

TOWN OF WINDSOR, CONNECTICUT

Special Meeting Notice



Zoom Instructions

Dialing in by Phone Only:

Please call: **646 558 8656 or 312 626 6799**

1. When prompted for participant or meeting ID enter: **889 5988 2059** then press #
2. You will then enter the meeting muted. During Public Comment if you wish to speak press *9 to raise your hand.

Joining in by Computer:

Please go to the following link: <https://us02web.zoom.us/j/88959882059>

1. When prompted for participant or meeting ID enter: : **889 5988 2059**
2. Only if your computer has a microphone for two way communication, then during Public Comment if you wish to speak press **Raise Hand** in the webinar control. If you do not have a microphone you will need to call in on a phone in order to speak.
3. During Public Comment if you do not wish to speak you may type your comments into the Q&A feature.

AGENCY: Finance Committee

DATE: January 25, 2021

TIME: 5:30 PM

PLACE: Town Hall – via Zoom

AGENDA

1. Call to Order
2. Public Comment
3. *Review of FY 2020 Financial Audit
4. *Review of FY 2021 second quarter financials
5. Approval of Minutes
 - a) *December 14, 2020
6. 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: January 25, 2021

To: Members of the Finance Committee

From: Jim Bourke, Finance Director

Reviewed By: Peter Souza, Town Manager 

Subject: Presentation and Discussion of the FY 20 Audit Report and Federal and State Compliance Report

Representatives of the town's independent auditor, RSM US LLP, will present the results of the town's FY 20 audit to the Finance Committee. There were no significant deficiencies or material weaknesses identified by the audit firm during the course of, or as a result of, the annual audit.

Highlights

On a budgetary basis, General Fund expenditures came in under budget by \$1,611,905, or 1.4%. Partial-year vacancy savings as well as Board of Education savings from the Covid-19 pandemic contributed to the expenditure surplus. Revenues exceeded the budget by \$2,161,000, for a total budgetary surplus of \$3,772,905. Sources of revenues that exceeded the budget mostly consisted of property tax collections, state aid, and special education tuition. Total FY 20 appropriations from the General Fund unassigned fund balance was \$743,000 and consisted of an appropriation of \$25,000 for the Wolcott School survey and testing, \$346,000 for Sage Park Middle School LED lighting, \$130,000 for financial assistance to the Windsor Volunteer Ambulance, and transfers to the Caring Connection and Discovery Center of \$55,000 and \$187,000 respectively. The General Fund unassigned fund balance as of June 30, 2020 is \$28,037,362, which is an increase of \$2,136,748 as compared to the previous year-end. The unassigned fund balance as of June 30th represents 23% of the FY 21 adopted budgeted expenditures of \$122,148,810.

The town invested approximately \$5.5M in new capital assets in FY 20 through cash funding, debt financing and grants. These investments consisted of \$3.1M for buildings and improvements and \$2.2M for new machinery and equipment. When taking into account depreciation on new and existing assets and construction in progress, total capital assets of the town increased by approximately \$16.6M to \$130.3M at the end of FY 20.

The town's total bonded debt increased by \$9.1M during FY 20 and stands at \$52,140,000 as of June 30, 2020. This increase is primarily due to the issuance of long-term debt related to phase 1 of the Public Safety Complex project. Debt service payments made during the year totaled approximately \$8.1M, which is 6.6% of FY 21 budgeted operating expenditures and within the town's policy guidelines of 6.0% to 8.0%.


The FY 20 Comprehensive Annual Financial Report, Federal & State Compliance reports were previously distributed to the council members in hard copy and digital form.

Agenda Item Summary

Date: January 25, 2021

To: Members of the Finance Committee

Prepared By: Jim Bourke, Finance Director

Reviewed By: Peter Souza, Town Manager 

Subject: General Fund Mid-Year Budget Report - FY 21

Background

Attached is the General Fund budget report as of December 31, 2020. This report is being provided to the Finance Committee for discussion purposes.

Discussion/Analysis

Revenues are 90.0% collected vs. 88.1% for the same time period last year. Notable changes in revenues received between the two fiscal years are as follows:

- General Property Taxes are 98.7% collected as compared to 98.7% for the same period last year. The tax payment deferral program adopted by the Town Council did not have a detrimental effect on overall collections. The tax payment deferral program has been extended for tax bills normally due and payable January 1, as per Governor Lamont's executive order. Under the extended deferral program, taxpayers paying their supplemental motor vehicle tax bills have until April 1 to pay without incurring late fees. Similar to the previous deferment, we do not anticipate this to have any significant effect on our third quarter tax collections.
- Licenses and Permits are 273.5% collected as compared to 60.6% collected for the same period last year. This is primarily due to building permit revenues of approximately \$1.3M related to the Amazon facility on Kennedy Road.
- Fines and Penalties are 16.7% collected as compared to 31.4% collected for the same period last year. The difference is due to the timing of court fine revenue collections.
- Revenues from Use of Assets are 39.0% collected as compared to 61.9% collected for the same period last year, and this is largely due to lower interest income collections. The adverse economic conditions caused by the pandemic have kept interest rates at historically low levels. It is projected FY 21 year end interest earnings will be \$170,000 less than budgeted.
- State Grants in lieu of Taxes are 38.1% collected as compared to 29.4% for the same time last year. The difference is due to funds received this year from the Bradley Airport Development Zone payment in lieu of taxes that were not received in FY 20.
- Funds received from the State of Connecticut Coronavirus Relief Fund account for the \$102,803 in Other State Grants.

