Connecticut River



2. Clean Water Project Summary

The Clean Water Project (CWP)

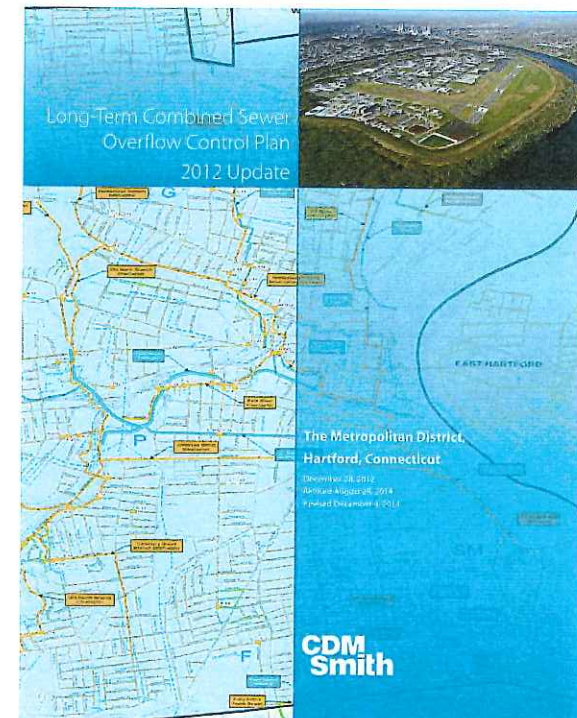
- The CWP is the MDC's Response to:
 1. *Consent Order* from CT DEEP for CSOs
 2. *Consent Decree* from EPA for SSOs



- Project Goals:
 1. Reduce the Combined Sewer Overflows (CSOs) to streams/rivers
 2. Eliminate CSO outfalls to Wethersfield Cove & North Branch Park River
 3. Reduce Nitrogen discharged to CT River
 4. Address Sanitary Sewer Overflows (SSOs) outside of Hartford

Clean Water Project (CWP) requires CSO Long-Term Control Plan (LTCP)

- 2005 LTCP approved by CT DEEP in 2007
- LTCP required to be updated every 5 years
- 2012 LTCP Update approved by CT DEEP in 2015
- Next LTCP Update due to CT DEEP December 2018



Prior 2014 LTCP Plan Highlights

Ongoing/Completed:

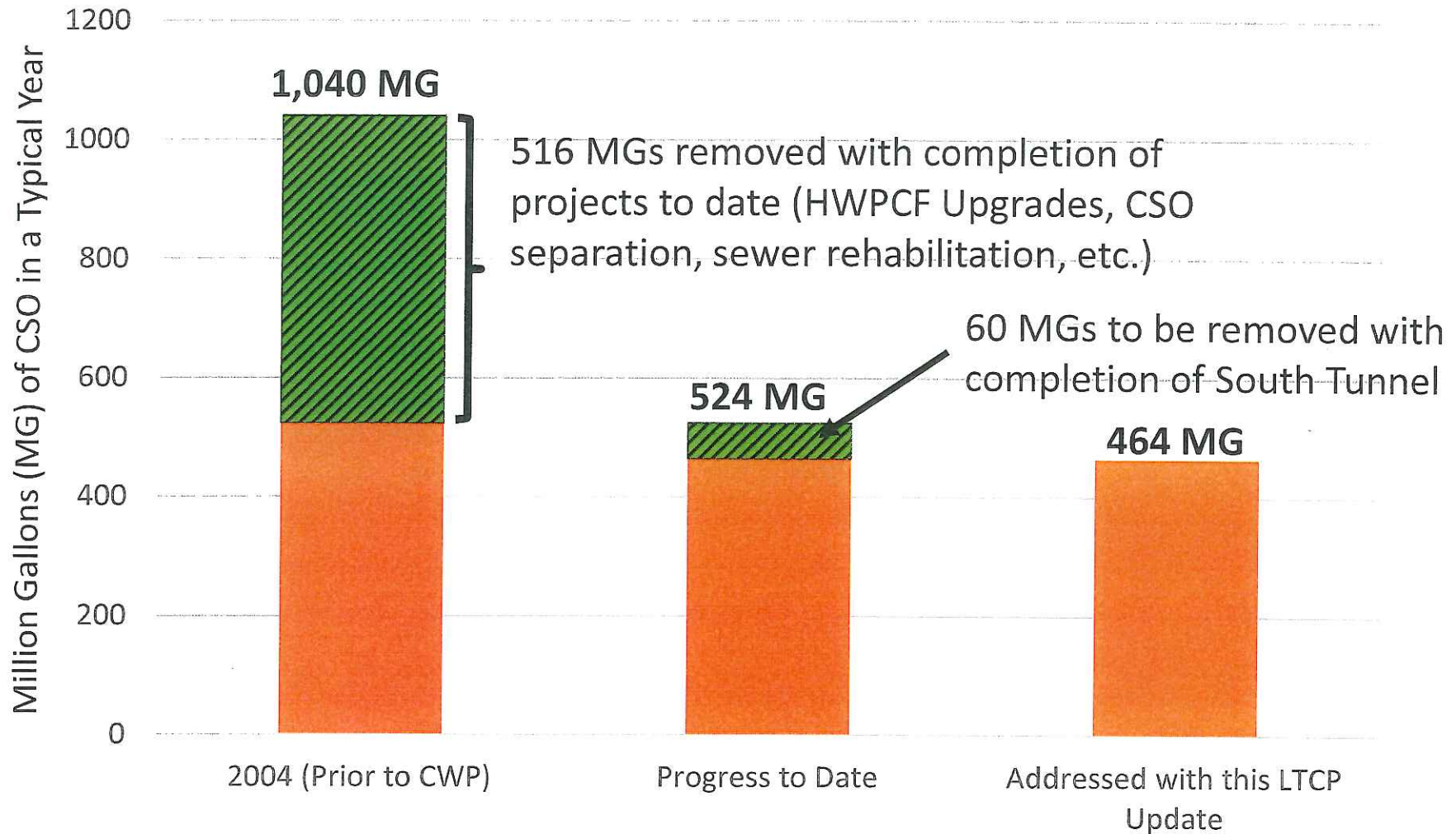
- Continue sewer rehabilitation
- Complete sewer separation (green areas)
- Complete HWPCF improvements (Southeast Hartford)
- 1/2024: South Tunnel online (eliminate CSOs to Cove and Newington/West Hartford SSOs)

Remaining:

- 2029: North tunnel online.
Primary reasons for tunnel:
 - 1) Eliminate CSOs to NBPR
 - 2) Capture remaining CSOs up to & including 1-year storm



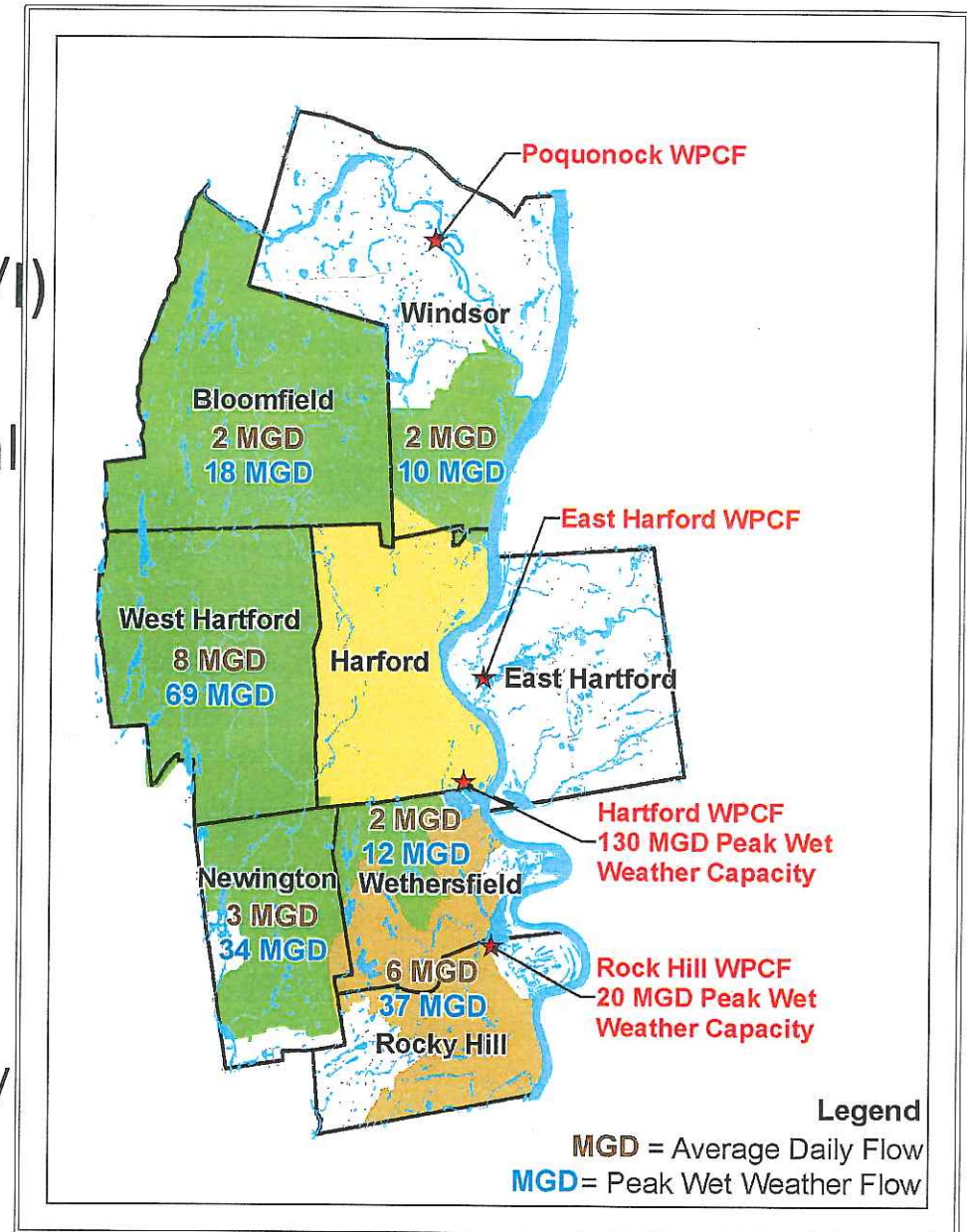
Clean Water Program Progress – Typical Year



