



**TOWN OF WINDSOR
FINANCE COMMITTEE
January 25, 2021
VIRTUAL MEETING**

APPROVED 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 Rampulla 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; Tristen Dodd, Accountant; Kelly Barrett, Budget Analyst; Laura Casey, Early Childhood Manager; Cheryl Rosenbaum, Caring Connection Manager; Enita Jubrey, Assistant to the Town Manager; Mark Goossens, Solid Waste Manager

Guests: Scott Bassett, RSM US LLP

2. PUBLIC COMMENT - None

3. REVIEW OF FY 20 ANNUAL FINANCIAL AUDIT

RSM US LLP partner Scott Bassett gave an overview of the financial audit. Mr. Bassett stated that the financials of the town are well managed and that there were no auditor journal entries needed or misstatements found. Items were all accurate and given in a timely manner. Some of the financial highlights that he discussed included:

On a government-wide basis, the assets and deferred outflows of the Town exceeded its liabilities and deferred inflows resulting in total net position at the close of the fiscal year of \$35.5 million.

Governmental Activities - had an increase in net position of \$1.9 million.

General Fund - The general fund reported a fund balance this year of \$32.1 million, an increase of \$1.3 million over prior year, with the unassigned fund balance at \$28 million which represents 20.8% of total FY 20 expenditures and transfers out and 23.0% of the FY 21 adopted budget.

Capital Project Fund – had a decrease in the fund balance of \$2.7 million, mainly due to the Bond Anticipation Note outstanding of \$12.5 million at year end.

Internal Service Fund - had an increase of \$1.5 million.

Trust Funds – had a net position of \$72.1 million, which was an increase of \$0.5 million from the prior year.

Mr. Bassett said there were no material weaknesses found in internal controls.

Councilor Rampulla Bress asked if there was a COVID -19 pandemic impact. Mr. Bassett said there was not a significant impact to the town's FY 20 financial statements, but that there could be a future increase in health insurance costs. Revenue and expenditures should stay consistent.

Mr. Bourke went on to explain that the pension liability was impacted by the implementation of the new mortality tables and a decrease in the rate of return assumptions used in the pension valuation, as well as the decrease in the market during the first half of FY 20.

Deputy Mayor McAuliffe asked if the COVID-19 pandemic is going to have an effect on mortality and future years' pension liability. Mr. Bourke and Mr. Bassett both responded that the new mortality tables are intended to provide a more realistic view of mortality over the long-term, and that the any effects on the liability relative to mortality as a result of COVID-19 will be minimal.

Councilor Jepsen asked how the pension funds are invested, i.e. how much in stocks, how much in bonds, etc. Mr. Bourke replied that we have an asset allocation policy and that it is currently 60% equities, 35% fixed income and 5% in other investments. Town Manager Souza explained that we have a 3rd party consultant that manages the investments.

4. REVIEW OF FY 21 SECOND QUARTER FINANCIALS

Jim Bourke, Finance Director, reviewed the FY 21 second quarter General Fund financials as follows:

General Fund

Revenues

Revenues are 90.0% collected vs. 88.1% for the same time period last year.

Expenditures

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.

Town Manager Peter Souza added that the Recreation department will most likely need a general fund transfer to their special revenue funds that have taken a hit due to less program revenues received as a result of the COVID-19 pandemic. The Caring Connection and the Child Development Center would also need a general fund transfer for the same reasons.

Councilor Jepsen asked if the loss of investment income revenue due to lower interest rates would also means less interest paid on bonds. Town Manager Souza said that we budget for a 3% increase in debt service in the general fund, and lower interest costs would generally reduce the need to use as much from Debt Service reserves in the budget.

ENTERPRISE FUNDS

Discovery Center

Laura Casey reported on the status of the Discovery Center. Some of the highlights she mentioned included the program re-opening in June with a lower census. This gave staff time to adjust to the new procedures. The facility was also closed for a few weeks during the months of December and January. The decreased revenue impact from this will be seen in the next quarter. Maintaining staffing level needs is also getting difficult for various reasons.

Councilor Rampulla Bress asked if there are state grants available. Ms. Casey said that so far two grants have come in and more have been applied for. She also added that grants may be limited because the facility is linked to a municipal government.

Deputy Mayor McAuliffe said it must be difficult to manage the program under the circumstances and that he appreciates it.

Councilor Rampulla Bress also offered the same sentiment.

Town Manager Souza stated that at the end of the year, an appropriation for a transfer from the General Fund will be needed for this year and most likely for FY 22 as well.

Caring Connection

Cheryl Rosenbaum reported on the status of the Caring Connection. She mentioned that all of the Caring Connection staff have received the first round of the COVID-19 vaccine. She said the staff is very proud to be able to have served the community during the pandemic and in a safe way.

Deputy Mayor McAuliffe asked if any clients have gotten COVID. Ms. Rosenbaum said none have.

Councilor Rampulla Bress asked what remote services are being provided and what the lost revenues are as a result. Ms. Rosenbaum stated that the remote services entail meal delivery as well as health check-ins. She stated that full revenues are being received as if the clients were at the facility.

Transfer Station

Town Manager Souza gave a brief overview of activity at the Transfer Station. Mark Goossens, Solid Waste Manager, said that the facility has seen increased revenues and activity in the past several months. Deputy Mayor McAuliffe asked what that is attributable to. Town Manager Souza said it's due to the COVID-19 pandemic and everyone spending more time at home doing home projects.

Councilor Jepsen mentioned that the retained earnings are growing. Town Manager Souza said that they are earmarked for future needs.

Councilor Jepsen asked about the access to the compactor based on how the railing is placed. Mr. Goossens said that it is designed as a good balance between customer service needs and the potential for long-term savings.

Landfill

Mr. Goossens, Solid Waste Manager, reported on the status of the Landfill. He gave an overview of the continued capping efforts and the impact of the COVID-19 pandemic.

Councilor Jepsen asked when closure is expected. Mr. Goossens said everything is complete except for the south-east corner and the side slopes. Then ancillary work will need to be done. Closure would be January 1, 2023 and approved by the DEEP sometime after that.

5. APPROVAL OF MINUTES

Councilor Rampulla Bress asked that language be added to the draft December 14, 2020 minutes.

MOVED by Councilor Rampulla Bress, seconded by Councilor Jepsen to approve the unapproved minutes of December 14, 2020 meeting as amended.

Motion Passed 3-0-0

6. ADJOURNMENT

MOVED by Councilor Rampulla Bress, seconded by Councilor Jepsen to adjourn the meeting at 6:40 p.m.

Motion Passed 3-0-0

Respectfully submitted by,

Linda Collins
Assistant Finance Director