Expenditures are 48.9% spent for FY 21 as opposed to 49.7% in FY 20. Most of the differences relate to the timing of when expenditures occur and when purchase orders are opened in the accounting system. Notable changes in expenditures between the two fiscal years are as follows:

- Information Services reflects 51.1% expended as opposed to 57.9% for the same time period last year. This is mainly due to the town's "There's a Lot to Do in Windsor" quarterly magazine not being published in FY 21.
- General Government reflects 64.7% expended as opposed to 58.6% for the same time period last year. This is mostly due to the FY 20 partial-year vacancy in the Town Manager's office being filled for FY 21. Also contributing to this is the timing of elections this year, with two elections occurring during the current time period as opposed to only one last year.
- Recreation and Leisure Services reflects 56.0% expended versus 60.6% for the same time period last year. This is mainly due to a reduction in certain programs and services as caused by the collateral effects of the pandemic.

There have been two appropriations from the General Fund unassigned fund balance so far this year; \$46,000 to fund the Railroad Grade Crossing Quiet Zone Study and \$15,000 to assist with the relocation of the John Mason statue. In addition to these uses, \$99,404 was returned to the General Fund unassigned fund balance from the close-out of the Sage Park LED Lighting Conversion capital project that was authorized by the Town Council in November.

Other Board Action

None

Recommendations

None

Attachment

FY 21 General Fund Mid-Year Budget Report

Town of Windsor
General Fund Mid-Year Budget Report
FY 2021
July 1, 2020 - December 31, 2020

	FY 2020 - through December			FY 2021 - through December		
	Approved Budget	FY20 Actual	Percent Received	Adopted Budget	FY21 Actual	Percent Received
REVENUE						
GENERAL PROPERTY TAX	100,237,450	98,910,700	98.7%	103,986,430	102,671,637	98.7%
LICENSES AND PERMITS	629,410	381,276	60.6%	730,710	1,998,250	273.5%
FINES AND PENALTIES	36,000	11,301	31.4%	34,000	5,688	16.7%
REVENUES FROM USE OF ASSETS	1,518,830	940,416	61.9%	610,000	238,143	39.0%
STATE SCHOOL AID	12,847,660	2,886,916	22.5%	12,847,660	2,886,916	22.5%
STATE GRANTS IN LIEU OF TAXES	1,728,240	507,247	29.4%	2,116,240	805,858	38.1%
OTHER STATE GRANTS	43,210	-	0.0%	40,000	102,803	257.0%
REVENUES FROM OTHER AGENCIES	118,370	-	0.0%	118,370	-	0.0%
CHARGES FOR CURRENT SERVICES	639,370	446,204	69.8%	744,900	509,096	68.3%
OTHER REVENUES	20,500	46,673	227.7%	20,500	9,097	44.4%
OPENING CASH	900,000	450,000	50.0%	900,000	450,000	50.0%
TOTAL REVENUES	118,719,040	104,580,733	88.1%	122,148,810	109,677,488	89.8%

	FY 2020 - through December			FY 2021 - through December		
	Approved Budget	FY20 Actual	Percent Expended	Adopted Budget	FY21 Actual	Percent Expended
EXPENDITURES						
INFORMATION SERVICES	540,080	312,850	57.9%	563,930	288,288	51.1%
ADMINISTRATIVE SERVICES	2,403,970	1,197,701	49.8%	2,480,960	1,295,931	52.2%
DEVELOPMENT SERVICES	1,344,760	644,576	47.9%	1,402,220	684,121	48.8%
GENERAL GOVERNMENT	1,036,260	607,397	58.6%	1,072,220	693,268	64.7%
COMMUNITY DEVELOPMENT	103,800	51,900	50.0%	102,980	51,900	50.4%
RECREATION & LEISURE SERVICES	1,989,000	1,205,957	60.6%	2,080,890	1,164,336	56.0%
LIBRARY SERVICES	1,717,780	813,783	47.4%	1,765,470	821,962	46.6%
HUMAN SERVICES	510,190	249,696	48.9%	442,160	215,949	48.8%
HEALTH SERVICES	508,150	245,850	48.4%	534,710	266,979	49.9%
PUBLIC WORKS & ENGINEERING	6,448,640	3,309,824	51.3%	6,650,610	3,406,477	51.2%
TOWN SUPPORT FOR EDUCATION	5,447,480	2,368,931	43.5%	5,276,190	2,161,860	41.0%
BOARD OF EDUCATION	70,913,360	33,787,451	47.6%	72,551,800	33,356,843	46.0%
SAFETY SERVICES	10,764,580	4,954,265	46.0%	10,990,950	5,205,004	47.4%
GENERAL SERVICES	14,990,990	9,282,919	61.9%	16,233,420	10,061,887	62.0%
TOTAL EXPENDITURES	118,719,040	59,033,101	49.7%	122,148,510	59,674,806	48.9%

INTEROFFICE MEMORANDUM

TO: Peter Souza, Town Manager
FROM: Laura Casey, Early Childhood Manager
SUBJECT: FY 21 2nd Quarter Review with Fiscal Year Projections
DATE: January 25, 2021

Background

We made a smooth transition from the summer program to the school year. The programs for children under 3 years-old were fully enrolled with 8 students in each group. The Primary Montessori program had a total of 29 students in 3 groups and the distance learning program had 8 students. We are continuing to operate under the licensing regulations of The Office of Early Childhood (OEC) based on CDC requirements due to the pandemic. These include increased cleaning requirements, reduction in group size, the use of PPE and the inability for staff to cross groups which all have a budgetary impact. We continue to provide the high level of Montessori and Child Care services our families expect.