- Save the Sound just released report couple weeks ago that Long Island Sound water quality is improving - <http://www.ctenvironment.org/save-the-sound/>

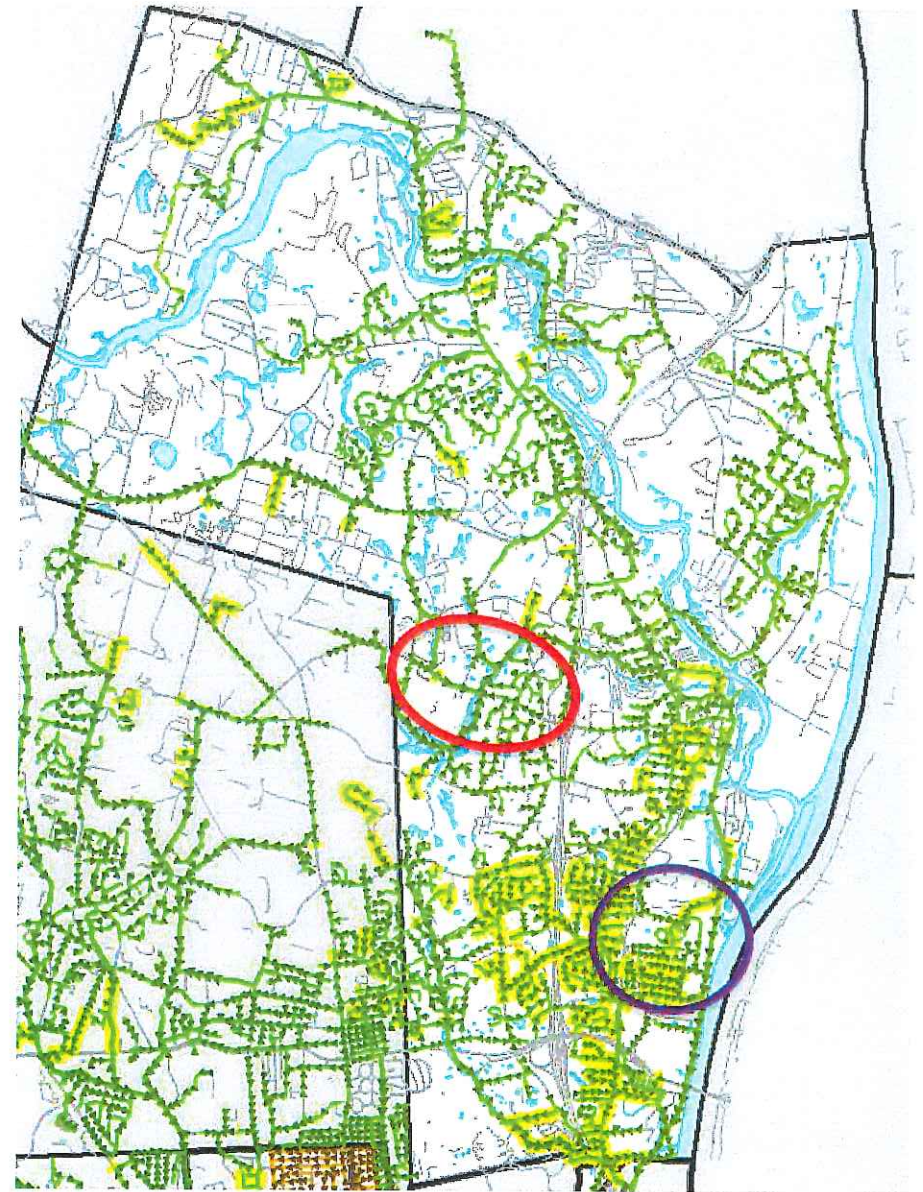
How are Separated Sewers different from Combined Sewers?

- **Dry day** – no difference (household sewage plus some I/I)
- **Wet day** – no flow from catch basins/brooks, BUT still additional flow from I/I sources
 - Peak flow from Bloomfield, West Hartford, Newington, Windsor & Wethersfield (excluding Hartford) of **143 MGD EXCEEDS the current 130 MGD HWPCF capacity**
 - Peak flow from Wethersfield & Rocky Hill of 37 MGD EXCEEDS the current 20 MGD RHWPCF capacity

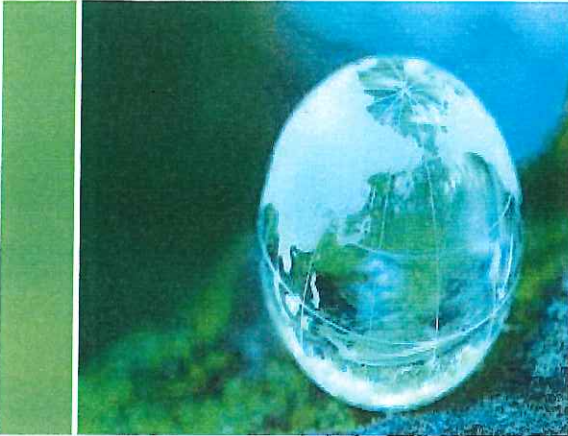


What Has Been Completed in/for Windsor?

- 18% of system has been **rehabilitated** since 2005
- Other underway/ recently completed projects
 - **Bloomfield Avenue Sanitary Sewer**
 - **Pilot Study Private Inflow Removal**
 - Closure of the NM-1 SSO regulator



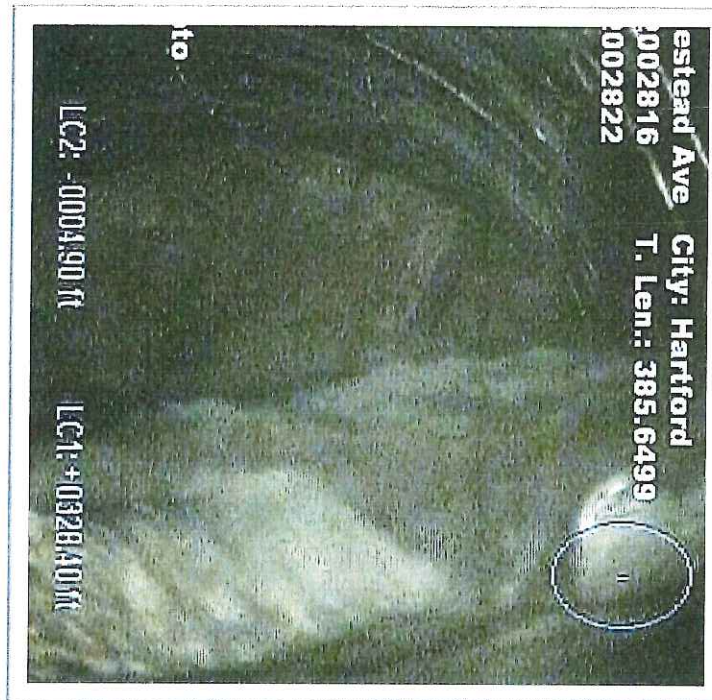
3. Evaluation of Status Quo versus Proposed Integrated Plan



Why Integrated Planning?



