

TOWN OF WINDSOR, CONNECTICUT

Special Meeting Notice



AGENCY: Finance Committee

DATE: June 10, 2019

TIME: 7:00 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. *Review of FY 19 General Fund Year End Financials
6. Staff Reports
7. Approval of Minutes
 - a) *February 28, 2019
8. Adjournment

*Backup materials

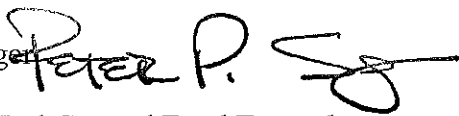
Public Act 75-312 requires notice of Special Meetings to be posted in the Town Clerk's Office not less than 24 hours prior to the time of such meeting. No other business shall be considered at this meeting than that listed on this Agenda.

Agenda Item Summary

Date: June 10, 2019

To: Members of the Finance Committee

Prepared by: Jim Bourke, Finance Director

Reviewed by: Peter Souza, Town Manager 

Subject: Approval of FY 19 Year-End General Fund Encumbrances

Background

Below are FY 19 year-end encumbrances as of June 10, 2019 for the Finance Committee's review. 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 four FY 19 General Fund open purchase orders as of June 10, 2019 totaling \$62,865 that are expected to be encumbered. They are as follows:

Town of Windsor FY 19 Year-End General Fund Open Purchase Orders As of June 10, 2019				
Department/Account	P.O. #	Vendor Name	Product / Service Description	Open Amount
Development Services - Economic Dev./General Government - Town Managers Office				
Contractual Services	19321	Planimetrix, LLC	Wilson Property Planning Project	\$11,665
Safety Services - Fire & Rescue Services				
Other Capital Equipment	19309	Firematic Supply Co, Inc.	Hurst Hydraulic Spreader	\$25,850
Safety Services - Fire & Rescue Services				
Other Capital Equipment	19319	Fire Tech & Safety of New England	Thermal Imaging Cameras	\$19,850
Public Works & Engineering - Design Services				
Contractual Services	19218	Anchor Engineering Services	Lenox St. Staircase Design	\$5,500
General Fund Total				<u>\$62,865</u>

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 19 General Fund open purchase orders as of June 10, 2019 be submitted and approved by the Town Council until October 21, 2019.”

Attachment


None

Agenda Item Summary

Date: June 10, 2019

To: Members of the Finance Committee

Prepared By: Jim Bourke, Finance Director

Reviewed By: Peter Souza, Town Manager 

Subject: Approval of FY 19 Year-End Transfers

Background

The Finance Committee and Town Council have traditionally granted the Finance Director the authority to transfer up to \$5,000 between service units (offsetting those that have gone over budget with those that have come in under budget) at the end of the fiscal year.

In addition, the Town Council is being requested to approve the transfer of funds to service units that have gone over the adopted budget by more than \$5,000.

Discussion/Analysis

At this time, there are no service units that are projected to need a year-end transfer by the Finance Director, however, authorization to do so is requested in the event a transfer is needed at year end.

There is one service unit that is projected to go over budget by an amount greater than \$5,000 for FY 19. General Services is projected to be over budget by \$53,500, bringing the total FY 19 General Fund funding to \$14,548,470 versus the adopted budget amount of \$14,494,970. This is mainly due to two reasons:

- 1) A transfer of \$37,000 due primarily to prior year tax refunds as stipulated by the State of Connecticut Superior Court for two property tax assessment appeals.
- 2) A transfer of \$16,500 to the Caring Connection line to provide funding necessary to cover the additional operating loss in FY 19. During FY 20 budget deliberations, the Town Council reduced the requested transfer to the Caring Connection from the General Fund with the understanding that a year-end transfer would be requested to cover the additional FY 19 projected operating loss.

It is recommended that a transfer of \$53,500 be made from the FY 19 Safety Services budget to General Services for these two items as the Safety Services budget is projected to have a \$153,000 year-end balance.

Other Board Action

None

Recommendations

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

A) Finance Director Year End Transfer Authority

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

B) Year End Transfers

“MOVE that the Finance Committee recommend to the Town Council approval of a transfer of \$53,500 from Safety Services to General Services to fund the projected year end deficit in the tax refund category and the FY 19 Caring Connection operating loss; and that \$16,500 be transferred from General Services to the Caring Connection Adult Day Care Enterprise fund to cover the anticipated FY 19 operating loss.”

Attachments

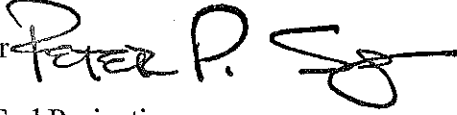
None

Agenda Item Summary

Date: June 10, 2019

To: Members of the Finance Committee

Prepared By: Jim Bourke, Finance Director

Reviewed By: Peter Souza, Town Manager 

Subject: FY 19 General Fund Year-End Projections

Background

Attached are unaudited General Fund revenue and expenditure estimates for fiscal year-end 2019. This report is provided for the Finance Committee's review and discussion.