2nd Quarter Revenues & Fiscal Year Projections

The first six months of FY 21 revenues were \$371,745. FY 21 second quarter revenues totaled \$194,238. Revenues are trending \$80,848 lower in the second quarter than the same time period last year. Our continued reduction in group size imposed by the OEC has had a 20% impact on our enrollment. Furthermore, the program suffered an additional loss due to the uncertainty of viral spread among children. We do not anticipate at this point to meet our budgeted revenue projections due to the impact of COVID-19.

2nd Quarter Expenses & Fiscal Year Projections

The Child Enterprise Fund expenditures for the second quarter FY 21 are \$2,202 less than the second quarter of FY20. We continue to mitigate expenditures as much as possible due to project revenue losses.

Overall FY 21 Projection

The pandemic has changed our business significantly since we re-opened in June 2020. The regulations have limited the number of children we can serve while increasing personal services to meet the new mandates. In addition we had to quarantine two groups for a total of 6 operating days in November 2020 and then an additional 4 weeks over the Christmas break due to exposures to COVID.

At this time, we project an end of fiscal year loss of \$422,550 for FY 21. The projected loss would leave the Child Enterprise Fund with a negative net position of \$84,654 at the end of the FY 21.

Marketing Efforts

Our marketing efforts for the first quarter included:

- creating Hybrid Learning model for the elementary program
- calling all families on waiting list to offer available spaces
- hosting a tag sale with the Historical Society
- hosting a Pajama Day fundraiser for Children's Medical Center for the third year in a row. We are listed as a partner on their site each year as a participant.

Attachments

FY 21 Second Quarter Actuals & Year End Projections

TOWN OF WINDSOR
CHILD DEVELOPMENT ENTERPRISE FUND
STATEMENT OF REVENUES AND EXPENSES

	FY 2020 Actual	FY 2021 - Adopted Budget	FY 2021 Monthly Average ~ Adopted budget divided by 12 ~	FY 2021 Six Month Actuals & Year End Projections												FY21 Projection vs FY21 Adopted Budget	
				Jul-20 Actual	Aug-20 Actual	Sep-20 Actual	Oct-20 Actual	Nov-20 Actual	Dec-20 Actual	Jan-21 Projection	Feb-21 Projection	Mar-21 Projection	Apr-21 Projection	May-21 Projection	Jun-21 Projection		Total FY 21 YTD
Operating Revenue:																	
Charges For Services	798,521	1,175,380	97,948	63,223	52,992	50,591	62,654	65,253	60,439	25,000	61,000	61,000	61,000	61,000	36,778	660,930	(514,450)
Other Revenues	10,851	-	-	620	481	9,450	50	4,012	1,764	-	-	-	-	-	3	16,380	16,380
Total Operating Revenue	809,372	1,175,380	97,948	63,843	53,473	60,041	62,704	69,265	62,203	25,000	61,000	61,000	61,000	61,000	36,781	677,310	(498,070)
Non-Operating Revenue:																	
Donations																	
Interest Income	5,455	5,000	417	400	50	(300)		35	31	6	6	6	6	6	4	250	(4,750)
Total Non-Operating Revenue	5,455	5,000	417	400	50	(300)	-	35	31	6	6	6	6	6	4	250	(4,750)
Total Revenue	814,827	1,180,380	98,365	64,243	53,523	59,741	62,704	69,300	62,234	25,006	61,006	61,006	61,006	61,006	36,785	677,560	(502,820)
Operating Expenses:																	
Personal Services	847,871	1,015,540	84,628	74,282	71,278	71,602	73,427	71,010	75,026	77,230	77,230	77,230	77,230	77,230	77,225	900,000	115,540
<i>Payroll Weeks</i>	<i>52.4</i>	<i>52.2</i>															
Supplies	16,791	20,600	1,717	894	368	2,713	776	1,777	1,119	1,828	1,828	1,828	1,828	1,828	1,833	18,620	1,980
Services	46,199	51,090	4,258	1,207	1,298	1,417	3,283	1,725	1,116	2,984	2,984	2,984	2,984	2,984	2,984	27,950	23,140
Marketing Expenses	2,846	8,000	667	11	264	-	95	-	-	250	250	250	1,300	1,300	1,280	5,000	3,000
Maintenance & Repairs	17,643	10,300	858	-	604	95	2,249	-	(1,088)	1,380	1,380	1,380	1,380	1,380	1,380	10,140	160
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy & Utility	14,382	12,590	1,049	83	111	83	194	203	10,721	360	360	360	360	360	375	13,570	(980)
Administrative Overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	118,830	118,830	9,903	9,903	9,903	9,903	9,903	9,903	9,903	9,903	9,903	9,903	9,903	9,903	9,897	118,830	-
Other (Bad Debt)	48	2,000	167	-	-	-	-	-	-	-	-	-	-	-	5,000	5,000	(3,000)
Total Operating Expenses	1,064,610	1,238,950	103,246	86,380	83,826	85,813	89,927	84,618	96,797	93,935	93,935	93,935	94,985	94,985	99,974	1,099,110	139,840
Non-Operating Expenses:																	
Depreciation	1,000	1,000	83	83	83	83	83	83	83	83	83	83	83	83	87	1,000	-
Total Non-Operating Expenses	1,000	1,000	83	83	83	83	83	83	83	83	83	83	83	83	87	1,000	-
Total Expenses	1,065,610	1,239,950	103,329	86,463	83,909	85,896	90,010	84,701	96,880	94,018	94,018	94,018	95,068	95,068	100,061	1,100,110	139,840
Annual Income/(Loss)	(250,783)	(59,570)	(4,964)	(22,220)	(30,386)	(26,155)	(27,306)	(15,401)	(34,646)	(69,012)	(33,012)	(33,012)	(34,062)	(34,062)	(63,276)	(422,550)	(362,980)
Net Position (Deficits), Beginning of Year/Month	401,679	328,529		337,897	315,677	285,291	259,136	231,830	216,429	181,783	112,771	79,759	46,747	12,685	(21,378)		
Transfer In - General Fd Unassigned FB	187,000																
Net Position (Deficits), End of Year/Month	\$ 337,897	\$ 268,959		\$ 315,677	\$ 285,291	\$ 259,136	\$ 231,830	\$ 216,429	\$ 181,783	\$ 112,771	\$ 79,759	\$ 46,747	\$ 12,685	\$ (21,378)	\$ (84,654)		
Subtract capital assets in Net Position	(6,000)	(5,000)															
Unrestricted Net Position (Deficits)	\$ 331,897	\$ 263,959													\$ (89,654)		