Asylum Avenue West Hartford
August 2018



Homestead Avenue Hartford
October 2017



Capen Street Hartford
September 2018



Park Avenue East Hartford
July 2017



Bloomfield Avenue Windsor
January 2014

In 2017, MDC performed 17 emergency repairs at a cost of about \$3.5M total

Why Integrated Planning?



Windsor Avenue Windsor



Old North Branch Interceptor Hartford



Main Street Newington



Park Avenue Wethersfield

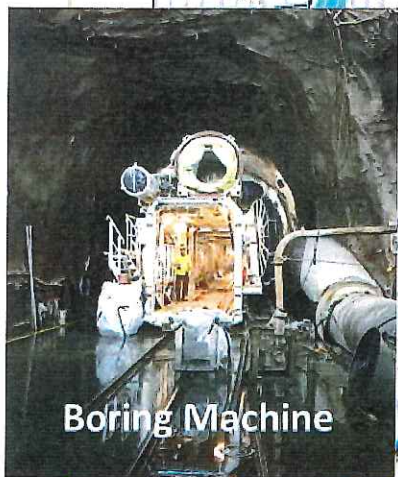
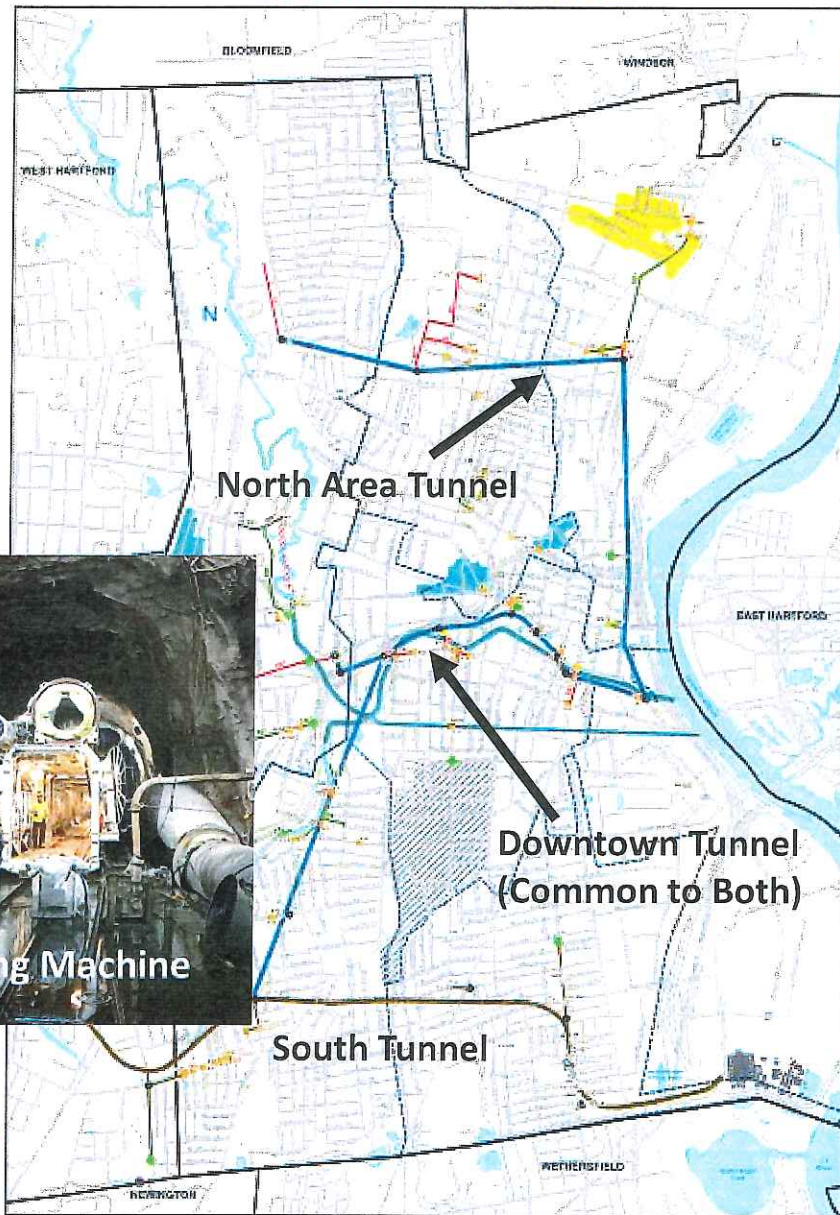


Remington Road Windsor

Inspection of sewers has identified \$450M in additional repairs needed
These repairs would have been funded by Ad Valorem

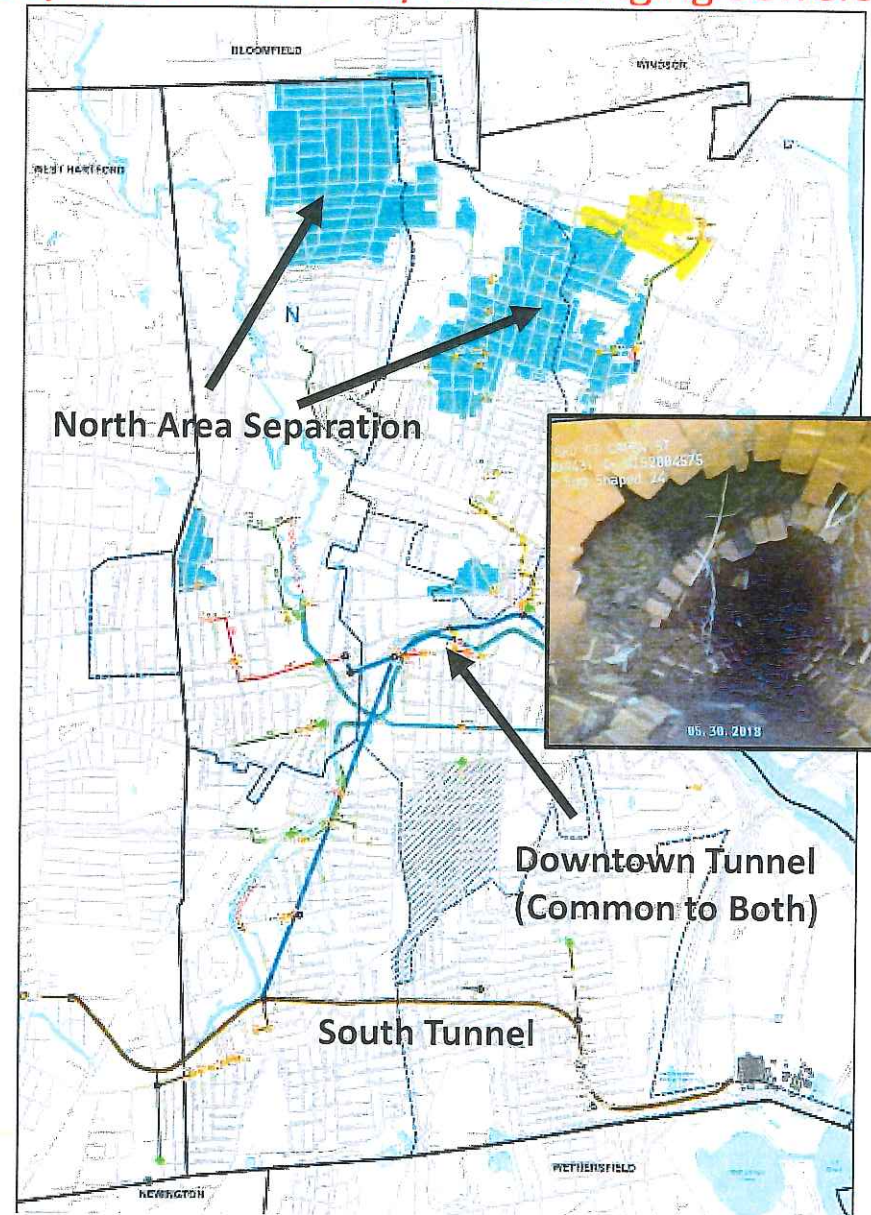
Two Primary Options for Remainder of LTCP

Scenario 1 (Status Quo):
North Area Tunnel



Boring Machine

Scenario 2 (Proposed Integrated Plan):
Separation in North/Address Aging Sewers



Comparison of Northern Area CSO Alternatives

North Area Tunnel Plan (Scen. 1)

- Less expensive (\$282M)
- Spending over 14 years
- Addresses CSOs only. **Limited renewal of existing assets.**
Avg. sewer age increases to ~80 yrs
- **One large project**
- Can't be phased
- **Likely need to start tunnel now**
- More risk
- Project has less disruption to community