Discussion/Analysis

Revenues are projected to come in with a favorable variance of approximately \$3.5 million. Revenue categories that show the most significant positive year-end variances as compared to budget consist of property taxes (including amounts received from the delinquent property tax sale) as well as building permits, interest income, and conveyance fees.

Expenditures, including the Board of Education, are estimated to be approximately \$365,000 or less than one percent (0.5%) of the budget. The savings are primarily due to vacant positions and savings in the storm control budget.

During the course of the year, the Town Council approved appropriations from the General Fund Unassigned Fund Balance of \$55,000 for improvements to the Mill Brook property and \$400,000 for the School Safety and Security project.

The additional revenues, expenditure savings and use of fund balance are projected to result in an increase to the General Fund budgetary fund balance of approximately \$2.5 million. This takes into consideration that the \$900,000 Opening Cash appropriation was not needed to balance the budget, as actual revenues exceeded actual expenditures during the year.

Other Board Action

None

Recommendations

This report is presented for informational purposes only.

Attachment

FY19 unaudited year-end revenue and expenditure estimates

**TOWN OF WINDSOR
GENERAL FUND
UNAUDITED FINANCIAL STATEMENT
FY 19 PROJECTION**

BUDGETARY BASIS

Service Unit/Department	Original Adopted Budget	Amendments	Final Budget	FY 19 Projection	Variance
Revenues:					
General Property Tax	97,360,030	0	97,360,030	99,224,500	1,864,470
Licenses and Permits	625,960	0	625,960	1,232,610	606,650
Fines and Penalties	36,000	0	36,000	34,600	(1,400)
Revenues from Use of Assets	1,048,830	0	1,048,830	1,518,830	470,000
State School Aid	13,010,540	0	13,010,540	12,676,910	(333,630)
State Grants in Lieu of Taxes	1,488,740	0	1,488,740	1,798,610	309,870
Other State Grants	37,460	0	37,460	43,210	5,750
Revenues from Other Agencies	108,370	0	108,370	124,370	16,000
Charges for Current Services	583,500	0	583,500	1,083,900	500,400
Other Revenues	20,500	0	20,500	28,670	8,170
Opening Cash	900,000	0	900,000	900,000	0
Total Revenues	115,219,930	0	115,219,930	118,666,210	3,446,280
Expenditures:					
General Government	1,015,240	0	1,015,240	988,920	26,320
Safety Services	10,346,090	(53,500)	10,292,590	10,192,270	100,320
Recreation & Leisure Services	1,538,390	0	1,538,390	1,537,570	820
Human Services	865,940	0	865,940	854,810	11,130
Health Services	494,800	0	494,800	488,490	6,310
Library Services	1,678,840	0	1,678,840	1,671,090	7,750
Development Services	1,318,030	0	1,318,030	1,312,300	5,730
Community Development	103,800	0	103,800	103,800	0
Public Works	6,260,520	0	6,260,520	6,182,010	78,510
Information Services	491,270	0	491,270	486,650	4,620
Administrative Services	2,313,740	0	2,313,740	2,287,660	26,080
General Services	14,494,970	53,500	14,548,470	14,548,470	0
Board of Education	69,068,800	0	69,068,800	68,998,800	70,000
Town Support for Education	5,229,500	0	5,229,500	5,199,800	29,700
Total Expenditures	115,219,930	0	115,219,930	114,852,640	367,290
Surplus/(Deficit)	-	-	-	3,813,570	
Budgetary Fund Balance, July 1, 2018				23,807,940	
<u>Use of Fund Balance:</u>					
FY 19 Opening Cash				(900,000)	
School Safety & Security Project				(400,000)	
Mill Brook Property Improvements				(55,000)	
Budgetary Fund Balance, June 30, 2019				<u>26,266,510</u>	
Change in Fund Balance (Budgetary)				2,458,570	

**TOWN OF WINDSOR
FINANCE COMMITTEE
February 28, 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 6:30 p.m. with Councilor Joseph McAuliffe and Councilor Donald Jepsen present.

Staff Present: Town Manager, Peter Souza; Finance Director, Jim Bourke; Assistant Finance Director, Linda Collins; Management Analyst, Kelly Barrett; Accountant, Jennifer Mighty.

Guests: Scott Bassett, RSM and Paul Sabetta, RSM

2. PUBLIC COMMENT

George Slate, 25 Ethan Drive expressed his surprise in that the audit received a clean opinion without an adopted FY 18 budget. He referenced section 9-1 of the *Town Charter* that states if a budget recommendation fails, the Council will make adjustments and resubmit to the voters, until approved by the voters. He said there are two solutions; pass a budget, or go to the general assembly and get enabling legislation that would allow for budget approval at the local level by 2/3 majority of the Town Council.

3. REVIEW OF FY 18 FINANCIAL AUDIT

Scott Bassett and Paul Sabetta from RSM presented the results of the FY 18 audit.

Mr. Bassett indicated that the audit was performed based on GAAP and received a clean, unmodified opinion. He said that the trial balances did not require any audit adjustments, which is not the case for many towns they work with. The information they were given was very accurate. He mentioned that town staff works hard to get the statements correct and they take a lot of ownership of the financials of the town. The audit went well. The goal was to have the audit done by the beginning of November, but certain reports from the state were late so that held up the process and that is why the audit was issued later than planned.