INTEROFFICE MEMORANDUM

TO: Peter Souza, Town Manager
FROM: Cheryl Rosenbaum, Caring Connection Manager
SUBJECT: FY 21 2nd Quarter Review with Fiscal Year Projections
DATE: January 25, 2021

Background

Caring Connection part-time team members were brought back at reduced hours due to COVID and a decreased census as of August 3rd. The program has been open for clients since August 5th with just a brief pivot to remote services for two weeks from 12/28/20 – 1/8/21 in an abundance of caution related to community uptick in the virus. The team continues to provide our clients and their families with a high level of care and concern during this challenging time utilizing our interdisciplinary crafted mitigation plan. The Therapeutic Recreation component of the program continues to be managed by the combined efforts of the program coordinator, nursing and program assistants. COVID requires staff to be on the floor and attuned to our clients every moment of the day to be in compliance with our mask wearing and safe distancing protocol. The Caring Connection now has an official logo which depicts a hand and heart design. As part of our first annual soup and crackers drive to benefit the Windsor Food bank, the community got its first look at our new logo. Approximately 35 cars drove by donating more than 100 bags at this drive-thru event. Each car received a slice of pie and marketing materials promoting our services.

2nd Quarter Revenues & Fiscal Year Projections

The first six months of FY 21 revenues were \$108,363. This is approximately \$38,000 lower than same period in FY 20. FY 21 second quarter revenues totaled \$61,471 which is \$14,746 lower than the same time period last year. We do not anticipate to meet our budgeted revenue projections due to the impact of COVID-19.

2nd Quarter Expenses & Fiscal Year Projections

The Caring Connection expenditures for second quarter FY 21 are \$10,317 less than the 2nd quarter of FY 20. The main reasons attributable to the decrease are reduced food cost, transportation and personal services costs as a result of COVID and a reduced census. Projections for overall FY 21 expenditures have been adjusted downward by \$76,020 to reflect lower census levels.

Overall FY 21 Projection

COVID requires the program to operate at a six foot socially distanced model wearing masks with constant attention to infection control. We anticipate these best practices to continue into the foreseeable future even with the beginning of the vaccine roll-out. Square footage of our space dictates the number of clients we can safely serve directly affecting revenues.

At this time, we project an end of fiscal year loss of \$160,990. That loss would be \$38,140 more than the \$122,850 loss projected in the FY 21 adopted budget. We anticipate \$114,160 less in revenues offset by the planned expenditure savings of \$76,020 as noted above.

The entire Caring Connection team has received their first vaccine and all are on target to receive round two at their next scheduled appointments beginning this week.

Marketing Efforts

Our marketing efforts for the second quarter of FY 21 included:

- Hosting our first annual “Soup and Cracker” Drive to benefit the Windsor Food Bank
- annual donation of client fleece tied blankets to Windsor’s Project Santa
- advertising in senior center bulletins in Windsor, Windsor Locks, and the St. Gabriel’s Church bulletin
- continued use of social media and town web-site to promote program
- virtual program offered to area senior centers for caregivers to be a part the discussion, “When is it time” for an adult day center for your loved one
- roll out of first ever Caring Connection Logo.