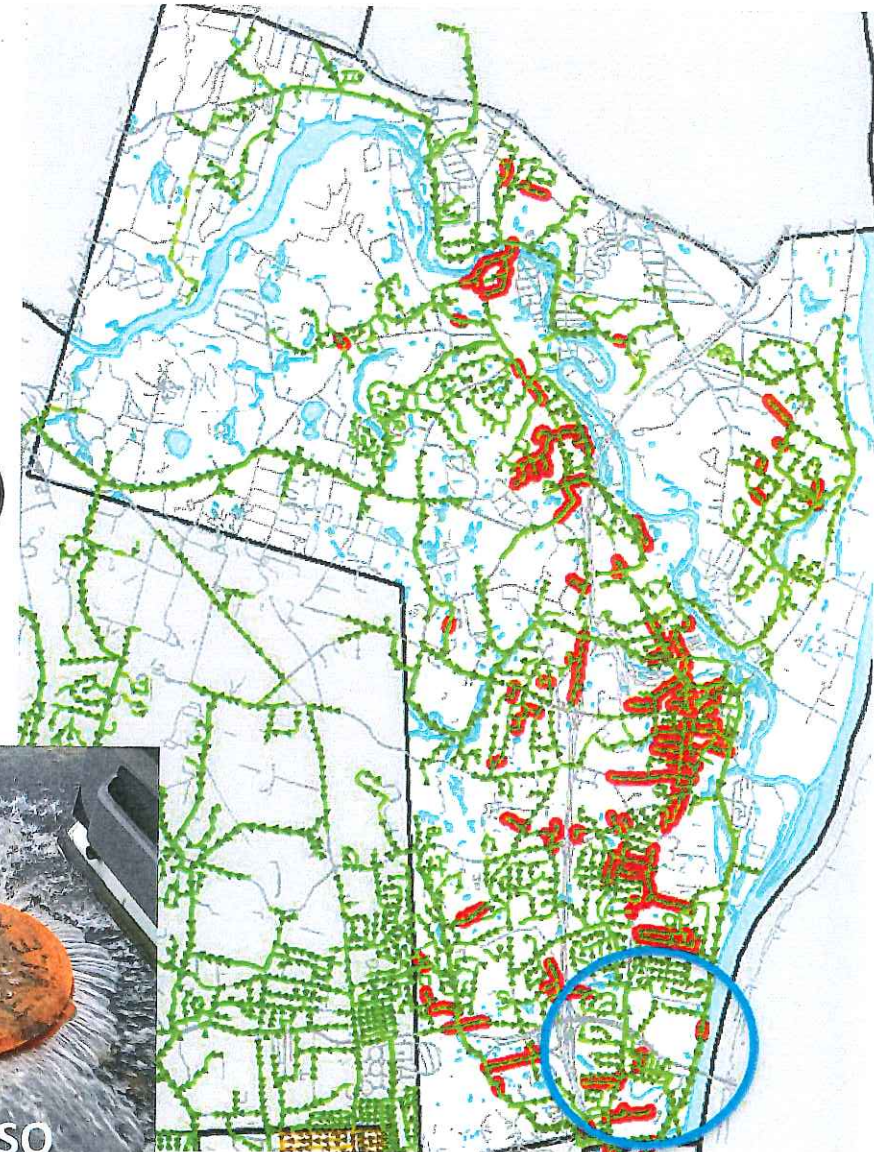
Sewer Separation in North (Scen. 2)

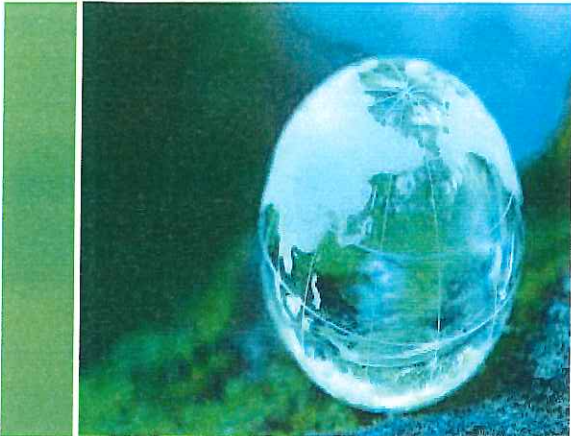
- More expensive (\$350M)
- Spending over 40 years
- **Renew existing assets**
Avg. sewer age reduces to ~45 yrs
- **Multiple "smaller" projects**
- Can be phased, gain intermediate levels of control as plan progresses
- Sewer separation can be combined with other street work to limit disturbances – **INTEGRATED PLANNING**
- Separation add drainage pipe and outfalls – MS4 issues?



What is proposed in/for Windsor?

- Additional 12% of sewer system **rehabilitation** throughout Town (total of 30% of sewers in Town)
- Reduces the average sewer age in Town from 67 yrs (if we did nothing) to 49 yrs
- **Decker's Brook Trunk Sewer**





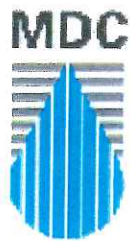
4. Financial Benefits

MDC Customers Pay for Sewer in Two Primary Ways

- 1) Clean Water Project Charge (CWPC) on water bill allocated to customers based on metered water consumption
 - Payment of water bill for water related charges is separate

- 2) Property tax payments for MDC assessment (Ad Valorem)
 - Property owners pay directly through town tax bill
 - Renters pay indirectly through rental payments
 - Tax exempts charged sewer rate directly (Sewer User Charge)

To address EPA affordability process need to estimate the total combined cost per dwelling unit



The Metropolitan District
 555 Main Street, P.O. Box 800
 Hartford, Connecticut 06142-0800
 Telephone: (860) 278-7850
 www.themdc.org

Account Number 0000000	Invoice Number 000000000000	Invoice Date 09/21/2018	Page 2 of 2
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Service Address: 1 MAIN ST, WEST HARTFORD CT
Customer Name: MRS. SMITH
Billing Period: 08/21/2018 - 09/20/2018 (31 Days)



METER READINGS

Meter Num/Size 00000000 /5/8"X3/4"
Current Reading (09/20/2018) 351.03
Previous Reading (08/20/2018) 339.17
Water Use CCF 5.83

CURRENT CHARGES

Water Service:

2018 Water Used Charge @ \$ 3.140 X 5.83 CCF 18.30
(MDC Water rate is 0.0042 Cents per US-Gallon)
 2018 Water Customer Srvc Charge 14.98
Sub Total: **\$33.28**

Sewer Service:

2018 Sewer Customer Srvc Charge 3.00
Sub Total: **\$3.00**



Federal / State Regulatory Compliance Fees:

2018 CWP Charge @ \$ 3.800 X 5.83 CCF 22.15
 2018 DPH Drinking Water Fee 0.33
Sub Total: **\$22.48**

TOTAL CURRENT CHARGES **\$ 58.76**

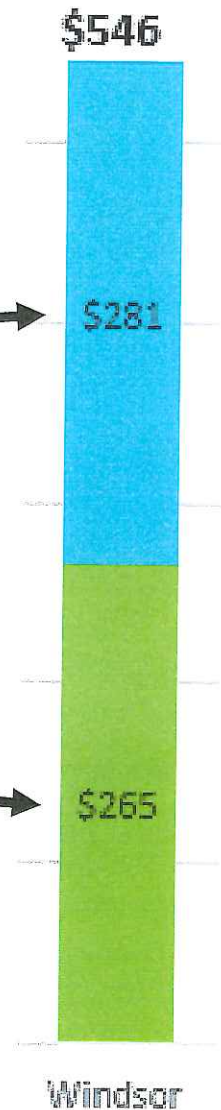
Projected Dwelling Unit Sewer Costs for 2019 Windsor

- **Clean Water Project Charge (CWPC)**

- 2019 CWPC rate = \$4.10 per hundred cubic feet (ccf)
- Average annual water consumption = 68 ccf
- Residential CWPC (on water bill) = **\$281**