Mr. Sabetta reviewed key financial highlights and walked through several of the note disclosures. Our unassigned fund balance is \$23M or 19.8% of the FY 19 adopted budget. Property taxes had a good collection rate of 98.8%, which is high compared to other communities. There was a \$2.7M gain for the general fund and all other funds were straight forward and there were no surprises. The Landfill ended with a deficit of \$9.7M and the other enterprise funds reflect an \$848,000 net position. The insurance internal service fund saw a gain of \$1.5M.

Mr. Bassett explained that the town's defined benefit pension plan is funded at 83%, which goes back to the town having discipline running the plan. He compared the town's funded amount to the nationwide average, which is about 70%. He went on to explain new GASB pronouncements, and mentioned that the rest of the fund audits were status quo. He concluded by saying it was a clean audit and preparation by town staff was well done.

Councilor Jepsen asked if GASB 75 would hurt the town's bond rating. Mr. Bassett replied that the rating agencies have known about this pronouncement for a few years, that they are aware of the impact of it and that it would not be an issue for them.

4. REVIEW OF SECOND QUARTER FY 19 FINANCIALS

Finance Director, Jim Bourke, presented the 2nd quarter FY 19 financial information. Revenues are tracking close to where we were at the same point last year. Building permit revenue is coming in higher this year as compared to last year, as well as interest earnings. He indicated that we received unanticipated revenue from a filing correction for Airport Development Zone as well as the state-owned property PILOT revenue. He added that revenue collections for conveyance fees are higher as well as Town Planning & Zoning fees associated with Great Pond Village. Expenditures are trending consistently year over year. There was greater expenditure this year as compared to last year in the General Government service unit due to elections that occurred this fiscal year. Other expenditure variances are mostly due to timing of purchases and when purchase orders were established.

Councilor Jepsen asked if the PILOT funds were not budgeted because we weren't sure if we would really receive that. Town Manager Souza replied yes.

Deputy Mayor Terranova asked about the Great Pond fees and how that worked relative to the Great Pond Improvement District TIF. Peter explained how the inter-local agreement works. He stated that we retain the first \$78,000 in non-incremental revenue and then we split what we collect above that 50/50 with Great Pond Improvement District. Any revenue received from building permits and the Town Planning & Zoning fees are separate from the tax collection revenues. Car taxes are not currently included, only real estate and personal property. In FY 21 we should see an increase to the grand list due to the new construction on the site. The inter-local agreement states that the payments to the district need to be enough to pay debt services requirements. If the incremental revenues are not sufficient, then special assessments would be placed on each property owner to make up the difference.

Councilor Jepsen asked what percent is retained by the town from conveyance fees. Town Manager Souza stated the town keeps one quarter of one percent of the sale price, and the state receives three quarters of one percent.

Councilor Jepsen asked if we could use the capital project assigned fund balance to do the Clover Street school roof project. Town Manager Souza said that we are close to the policy threshold for using the assigned fund balance, but we could use existing residual funds from the previous Clover Street school project as well as General Fund reserves. He also said that staff was looking into state reimbursement for the project, and that we could be eligible for approximately 50% reimbursement from the state.

Councilor Jepsen asked if we should borrow for the project. Town Manager Souza said that he would not recommend doing that.

5. UPDATE ON FY 20 BUDGET PREPARATION

Town Manager Souza stated that we are reviewing departmental submittals and working through the Governor's budget proposal. He mentioned that state aid is approximately the same as the FY 19 adopted amount, and that we could end up approximately \$75,000 better. LOCIP funding is projected to be about \$30,000 less than what we received previously.

Town Manager Souza reviewed current key expense drivers relative to what was reported to the Finance Committee at the November 2018 meeting. Certain items are coming in less than originally anticipated, such as health insurance and the MDC sewer assessment. Other items are going up, such as the town's contributions to the State MERS pension for the town's police officers. The Governor is also proposing that towns contribute to the State teacher's retirement plan. The amount for Windsor for FY 20 is approximately \$191,000. He mentioned that the overall expenditure increase is estimated at just over 3%, that revaluation will impact everyone differently, and that we are projecting a small increase in non-tax revenues mostly due to interest rates going up. The budgetary tax impact is projected to be approximately 2.25%, and this includes the Board of Education at a 2.67% increase. He indicated that over the last ten years, our tax increase has averaged 1.32% and that over the last four years it was 1.9%. He discussed the tax calculator and the different levels of tax increases, or decreases, that citizens may see.

Councilor Jepsen asked if we included the \$191,000 TRB payment in the FY 20 budget, and Town Manager Souza said that it was.

6. STAFF REPORTS

None.

7. APPROVAL OF MINUTES

MOVED by Councilor McAuliffe, seconded by Councilor Jepsen to approve the unapproved minutes of November 26, 2018 as presented.

Motion Passed 3-0-0

8. ADJOURNMENT

MOVED by Councilor McAuliffe, seconded by Councilor Jepsen to adjourn the meeting at 7:45 p.m.

Motion Passed 3-0-0

Respectfully submitted by,

Linda Collins
Assistant Finance Director