Attachments

FY 21 Six Month Actuals and Year End Projections

TOWN OF WINDSOR
CARING CONNECTION ENTERPRISE FUND
STATEMENT OF REVENUES AND EXPENSES

	FY 2021 Monthly Average	FY 2021 - Adopted Budget	~ Adopted budget divided by 12 ~	FY 2021 Six Month Actuals & Year End Projections												FY21 Projection vs FY21 Adopted Budget	
				Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21		Total
				Actual	Actual	Actual	Actual	Actual	Actual	Projection	Projection	Projection	Projection	Projection	Projection		FY 21 YTD
Operating Revenue:																	
Charges For Services	229,474	302,560	25,213	10,155	13,164	18,651	20,491	17,610	15,641	8,180	13,630	18,250	19,050	18,040	20,638	193,500	(109,060)
Other Revenues	16,578	20,000	1,667	-	-	4,866	385	3,540	744	300	210	210	1,500	1,210	2,035	15,000	(5,000)
Total Operating Revenue	246,052	322,560	26,880	10,155	13,164	23,517	20,876	21,150	16,385	8,480	13,840	18,460	20,550	19,250	22,673	208,500	(114,060)
Non-Operating Revenue:																	
Donations	3,225	3,000	250	-	-	1	3,025	-	-	-	-	-	-	-	4	3,030	30
Interest Income	657	300	25	25	10	20	5	16	14	20	20	10	10	10	10	170	(130)
Total Non-Operating Revenue	3,882	3,300	275	25	10	21	3,030	16	14	20	20	10	10	10	14	3,200	(100)
Total Revenue	249,934	325,860	27,155	10,180	13,174	23,538	23,906	21,166	16,399	8,500	13,860	18,470	20,560	19,260	22,687	211,700	(114,160)
Operating Expenses:																	
Personal Services	215,395	238,130	19,844	14,344	16,014	17,064	17,780	16,614	18,186	18,100	18,100	18,100	18,100	18,100	18,208	208,710	29,420
Payroll Weeks	52.4	52.2														-	
Supplies	11,463	10,650	888	185	1,866	25	1,435	1,099	1,215	1,700	1,700	1,800	1,900	1,900	1,925	16,750	(6,100)
Services	25,837	41,500	3,458	285	313	386	1,158	375	888	2,430	2,430	2,430	2,430	2,430	4,245	19,800	21,700
Marketing Expenses	8,127	6,000	500	652	-	152	730	519	3,139	150	25	25	25	25	558	6,000	-
Energy & Utility	3,422	3,710	309	289	289	284	266	288	286	290	290	350	350	360	368	3,710	-
Administrative Overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	69,090	69,090	5,758	5,758	5,758	5,758	5,758	5,758	5,758	5,758	5,758	5,758	5,758	5,758	5,752	69,090	-
Transfer Payment to GF Transportation U	42,000	78,450	6,538	6,538	(2,053)	6,538	6,538	6,538	6,538	2,640	2,640	2,640	2,640	2,640	2,613	46,450	32,000
Other (Bad Debt)	-	1,000	83	-	-	-	-	-	-	-	-	-	-	-	2,000	2,000	(1,000)
Total Operating Expenses	375,334	448,530	37,378	28,051	30,778	21,616	33,665	31,191	36,010	31,068	30,943	31,103	31,203	31,213	35,669	372,510	76,020
Non-Operating Expenses:																	
Depreciation	1,740	180	15	15	15	15	15	15	15	15	15	15	15	15	15	180	-
Total Non-Operating Expenses	1,740	180	15	15	15	15	15	15	15	15	15	15	15	15	15	180	-
Total Expenses	377,074	448,710	37,393	28,066	30,793	21,631	33,680	31,206	36,025	31,083	30,958	31,118	31,218	31,228	35,684	372,690	76,020
Annual Income/(Loss)	(127,140)	(122,850)	(10,238)	(17,886)	(17,619)	1,907	(9,774)	(10,040)	(19,626)	(22,583)	(17,098)	(12,648)	(10,658)	(11,968)	(12,997)	(160,990)	(38,140)
Net Position (Deficits), Beginning of Year/Month	4,346	4,346		46,976	149,090	131,471	133,378	123,604	113,564	93,938	71,355	54,257	41,609	30,951	18,983		
Transfer In - Gen Fund General Services	114,770	120,000		120,000													
Transfer In - Gen Fund Unassigned Fd Ba	55,000	-		-													
Net Position (Deficits), End of Year/Month	\$ 46,976	\$ 1,496		\$ 149,090	\$ 131,471	\$ 133,378	\$ 123,604	\$ 113,564	\$ 93,938	\$ 71,355	\$ 54,257	\$ 41,609	\$ 30,951	\$ 18,983	\$ 5,986		
Subtract capital assets in Net Position	(188)	0															
Unrestricted Net Position (Deficits)	\$ 46,788	\$ 1,496															



Date: January 25, 2021

To: Finance Committee, Town Council

From: Peter Souza, Town Manager

A handwritten signature in black ink, appearing to read "Peter P. Souza".

Subject: FY21 2nd Quarter Reports for the TSEF and LEF

Attached are the Quarterly Financial Projections for the Transfer Station Enterprise Fund and the Landfill Enterprise Fund which cover the 2nd quarter of FY 21. Both funds continue to feel the impacts of the COVID-19 pandemic on our operations.

Transfer Station Enterprise Fund - FY 2021 2nd Quarter Results

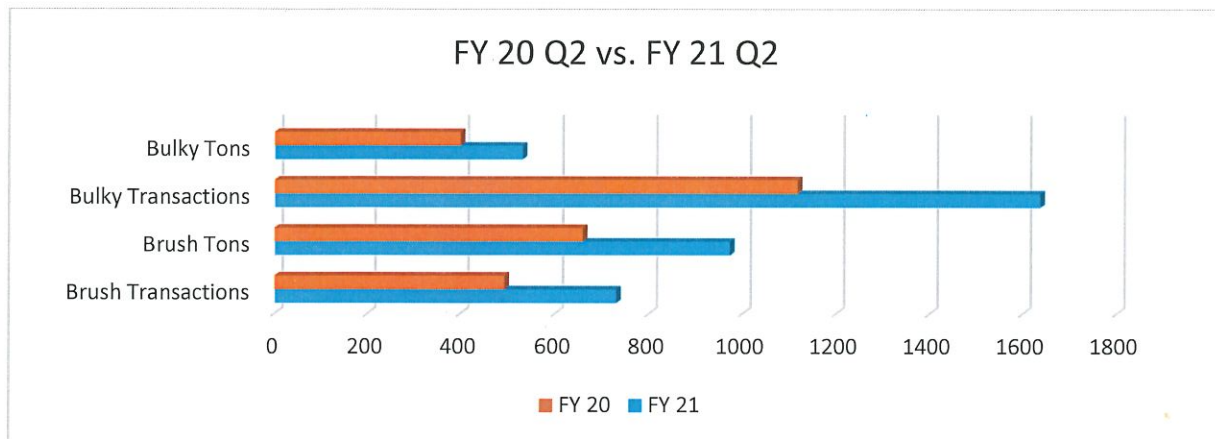
For *Total Revenue*, the Transfer Station Enterprise Fund has received \$185,841 during the first half of fiscal year 2021. As expected, this was primarily from fees for bulky waste deliveries from residents. A breakdown of revenues received during the first half of the fiscal year are shown in the column entitled: "YTD Results."

