



**Town of Windsor
Finance Committee
March 22, 2021
VIRTUAL MEETING**

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; Randy Graff, Town Treasurer

2. PUBLIC COMMENT – None

3. UPDATE ON FISCAL YEAR 2022 BUDGET PREPARATION

Town Manager Souza provided a high-level review of the FY 22 budget. The assessor's grand list has increased 1.85% and the budgetary grand list is increasing 1.95%. This is due to less superior court appeals and motor vehicle certificate of corrections being taken into consideration for the FY 22 budgetary grand list versus what was calculated for the FY 21 budgetary grand list. Non-tax revenues include revenues from the Bradley Airport Development Zone, which was received this year and is being budgeted at \$150,000 in FY 22. Other non-tax revenues including state aid are anticipated to be relatively flat.

Councilor Jepsen asked about the American Rescue Plan funding that was recently enacted by the federal government. He stated that there is approximately \$5 million that the Board of Education is expected to receive and \$2.8 million expected for the town. Town Manager Souza stated that none of those funds are included in the FY 22 budget and that those funds are unrelated and not to be confused with the Elementary and Secondary School Emergency Relief Funds (ESSR).

Councilor Jepsen asked if we could use that funding for the revenues that were not received due to COVID, such as for Recreation programs and the Discovery Center. Town Manager Souza said they can be used for COVID-19 pandemic related loss revenues, including those programs as well as the Caring Connection.

Councilor Bress asked if we could use the funding to bring up day care salaries to help attract people, or if some of those funds can be used for salaries and bonuses. Town Manager Souza said it does include premium pay or bonuses for certain type of positions, but there is no specific detailed guidance currently.

Town Manager Souza went on to discuss FY 22 expenditure highlights. He explained that the pension increase is a result of phasing in new mortality tables and decreasing the rate of

return assumption. The Windsor Volunteer Ambulance is projected to experience a shortfall in FY 21 and FY 22. They've taken steps to be more aggressive in their billing and collections efforts, but reimbursement rates have remained stagnant. There is an incremental increase for OPEB bringing it to the target of \$750,000. Debt service is budgeted to increase 3%. Curbside recycling is anticipated to increase as well, and General Fund pay as you go in the CIP represents an increase of \$110,000.

Councilor Rampulla Bress asked about grants received on behalf of the Board of Education for capital projects impacting town expenditures. Town Manager Souza said that debt service could possibly be reduced as the town would not have to borrow as much.

Councilor Rampulla Bress asked what the spending of the \$5 million federal money might be based on, and would the town have a say. Town Manager Souza said he will be in discussions with the Superintendent and they will bring it to their respective governing boards for resolution. Dr. Hill is open to funding capital items such as the HVAC needs for the schools.

The budget includes a 2.5% increase for the Board of Education. Service delivery needs include a dispatcher position for $\frac{3}{4}$ of the year for the need to fill the mid-night shift; funding for Fire Department rescue equipment; part time hours for unregistered vehicle/junk car enforcement; radar speed signs similar to what is currently on Poquonock Avenue for traffic safety; town council goal for community awareness for anti-littering awareness campaign in the Town Manager's budget; equity and inclusion funding for books at the library and for employee training; \$25,000 for clean and sustainable energy initiatives. The incremental impact of minimum wage increases in the general fund is \$10,000 as well an additional \$40,000 in the enterprise and special revenue funds.

Councilor Rampulla Bress asked if the anti-littering funding includes more trash receptacles in the town center and parks. Town Manager Souza said we would have to consider the costs related to the maintenance of the receptacles.

Councilor Rampulla Bress asked if the user fee increases can offset minimum wage increases, and would COVID funds be able to offer more scholarships for families that can't take part in programs due to the costs. Town Manager Souza said it could help in the short term and could be a possibility.

Councilor Rampulla Bress asked how we stand in terms of fees compared to other towns and are they experiencing the same thing we are. Town Manager Souza said some communities provide more general fund subsidies, but over all, our fees are competitive with other towns. The Town of Windsor covers program costs more from user fees and less from the general fund. Our price guide fees are in the middle of the pack, if not at the top of the range.

Town Manager Souza concluded by stating the FY 22 budget assumptions as stated results in an approximate tax increase of 1.8%.

Councilor Jepsen asked what the town side spending increase is. Town Manager Souza said it's 4.25% which includes the assumptions and budget drivers previously mentioned.

He went on to say that the budget document will be delivered to the Council at the end of this week.

Finance Director Bourke assisted with 'what if' budget scenarios using the five year forecast Excel model. Town Manager Souza explained the various base assumptions in the Excel model and the unknown at this time which is the impact of revaluation that will be seen in FY 25. He explained how residential values may increase, but those increases could be offset by a decline in commercial values.

Deputy Mayor McAuliffe asked about the grand list growth in FY 23. Town Manager Souza said the Amazon on Day Hill Road comes off of abatement and Amazon on Kennedy Road will come on.

Councilor Rampulla Bress said she would like to bring down the mill rate now because this is the year that it will be better received by the community since it's been a rough year. Town Manager Souza said there are two ways to do it. Increase other revenues such as opening cash or reduce expenditures.

Councilor Rampulla Bress also stated that she wants to be in-line with the community's perception, cognitive of business hardships, and how our mill rate change compares to other neighboring towns as long as we can still be fiscally responsible. She went on to say that she is normally conservative of reserving the fund balance, but this year is an anomaly.

Councilor Jepsen thinks we should think about the future, particularly FY 25, and that we are in good fiscal shape because the Council's history of forward thinking and having foresight of what is coming down the road .

The committee went on to explore different scenarios using the Excel budget model involving opening cash and expenditures for community initiatives, as well as the impact of the different scenarios on the general fund unassigned fund balance. The committee members discussed and modeled several different options and asked additional questions of one another and the Town Manager.

Town Manager Souza said he will have a budget informational meeting that participants can attend in person as well as virtual. He asked the committee what their preference is for departmental budget presentations for the April meetings. The committee agreed that the way it was done last year was fine, which was having the larger departments provide brief overviews about big changes and then have all department representatives available to answer questions.

Councilor Jepsen asked if the public is allowed at the budget meetings. Town Manager Souza said they are.

4. STAFF REPORTS – None.

5. APPROVAL OF MINUTES

MOVED by Councilor Rampulla Bress, seconded by Councilor Jepsen to approve the unapproved minutes of the January 25, 2021 meeting as amended.

Motion Passed 3-0-0

6. ADJOURNMENT

MOVED by Councilor Rampulla Bress, seconded by Councilor Jepsen to adjourn the meeting at 7:21 p.m.

Motion Passed 3-0-0

Respectfully submitted by,

Linda Collins
Assistant Finance Director