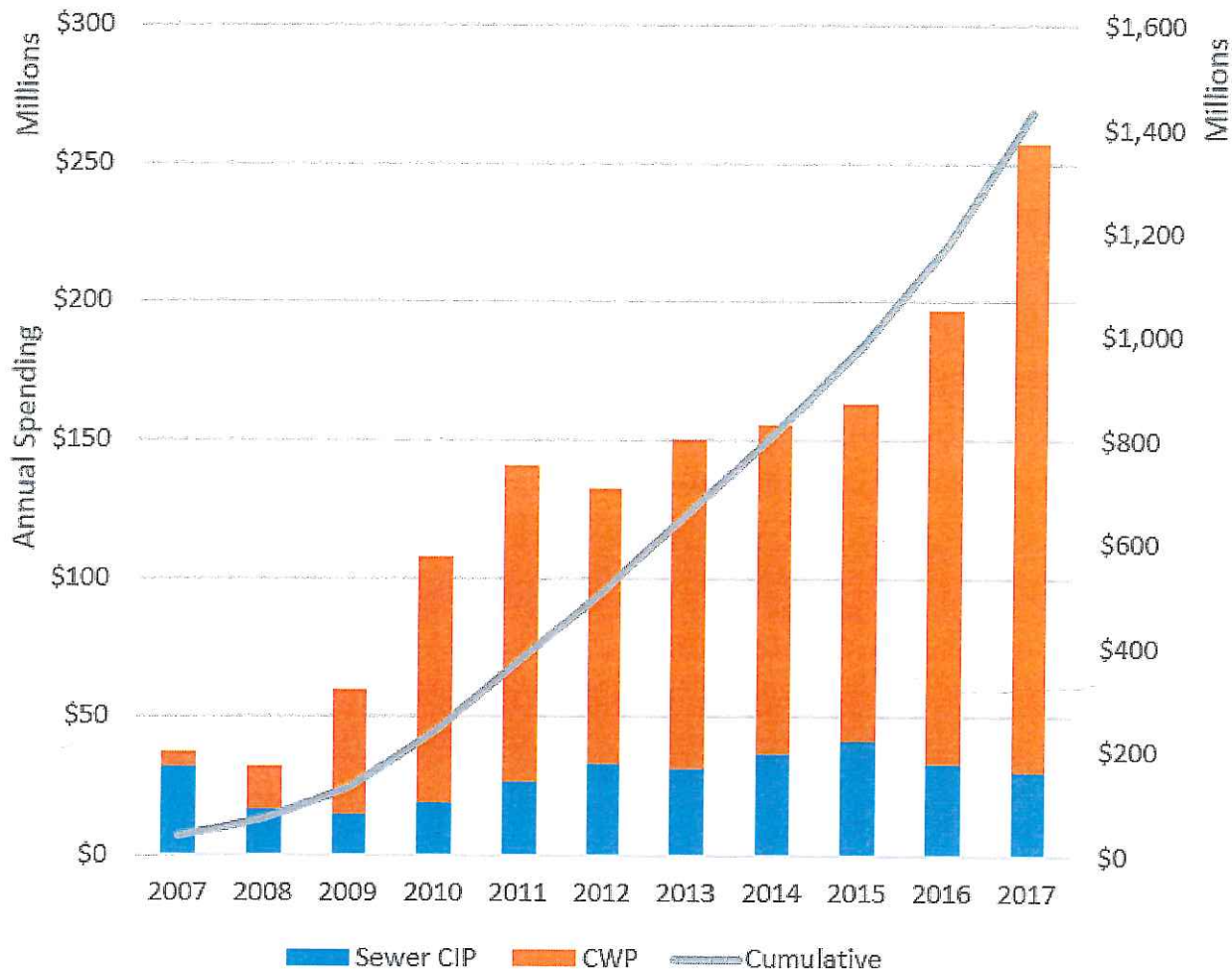
- **Ad Valorem**

- Estimated residential portion of Ad Valorem = \$3.06M
- Total residential dwelling units = 11,553
- Estimated residential Ad Valorem sewer cost = **\$265**



Why Integrated Planning?

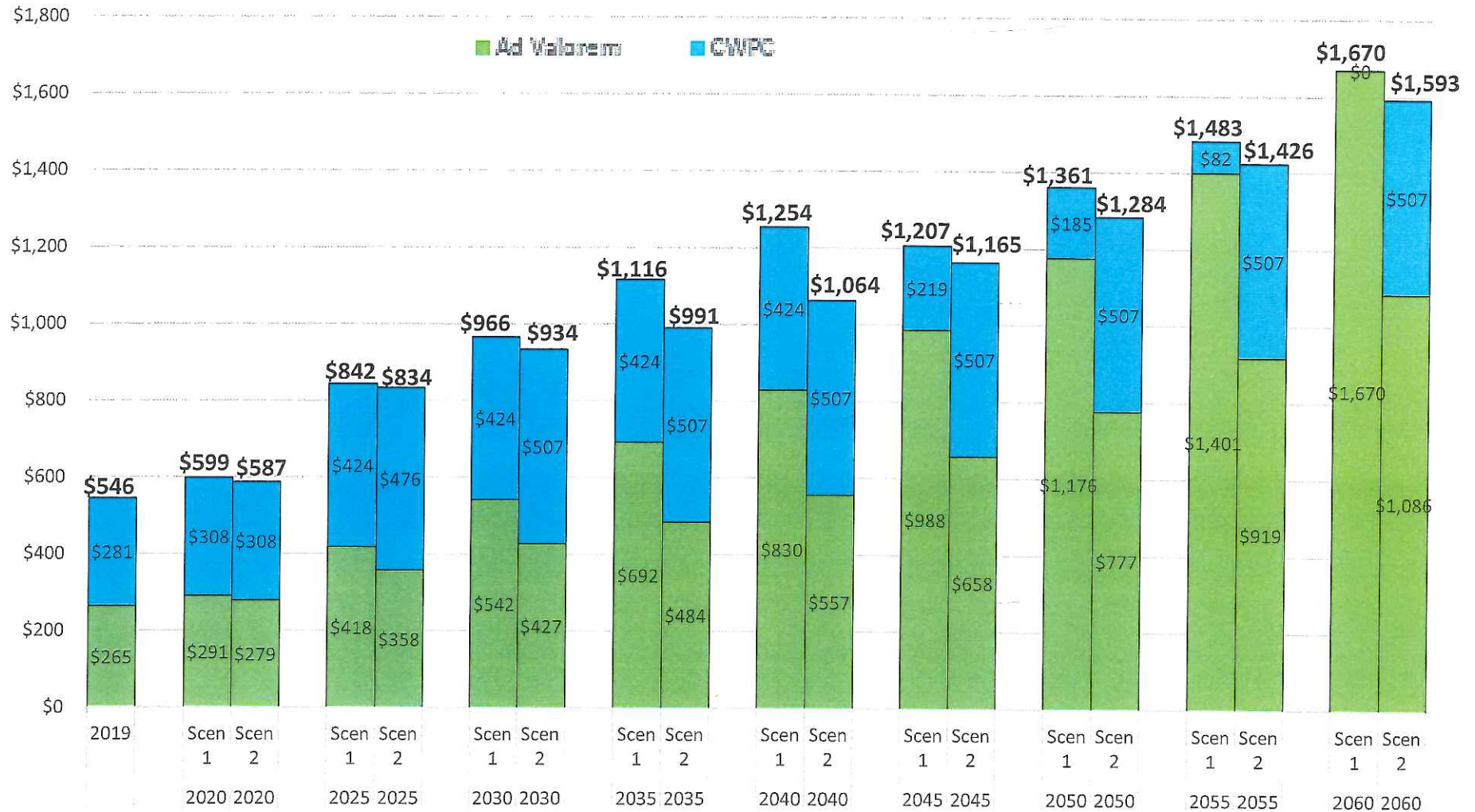
CIP Sewer and Clean Water Project Expenditures



MDC spending rate over the last decade is not sustainable

Goal = Control annual spending by extending CWP project schedule with 40 year Integrated Plan

Household Bills Scen. 1 vs. Scen. 2, Windsor

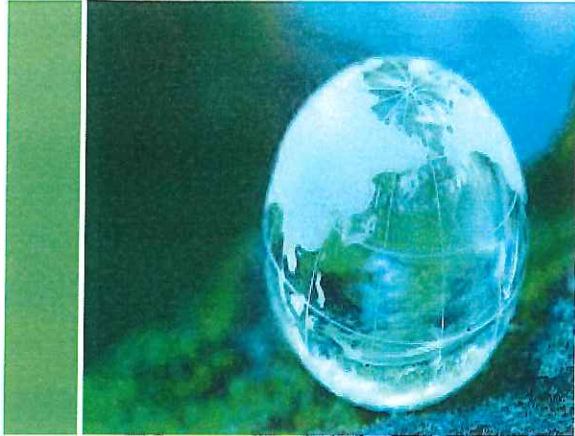


Similar household bills, but different programs

- Scenario 1 builds tunnel sooner and sewers continue to fail/repared on Ad Valorem – **Infrastructure Renewal Delayed**
- Scenario 2 delays tunnel, focuses on Integrated Plan projects that address sewer system while reducing CSOs, and moves burden from Ad Valorem to Clean Water Project Charge (CPWC) – **Infrastructure Renewal Quicker**