Year-to-date *Total Operating Expenses* of \$167,886 are shown in the same column. Bulky waste and Municipal Solid waste disposal are by far the largest budgeted expenses for the Transfer Station now that there is no remaining space in the landfill.

The most notable variances on the attached report are as follows:

- **C&D Revenues:** Construction & Demolition tons continue to trend notably higher than pre-pandemic levels, presumably due to an increase in stay-at-home projects. This resulted in a 46.5 % increase in transactions, a 32.8% increase in incoming tons, and a 40.2% increase in revenues over the same period (Q2 vs Q2) of the previous fiscal year.
- **Yard Wastes & Brush Revenues:** Conditions created by the COVID-19 pandemic, as well as the impact that the remnants of hurricane Isaias had on our region in August caused a significant increase in yard waste intake during the first half of FY 21. This resulted in a 47.6% increase in transactions, a 47.6 increase in tonnages, and an 81.8% increase in revenues compared to the same quarter of last fiscal year. (This excludes the approximately two weeks of free brush disposal at the transfer station.)

- MSW Waste Disposal Expenses: This is due to an increase in MSW tons delivered to the transfer station, as well as a price increase that was implemented by our vendor for FY21. The increase in tonnage follows a national trend in which disposal facilities find themselves much busier due to “stay-at-home” orders and “work-at-home” arrangements created by the pandemic.
- Bulky & Oversized Waste Disposal Expenses: This line item is dramatically different year-to-year (\$76,621 vs. \$6,169, or approximately 1,240%) due to our inability to utilize internal landfill airspace. This difference is further exacerbated by the increase in tipping fees this fiscal year, and in tonnages which is assumed to be largely caused by the COVID-19 pandemic.



Net Operating Income (where revenues and expenses are considered together) earned by the Transfer Station Enterprise Fund was \$17,955 for the first half of FY 2021.

Landfill Enterprise Fund – FY 2021 2nd Quarter Results

For Total Revenue, the Landfill Enterprise Fund received \$78,273 during the first half of FY 21. \$63,000 was from the CT DEEP reimbursement grant for closure activities. There is a \$723,663 balance available from the original \$2.0M grant. The Town will continue to submit reimbursement requests to the CT DEEP during the second half of this fiscal year as presented in the approved FY21 budget.

Total Expenses were related to closure and capping of the landfill (\$837,015, column 6). The three major components of this expense are Personnel (\$219,517), Contractual Services (\$175,767), and Supplies (\$346,476) expenses.

As shown in the row entitled: Annual Operating Income, the Landfill Enterprise Fund expended more than it received by \$758,742 during the first half of FY 21. This has been the case for several years, and is reflected in the current FY 21 adopted budget.

The most notable variance on the attached report is as follows:

- Revenues – Interest earnings were under budget by 48%. This is caused by the expiration of several financial instruments which had been “locked-in” at higher-than-current interest rates. Because interest rates remain near historical lows, no positive change in this area is expected to occur for the remainder of this fiscal year.

At the bottom, left side of the report is a figure of: \$23,188,957, which was the Retained Earnings of the Landfill Enterprise Fund at the end of FY 2020. With a \$758,742 operating loss during the first half of FY 2021, the balance of the Retained Earnings of the enterprise fund at the end of December 2020 was \$22,430,215, as shown at the bottom, right side of the report. This amount will continue to be used for landfill closure and capping expenses, as well as on-going post-closure expenses at the site.

LANDFILL QUARTERLY REPORT - 2nd Quarter - FY 2021

Period: Oct 2020 to Dec 2020

6

	FY 2021 ADOPTED BUDGET	FY 2021 Data						Previous Fiscal Year - FY 2020	
		2nd Quarter Target	2nd Quarter Results	YTD Target	YTD Results	YTD vs YTD Target Variance (T & \$)	YTD vs YTD Target Variance (%)	2nd Quarter	YTD 2 Quarters
		Operating Revenue							
Permits & Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
CT DEEP Reimbursement Grant	\$ 252,000	\$ 63,000	\$ -	\$ 126,000	\$ -	\$ (126,000)		\$ -	\$ -
TOTAL OPERATING REVENUE	\$ 252,000	\$ 63,000	\$ -	\$ 126,000	\$ -	\$ (126,000)		\$ -	\$ -

Non-Operating Revenue									
Interest Income	\$ 300,000	\$ 75,000	\$ 21,996	\$ 150,000	\$ 78,273	\$ (71,727)	52.2%	\$ 63,655	\$ 195,095
TOTAL REVENUE	\$ 552,000	\$ 138,000	\$ 21,996	\$ 276,000	\$ 78,273	\$ (197,727)	28.4%	\$ 63,655	\$ 195,095