Goal = Ad Valorem Stabilization

	Adopted Budget		Forecast				
	2017	2018	2019	2020	2021	2022	2023
Integrated Plan (Scenario 2)							
Tax on Member Municipalities	\$ 41,670,400	\$ 45,004,000	\$ 53,491,851	\$ 54,345,967	\$ 56,441,152	\$ 57,611,000	\$ 58,288,315
% Increase		8.0%	18.9%	1.6%	3.9%	2.1%	1.2%
Debt Service	\$ 22,668,800	\$ 28,519,414	\$ 32,639,872	\$ 31,254,150	\$ 31,123,721	\$ 29,687,059	\$ 29,043,370
% Increase		25.8%	14.4%	-4.2%	-0.4%	-4.6%	-2.2%
Status Quo (Scenario 1)							
Tax on Member Municipalities	\$ 41,670,400	\$ 45,004,000	\$ 53,491,851	\$ 54,345,967	\$ 62,741,152	\$ 63,771,000	\$ 70,783,315
% Increase		8.0%	18.9%	1.6%	15.4%	1.6%	11.0%
Debt Service	\$ 22,668,800	\$ 28,519,414	\$ 32,639,872	\$ 31,254,150	\$ 37,423,721	\$ 35,847,059	\$ 41,538,370
% Increase		25.8%	14.4%	-4.2%	19.7%	-4.2%	15.9%



5. Next Steps

Integrated Plan/Outreach Schedule

- 17 meetings with CT DEEP to discuss Integrated Plan
- Presented to MDC Bureau of Public Works in 2 Workshops
- Presented to and approved by MDC District Board – October 1st
- Town Council and public information meetings
 - Newington – October 9th
 - Wethersfield – October 15th
 - East Hartford – October 16th
 - West Hartford – October 23rd
 - Member Town DPW/Engineering Briefing – November 2nd
 - **Windsor – November 5th**
 - Bloomfield – November 13th
 - Rocky Hill – November 19th
 - Hartford – TBD
- Public Hearing – December 11th at MDC Training Center in Hartford

Next Steps

- We are asking for your support
- Part of public outreach/hearing process
- Presentation/discussion with member town DPW & Engineering staff provided on November 2nd
- Reports available for public viewing on November 26th
 - Online - MDC website www.themdc.org
 - Hard copies - MDC headquarters/Town Halls
- Public Hearing December 11th
- Comments to be submitted by December 13th
- Reports submitted to CTDEEP by December 31st

- Please email John Mirtle at districtclerk@themdc.com with any questions, comments or letters of support

- Questions?


RESOLUTION IN SUPPORT OF THE
MDC's INTEGRATED PLAN

Agenda Item Summary

Date: November 26, 2018

To: Honorable Mayor and Members of the Town Council

Prepared By: James Bourke, Finance Director

Reviewed By: Peter Souza, Town Manager 

Subject: October 2018 Property Revaluation

Background

Per state law, the town is required to complete property revaluation a minimum of every five years. The assessor's office has completed the October 2018 revaluation process and has determined values for each parcel and real property improvements.

Discussion/Analysis

The purpose of a revaluation is to determine the current fair market value of all properties. For property tax purposes, state law requires that municipalities assess real property at 70% of its current fair market value. Notices have been mailed to each property owner indicating both the new market value and the proposed assessment.

If property owners believe their stated value does not reflect the current market value, they may set up an informal hearing with the Town Assessor's office during the month of December to gather an understanding of how the value was determined. The informal hearings will be held from December 3 through December 28. An owner may choose to formally appeal their valuation. If they do so, they are required to make an application to the Board of Assessment Appeals by February 20, 2019. Appeals hearings will be held in March and into April if necessary.

A high-level summary of the results of revaluation are as follows:

- 1, 2 & 3 family residential property assessed values increased by 4.8%
- Condominium assessed values increased by 11.3%
- Apartments assessed values increased by 9.0%
- Commercial/Industrial property assessed values increased 9.0%

With this revaluation, there will not be a significant tax-burden shift (see attached charts). The combined average increase for residential properties and condominiums is approximately 8.0%, which is consistent with the increases for apartments and non-residential properties. The commercial property assessed values include approximately \$14.0M in new value coming in from the Amazon (\$11.0M) and Windsor Station (\$3.1M) tax abatements.

As each property is impacted differently by revaluation, not all property owners' tax bills will be impacted equally. Also, the mill rate for Fiscal Year 2020, which will not be determined until the spring, will be impacted by several variables. These include other grand list component changes in value (personal property & motor vehicle), changes in State Aid and other non-tax revenues as well as budgeted expenditure levels for FY 2020.

Other Board Action

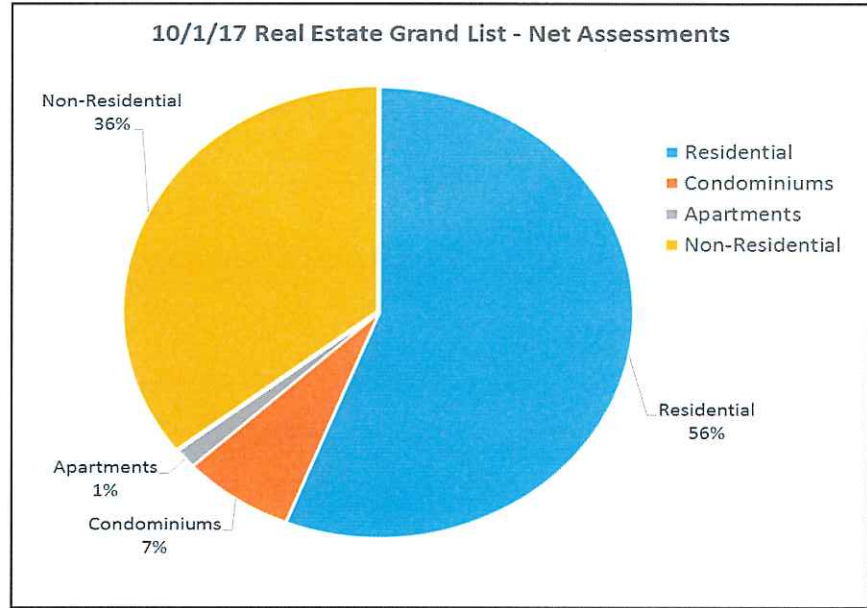
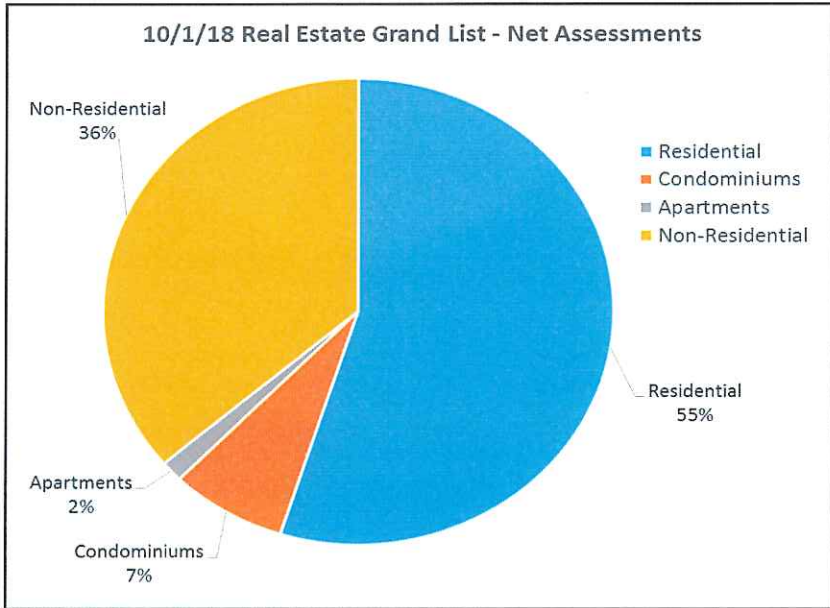
The Board of Assessment Appeals will conduct formal appeal hearings in March 2019.

Recommendations

This item is presented for discussion only. No action is requested.

Attachments

Property Values by Classification




Property Type	10/1/18 Net Assessment	10/1/17 Net Assessment	\$ Change	% Change
Residential	1,336,288,390	1,275,644,730	60,643,660	4.8%
Condominiums	179,569,320	161,344,190	18,225,130	11.3%
Apartments	35,062,720	32,168,710	2,894,010	9.0%
Non-Residential	883,365,404	810,110,217	73,255,187	9.0%
Total Real Estate Grand List	2,434,285,834	2,279,267,847	155,017,987	6.8%

Agenda Item Summary

Date: November 26, 2018

To: Members of the Finance Committee

Prepared By: James Bourke, Finance Director

Reviewed By: Peter Souza, Town Manager 

Subject: Preliminary Budget Guidelines and Parameters for FY 2020

Background

As part of the annual budget process, the Town Council provides staff with a set of budget guidelines and parameters to be used in preparing the annual operating budget. As we proceed through the budget process, these preliminary projections for revenues and expenditures will be refined as new information is gathered.