Operating Expenses									
Administrative Overhead	\$ 50,000	\$ 12,500	\$ 12,500	\$ 25,000	\$ 25,000	\$ -	100.0%	\$ 12,500	\$ 25,000
Personnel Services	\$ 446,470	\$ 111,618	\$ 117,791	\$ 223,235	\$ 219,517	\$ (3,718)	98.3%	\$ 106,370	\$ 201,981
Maintenance & Repairs	\$ 146,000	\$ 36,500	\$ 52,065	\$ 73,000	\$ 54,658	\$ (18,342)	74.9%	\$ 4,179	\$ 7,258
Energy & Utility	\$ 36,130	\$ 9,033	\$ 8,240	\$ 18,065	\$ 15,597	\$ (2,468)	86.3%	\$ 6,418	\$ 13,084
Contractual Services	\$ 497,630	\$ 124,408	\$ 65,390	\$ 248,815	\$ 175,767	\$ (73,048)	70.6%	\$ 103,628	\$ 150,780
Supplies	\$ 709,000	\$ 177,250	\$ 330,716	\$ 354,500	\$ 346,476	\$ (8,024)	97.7%	\$ 169,865	\$ 150,780
Grants & Contributions	\$ 3,000	\$ 750	\$ -	\$ 1,500	\$ -	\$ (1,500)	0.0%	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
Insurance Premium & Permit Fees	\$ 31,500	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -
Total: Operating Expenses	\$ 1,919,730	\$ 472,058	\$ 586,703	\$ 944,115	\$ 837,015	\$ (107,100)	88.7%	\$ 402,960	\$ 548,884
Non-Operating Expenses (includes Depr)	\$ 34,640	\$ 8,660	\$ -	\$ 17,320	\$ -	\$ -	0.0%	\$ 6,675	\$ 6,675
TOTAL: EXPENSES	\$ 1,954,370	\$ 480,719	\$ 586,703	\$ 961,435	\$ 837,015	\$ (124,420)	87.1%	\$ 409,635	\$ 555,559

Annual Operating Income/(loss)	\$ (1,402,370)	\$ (342,719)	\$ (564,707)	\$ (685,435)	\$ (758,742)	\$ (73,307)	110.7%	\$ (345,980)	\$ (360,464)
---------------------------------------	----------------	--------------	--------------	--------------	--------------	-------------	--------	--------------	--------------

Adopted End of Yr Retained Earnings: (07/01/20)	\$ 21,611,750
--------------------------------------------------------	---------------

Actual Retained Earnings - start of FY 2021 (From June 30, 2020 CAFR) **\$ 23,188,957**

Net Annual Operating Income - YTD - (12/31/20) **\$ (758,742)**

Final LEF Balance - 12/31/20 **22,430,215**

RESIDENTIAL TRANSFER STATION QUARTERLY REPORT - 2nd Quarter - FY 2021

Period: Oct 1, 2020 to Dec 31, 2020

6

	FY 2021 ADOPTED BUDGET	FY 2021 Data						Previous Fiscal Year - 2020	
		2nd QTR Target	2nd QTR Results	YTD Target	YTD Results	YTD vs YTD Target Variance (T & \$)	YTD vs YTD Target Variance (%)	2nd QTR	YTD 2 Quarters
		REVENUES							
BULKY REVENUES									
Construction & Demolition Debris	\$ 133,410	\$ 44,470	\$ 40,106	\$ 80,046	\$ 91,706	\$ 11,660	114.6%	28,611	72,496
Oversized Wastes (couches, chairs, etc)	\$ 11,800	\$ 3,933	\$ 2,930	\$ 7,080	\$ 6,720	\$ (360)	94.9%	2,200	6,730
MSW REVENUES									
Permit Fees	\$ 48,740	\$ 975	\$ 1,160	\$ 36,555	\$ 34,185	\$ (2,370)	93.5%	1,735	30,605
Side Window Transactions	\$ 19,500	\$ 4,875	\$ 4,983	\$ 9,750	\$ 11,253	\$ 1,503	115.4%	4,362	9,813
SALE OF RECYCLABLES (metal, CC)	17,160	4,290	3,679	8,580	5,656	(2,924)	65.9%	3,414	6,212
CURBSIDE RECYCLING REBATE									
NON-DISPOSED MATLS (tires, prop, cfcs, etc)	\$ 11,600	\$ 2,900	\$ 4,039	\$ 5,800	\$ 8,788	\$ 2,988	151.5%	2,667	6,509
YARD WASTES & BRUSH	\$ 19,040	\$ 6,347	\$ 7,349	\$ 11,424	\$ 16,122	\$ 4,698	141.1%	4,042	11,602
RECYCLING ADMIN PAYMENT	\$ 11,000	\$ -	\$ -	\$ 11,000	\$ 11,000	\$ -	100.0%	0	11,000
INTEREST EARNINGS	\$ 6,000	\$ 1,500	\$ 155	\$ 3,000	\$ 411	\$ (2,589)	13.7%	2,084	4,160
TOTAL: REVENUES	\$ 278,250	\$ 69,290	\$ 64,400	\$ 173,235	\$ 185,841	\$ 12,606	107.3%	\$ 49,115	\$ 159,127
OPERATING EXPENSES									
Personnel Services	\$ 89,190	\$ 22,298	\$ 23,015	\$ 44,595	\$ 39,673	\$ 4,922	89.0%	18,062	35,137
Supplies	\$ 5,820	\$ 1,455	\$ 1,626	\$ 2,910	\$ 5,794	\$ (2,884)	199.1%	1,967	3,543
Services & Other Wastes	\$ 21,480	\$ 5,370	\$ 5,336	\$ 10,740	\$ 8,402	\$ 2,338	78.2%	9,473	17,872
Services - MSW T&D	\$ 51,900	\$ 12,975	\$ 18,610	\$ 25,950	\$ 30,350	\$ (4,400)	117.0%	14,890	25,211
Services - Bulky & Oversized T&D	\$ 95,730	\$ 31,910	\$ 47,500	\$ 62,225	\$ 76,621	\$ (14,396)	123.1%	2,973	6,169
Energy & Utility	\$ 13,290	\$ 3,322.50	\$ 6,788	\$ 6,645	\$ 7,046	\$ (401)	106.0%	1,939	3,526
TOTAL: OPERATING EXPENSES	\$ 277,410	\$ 77,330	\$ 102,874	\$ 153,065	\$ 167,886	\$ (14,821)	109.7%	\$ 49,304	\$ 91,457
ANNUAL OPERATING INCOME / (LOSS)	\$ 840	\$ (8,040)	\$ (38,474)	\$ 20,170	\$ 17,955	\$ (2,215)	89.0%	\$ (189)	\$ 67,669

Adopted End of Yr Retained Earnings \$ 499,994

Actual Retained Earnings (June 30, 2020) \$ 540,381

\$ 558,336 Retained Earnings (12/31/21)



**TOWN OF WINDSOR
FINANCE COMMITTEE
VIRTUAL MEETING
December 14, 2020**

UNAPPROVED MINUTES

1. CALL TO ORDER

Deputy Mayor Joseph McAuliffe, Chair of the Finance Committee, called the meeting to order at 5:30 p.m. with Councilor Lisa Bress and Councilor Donald Jepsen present.