Discussion/Analysis

Attached are suggested revenue, expenditure and service delivery guidelines and parameters for FY 20. These parameters set the stage for developing a proposed budget that will attempt to maintain current levels of service, identify resources to address unmet and emerging service delivery needs, as well as continuing multi-year investments in programs such as open space preservation, debt and asset management, infrastructure improvements and funding for other post-employment benefits (OPEB).

The October 1, 2018 grand list will not be formally completed until January 31, 2019. At this time, it is expected that with property appreciation due to mandated revaluation combined with economic growth, the net taxable 2018 grand list will be approximately \$3.1 billion. Included in this amount is additional real property value from the Amazon and Windsor Station assessment abatement agreements.

Non-property tax revenue categories comprise approximately 16% of the current budget, and include such items as state aid, interest earnings, fees, permits and use of General Fund reserves. As in years past, it can be a challenge to forecast non-tax revenues at this early stage in the budget process, as a number of factors influence these revenue sources. One uncertainty is the level of municipal state aid we anticipate to receive as the new Governor's administration and General Assembly take office. From a macro-planning perspective, it is recommended that we utilize the state aid figures as proposed by the State of Connecticut Office of Policy & Management.

Building permit fees, real estate conveyance fees and land recording fees are projected to be similar to what we budgeted from these sources for FY 19. Interest earnings are expected to increase as we continue moving into a higher interest rate environment.

On the expenditure side, our assumptions and projections related to individual expenditure categories will become more firm over the coming months as we gather new data from our vendors, suppliers and cooperative purchasing coalitions. We are currently projecting increases in health insurance costs of approximately 6% and retirement costs of approximately 10%. Additionally, we are expecting electricity distribution cost to increase by at least 3%. Budgeted unit prices for gasoline and diesel are projected to increase as compared to the current year unit pricing. The Metropolitan District Commission (MDC) ad valorem sewer assessment is projected to increase by approximately 17%, and MDC water rates are projected to increase by approximately 11%.

As already noted, there is uncertainty as to the overall level of state aid the town will receive in FY 20. One particular area of concern relates to property tax reimbursements in the Bradley Airport Development Zone. This incentive zone allows for qualifying businesses to receive an 80% local property tax reduction (on both real and personal property) with the State of Connecticut reimbursing the municipality 50% of the foregone revenue. This current fiscal year the State has not adequately funded the program, therefore it is unlikely the town will receive reimbursement for three projects that qualify for the incentive in FY 20. If not funded adequately, the estimated loss of revenue from State reimbursement in FY 20 is approximately \$275,000.

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 to the Town Council that the attached FY 20 budget assumptions and parameters be approved as presented.”

Attachments

Proposed FY 20 Budget Assumptions & Parameters

**PROPOSED FISCAL YEAR 2020
BUDGET ASSUMPTIONS & PARAMETERS**

Revenues

Utilize state aid amounts as proposed by the Office of Policy & Management. There is uncertainty relative to the amount of state aid we will be anticipating to receive as the General Assembly may need to take deficit mitigation measures that could affect state aid.

Building permits, conveyance fees and land recordings are projected to remain flat with FY 19 adopted budget amounts.

Interest earnings are improving and are projected to return approximately 2.00%.

EXPENDITURES

Employee and retiree insurance benefit (health, life, dental) premiums are projected to increase approximately 6.0% (\$195,000)

Town contributions to defined benefit and defined contribution retirement plans are forecasted to increase approximately 10%. (\$135,000)

Budgeted cost for electricity is projected increase 3.0% (\$30,000).

Budgeted unit costs for gasoline and diesel fuel are expected to increase 2.0% and 7.0% respectively. (\$9,000)

MDC water and sewer rates are expected to increase January 1, 2019. The water use charge is projected to increase 11%. (\$8,000). Hydrant maintenance charges are expected to increase 25% (\$27,000)

MDC sewer ad valorem assessment is projected to increase 17%. (\$720,000).

General Fund appropriation for debt service is projected to increase 3.0% as compared to the FY 19 budget amount. (\$215,000)

Continue contribution to the Caring Connection from the general fund. (\$30,000 increase)

Continue planned incremental increase to the OPEB Trust Fund appropriation. (\$150,000)

SERVICE DELIVERY

Present a budget that reflects current levels of service as well as identifies resources to address unmet and emerging service delivery needs. (e.g. mental health outreach / counseling, employee training, succession planning)


Continue multi-year investment program in open space preservation as well as asset management activities including pavement management, fleet, technology, facilities, and athletic fields.

Agenda Item Summary

Date: November 26, 2018

To: Members of the Finance Committee

Prepared By: James Bourke, Finance Director

Reviewed By: Peter Souza, Town Manager 

Subject: FY 2020 Budget Calendar

Background

The attached budget calendar outlines the process for submittal, review and adoption of the annual operating budget.

Discussion/Analysis

The proposed budget calendar is generally consistent with previous budget calendars. Once again it incorporates dates related to Public Act #13-60. This act requires the Town Council to make recommendations and suggestions to the local Board of Education regarding the consolidation of non-educational services within 10 days of the Board of Education submitting its budget information.

The proposed schedule calls for a public hearing on February 4 to hear budget requests and comments. The proposed budget will be transmitted to the Town Council on March 27. On April 1, a public hearing is proposed prior to the Council's regularly scheduled meeting.

Council discussion and preliminary deliberations are scheduled for April 22 with the final budget adoption being proposed for Wednesday, April 24. The suggested date for the adjourned town meeting (referendum) is Tuesday, May 14. As in years past, the formal setting of the referendum date is set when the Town Council adopts the budget.

The calendar includes public information and community forums on February 27 and March 28. These forums will be hosted by town staff and provide an opportunity for discussion of the budget process, our overall revenue picture, as well as various fiscal and service delivery topics. The March 28 forum will provide an informal setting for the public to hear more about the proposed budget prior to the April 1 Town Council public hearing.

On April 25, May 1 and May 9 there will be additional community budget forums. These forums are sponsored by Windsor CT Votes and the League of Women Voters and will allow the public to hear more about the proposed budget and the budget that will be presented at the referendum. The Town Manager and Superintendent of Schools will be available at these meetings to provide the latest information on the budget and answer questions from residents.

Financial Impact

None

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 to the Town Council that the FY 2020 budget calendar be approved as presented.”

Attachments

Draft FY 2020 Budget Calendar

**TOWN OF WINDSOR, CONNECTICUT
FY 2020
BUDGET CALENDAR BY DEPARTMENT**


DRAFT

Date	Day	Step
February 4, 2019 7:15 PM	Monday	Public Hearing by Town Council to hear budget requests from citizens.
February 21, 2019	<i>Tentative</i>	Board of Education to submit to Town Council information regarding Public Act 13-60
February 27, 2019	Wednesday	Informational meeting on Proposed Budget
March 4, 2019	<i>Tentative</i>	Town Council suggestions due to the BOE per Public Act 13-60 within 10 days of BOE submission
March 2019	<i>Tentative</i>	Board of Education to submit written responses to Town Council regarding suggestions made per Public Act 13-60.
March 11, 2019	Monday	Finance Committee Meeting
March 27, 2019	Wednesday	Estimated receipts and expenditures submitted to Town Council by Town Manager (proposed budget)
March 28, 2019	Thursday	Informational meeting on Proposed Budget
April 1, 2019 7:00 PM	Monday	Town Manager's Presentation of FY 20 Proposed Budget Public Hearing re: public opinion regarding budget as proposed by Town Manager Regular Town Council meeting
April 3, 2019 6:30- 9 PM	Wednesday	Board of Education, Revenues, Public Works, Landfill Enterprise Fund, Resident Transfer Station Enterprise Fund, Child and Adult Day Care
April 15, 2019 6:30- 9 PM	Monday	Board of Education, Information Services, Health Services, Library, Human Services, Safety Services, Recreation & Leisure Services
April 17, 2019 6:30 - 9 PM	Wednesday	Development Services, Community Development, Administrative Services, General Government, General Services, Insurance Internal Service Fund, Town Support for Education
April 22, 2019 6:30 – 9 PM	Monday	Public Comment, Capital Spending, Price Guide, Preliminary Deliberations
April 24, 2019 6:30 - 9 PM	Wednesday	Public Comment, Town Council final deliberations and vote
May 14, 2019	Tuesday	Recommended date for Adjourned Town Meeting (referendum)
May 20, 2019	Monday	Regular Town Council Meeting; Council sets tax rate
June 19, 2019	Wednesday	Tax bill mailing completed
June 30, 2019	Sunday	End of current fiscal year

Additional Community Budget Forums – May 1 & May 9 (sponsored by League of Women Voters & CT Votes)

Windsor school vacation week is April 8-12, 2019

Agenda Item Summary

Date: November 26, 2018
To: Members of the Finance Committee
Prepared By: James Bourke, Finance Director
Reviewed By: Peter Souza, Town Manager 
Subject: FY 2020 Budget Format

Background

The *Town Charter* requires that should the Town Council desire any changes to the budget format that these changes must be adopted by January 15th.

Discussion/Analysis

Staff is not proposing changes to the budget format for FY 2020.

Financial Impact

None

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 to the Town Council that the FY 2020 budget format remain the same as the format utilized for FY 2019.”

Attachments

None

**TOWN OF WINDSOR
FINANCE COMMITTEE
October 8, 2018
TOWN HALL – ROGER 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. with Councilor Joseph McAuliffe and Councilor Donald Jepsen present.

Staff Present: Town Manager, Peter Souza; Director of Public Works, Bob Jarvis; Finance Director, Jim Bourke; Solid Waste Manager, Mark Goossens; Caring Connection Manager, Cheryl Rosenbaum; Discovery Center Manager, Laura Casey and Town Treasurer, Randy Graff

PUBLIC COMMENT

There was no public comment.

2. REVIEW OF FY 18 YEAR END AND FY 19 FIRST QUARTER FINANCIALS FOR ENTERPRISE FUNDS (Landfill, Transfer Station, Discovery Center, Caring Connection)

Landfill/Transfer Station

Mark Goossens, Solid Waste Manager, provided an overview of FY18 year-end results and FY19 first quarter financials for the landfill and transfer station enterprise funds.

Deputy Mayor Terranova asked about recycling and why we are \$7,000 under budget for the curbside recycling rebate. Mr. Goossens stated there is a world-wide surplus of recyclables. Town Manager Souza stated that Windsor Sanitation owns the materials once they collect them. Councilor Jepsen asked if it is single-stream recycling. Mr. Goossens replied yes and the cost is being charged back to Windsor Sanitation and other vendors.

Councilor Jepsen asked how much of the landfill is capped. Mr. Goossens indicated that 75% of the site has the bottom layer of clay but not the full 18 inches that will ultimately be required.

Councilor Jepsen inquired about the wetlands area. A less costly and less disruptive option is being discussed for that portion of the landfill. They are in the design process now. By February we should know how much the costs will be. It is likely to be less than the third-party calculated costs of approximately \$4 M.

Councilor Jepsen asked about the burning off of methane. Mr. Goossens explained that the flame is at 400 CFM and is not enough to use as an alternative energy or revenue source.

Town Manager Souza acknowledged Mr. Goossen's efforts in working with the DEEP and Fuss & O'Neil has resulted in approximately \$800,000 in cost avoidance by purchasing less expensive alternative capping materials.

Discovery Center

Laura Casey provided an overview of the FY18 year-end results and FY19 first quarter financials for the Child Development enterprise fund. She explained current staffing challenges and the fact that she needs to spend more time in the classrooms than she should.

Councilor McAuliffe asked if there are any retired teachers that work at the Center. Ms. Casey said there is one but she only works part-time and she noted that due to low hourly wage rates it is difficult to attract retired teachers. Ms. Casey described a robust employee recruitment effort that they conducted via social media, which unfortunately did not yield any applicants.

Caring Connection

Cheryl Rosenbaum provided an overview of the FY18 year-end results and FY19 first quarter financials for the Adult Day Care enterprise fund. Town Manager Souza highlighted that part of Ms. Rosenbaum's focus for recruiting clients has been in the Windsor Locks area as well as in East Granby this fall. She is making a push into Bloomfield and South Windsor as well.

Deputy Mayor Terranova asked if 35 client days is what is needed to break even. Ms. Rosenbaum indicated yes, approximately that much. Mr. Souza mentioned that Ms. Rosenbaum's efforts to maintain networks and family connections keeps people thinking about us, our facility and programs.

Deputy Mayor Terranova asked about the new staff and if they came from other similar programs. Ms. Rosenbaum indicated that they come from a range of backgrounds and that she has two strong certified nursing assistants that are working out very well.

3. REVIEW UNAUDITED FY 18 GENERAL FUND YEAR-END FINANCIALS

Finance Director, Jim Bourke, provided an overview of the FY18 year-end operating results. Revenues are projected to come in with a favorable variance of approximately \$1.9 million. Revenue categories that show the most significant positive year-end variances as compared to budget consist of property taxes, building permits, interest income, special education excess costs and conveyance fees.

Expenditures, including the Board of Education, are estimated to be approximately \$1.1 million under budget. This savings equals 1.02% of the General Fund FY 18 budgeted amount. The expenditure savings are primarily due to vacant or partially vacant positions, and employees out on disability, workers compensation, or military leave. Also contributing to the expenditure savings were savings from energy and utilities as well as the storm control budget.

Councilor Jepsen asked about the Inventory item on the supporting schedule to the agenda item summary. Mr. Bourke said that it is there as part of the calculation of the unassigned fund balance. Town Manager Souza clarified that the number represents the dollar value of the diesel and regular fuel in the tanks at the public works garage.

4. REVIEW FY 19 GENERAL FUND FIRST QUARTER FINANCIALS

Finance Director, Jim Bourke, provided an overview of the FY19 first quarter operating results. Overall revenues reflect 83.4% collections as of the first quarter of the fiscal year vs. 82.5% for the same time period last year.

FY 19 expenditures are comparable to the first quarter of FY 18 with a 0.2% difference between the two fiscal years (23.5% spent for FY 19 versus 23.3% for FY 18). Most of the differences relate to the timing of expenditures and purchase orders and when they are entered into the accounting system.

Councilor McAuliffe asked about the large year-over-year variance for the Board of Education. Town Manager Souza explained it is most likely due to the timing of their payrolls. Mr. Burke confirmed this but also indicated that he wasn't sure and would follow up with BOE staff regarding this question.

5. REVIEW EXTENSION OF FY 18 OPEN PURCHASE ORDER

Finance Director, Jim Bourke, provided an overview of the FY18 year-end purchase orders. The open purchase order related to installing fiber optic at 330 Windsor Ave Community Center is requested to be reapproved as that work is scheduled to be completed in mid November.

MOVED by Councilor Jepsen, seconded by Councilor McAuliffe that it be recommended to the Town Council that the remaining FY 18 General Fund purchase order No. 18277 in the amount of \$22,000 be reapproved and carried forward until December 17, 2018.

Motion Passed 3-0-0

6. STAFF REPORTS

Town Manager Souza mentioned that we intend to start bringing capital projects forward to the Town Council in order to get funding for the initial design stage. The plan is that the projects will be brought back to the Council in mid-winter after design to obtain funding authorizations. Town Manager Souza provided an update on the 10/1/18 revaluation process. The field work has been completed and notices to residents will be going out in late November. There will be informal hearings held in December, which will include representatives from Vision as well as other professional assessors to assist. Residents will have the first three weeks of February to make a formal appeal and the hearings will be held in March.

Town Assessor Larry Labarbera is working with other assessor professionals to review some of our larger commercial projects to get a different set of eyes and to double-check the

valuations in an effort to reduce appeals. Town Manager Souza stated that if there is not enough sales information available, then we will use the income approach.

Town Manager Souza provided an overview of the upcoming delinquent property tax sale. He mentioned that the town has been holding a tax sale every other year since 2015. Tax Collector Cathy Elliot is planning on holding the sale in April of 2019. Town Manager Souza emphasized that we give multiple opportunities for taxpayers to pay off what they owe or to come up with a workable payment plan. He described the criteria for a property to be included in the sale as either three years in arrears or more than \$20,000 owed.

Town Manager Souza stated that the Tax Collector will be sending out demand notices this week, and taxpayers who make workable and reasonable payment arrangements will be removed from the sale list. In December the list will go to the town attorney and he will send another set of demand letters. After that, taxpayers will be required to pay what they owe in full and no payment plans will be accepted. Town Manager Souza added that at this time there are 29 properties totaling approximately \$553,000 that owe back taxes. The list is usually greatly reduced by the time of the sale and only 6-8 properties end up actually being in the tax sale.

Councilor McAuliffe asked how the payment plans work. Mr. Bourke said that Ms. Elliott works with the property owners on an ability-to-pay basis, but they have to pay an amount that will get them caught up within a reasonable amount of time.

Councilor McAuliffe asked how many people are on payment plans. Mr. Bourke and Town Manager Souza stated they did not have that information at hand.

7. APPROVAL OF MINUTES

MOVED by Councilor McAuliffe, seconded by Councilor Jepsen to approve the unapproved minutes of June 14, 2018 as presented.

Councilor Jepsen indicated that his name is spelled incorrectly on the top of page 2.

Motion Passed 3-0-0

8. ADJOURNMENT

MOVED by Councilor Jepsen, seconded by Councilor McAuliffe to adjourn the meeting at 7:55 p.m.

Motion Passed 3-0-0

Respectfully submitted by,

Jim Bourke
Finance Director