Staff Present: Peter Souza, Town Manager; Scott Colby, Assistant Town Manager; Jim Bourke, Finance Director; Linda Collins, Assistant Finance Director; Kelly Barrett, Budget Analyst; Tristen Dodd, Accountant; Randy Graff, Town Treasurer

2. PUBLIC COMMENT

None

3. REVIEW OF FY 2022 BUDGET PARAMETERS

Town Manager Peter Souza stated the October 1, 2020 grand list will not be formally completed until January 31, 2021. At this time, it is expected that the net taxable grand list will be approximately \$3.18 billion, which is a 1% increase as compared to the October 1, 2019 grand list. Included in this amount is additional real property value from the Amazon and Windsor Station assessment abatement agreements totaling approximately \$5.9M. We are projecting a decrease of approximately 5.5% in motor vehicle values for the October 1, 2020 grand list.

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.

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 21. Interest earnings for FY 22 are projected to decrease due to the continuing weak interest rate environment.

On the expenditure side, we are currently projecting increases in health insurance costs of approximately 8% and retirement costs of approximately 13%. Additionally, we are expecting electricity expenses to increase by 8%, in part due to the public safety building projects being fully operational. Budgeted unit prices for gasoline and diesel are projected to remain consistent to FY21 levels. The Metropolitan District Commission (MDC) ad valorem sewer assessment is projected to decrease by approximately 5%.

Mr. Bourke, Finance Director, presented a three year budget forecast to the committee. The Deputy Mayor and councilors discussed various scenarios and asked several questions. The Deputy Mayor also asked to see a 0% tax increase in the analysis. Mr. Bourke changed the forecast assumptions to demonstrate how this could be arrived at.

MOVED by Councilor Bress, seconded by Councilor Jepsen that the Finance Committee recommend to the Town Council that the attached FY 22 budget assumptions and parameters be approved as presented.

Motion Passed 3-0-0

4. REVIEW OF FY 2022 BUDGET CALENDAR

Town Manager Souza stated the budget calendar outlines the process for submittal, review and adoption of the annual operating budget. This 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.

Councilor Jepsen asked if there are enough days between final deliberation and the referendum according to the *Town Charter*. Town Manager Souza advised them that town staff will research this and will change the date prior to the next Town Council meeting as necessary.

MOVED by Councilor Bress, seconded by Councilor Jepsen that the Finance Committee recommend to the Town Council that the FY 2022 budget calendar be approved as presented.

Motion Passed 3-0-0

5. REVIEW OF FY 2022 BUDGET FORMAT

Town Manager Souza stated that 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. Finance staff is not proposing any changes to the budget format for the FY 22 budget.

The committee discussed opening cash and if changing the amount constituted a change to the budget format.

MOVED by Councilor Bress, seconded by Councilor Jepsen that the Finance Committee recommend to the Town Council that the FY 2022 budget format remain the same as the format utilized for FY 2021.

Motion Passed 3-0-0

6. DISCUSSION OF AUDITOR EXTENSION FOR FY 21 THROUGH FY 22

Town Manager Souza stated that it is requested that the Finance Committee provide guidance as to issuing an RFP for annual audit services or to recommend to the Town Council that a two year extension be approved with RSM US, LLP to conduct the financial audit for fiscal year 2021

and 2022, subject to negotiations between RSM US, LLP and the Town Manager as to final scope, schedule and price.

MOVED by Councilor Bress, seconded by Councilor Jepsen to recommend that the Town Council appoint the firm of RSM US, LLP as the Town Auditor to carry out the financial audit of the Town of Windsor for fiscal year 2021 and 2022, and to authorize the Town Manager to finalize a two year agreement with said firm.

Councilor Jepsen asked what the fees for the next two years will be. Mr. Bourke stated that we do not know at this time and that he will be contacting the firm to discuss it.

Motion Passed 3-0-0

7. STAFF REPORTS

Town Manager Souza discussed that there was a bond refunding in the amount of \$12 million. This will result in a debt service savings over several years to come.

Town Manager Souza stated that the FY 20 audit report is final and that the Town Council will be receiving their copies. The Finance Committee's copies were given out tonight. The audit resulted in no management comments or findings.

Councilor Bress asked what the appropriate venue is to explore extending tax deferments or grants for small businesses based on what has happened in the community this year. Town Manager Souza stated that it would be at a Finance Committee meeting.

8. APPROVAL OF MINUTES

MOVED by Councilor Bress, seconded by Councilor Jepsen, to approve the unapproved minutes of the October 26, 2020 meeting as presented.

Motion Passed 3-0-0

9. ADJOURNMENT

MOVED by Councilor Bress, seconded by Councilor Jepsen, to adjourn the meeting at 7:09 p.m.

Motion Passed 3-0-0

Respectfully submitted by,

Linda Collins
Assistant Finance Director