



**Town of Windsor
Finance Committee
December 13, 2021
HYBRID MEETING**

Unapproved Minutes

1. CALL TO ORDER

Deputy Mayor Joseph McAuliffe, Chair of the Finance Committee, called the meeting to order at 5:00 p.m. with 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, Cheryl Rosenbaum, Caring Connection, and Enita Jubrey, Assistant to the Town Manger

2. PUBLIC COMMENT

None.

3. REVIEW OF YEAR END PURCHASE ORDERS

MOVED by Councilor Jepsen, seconded by Deputy Mayor McAuliffe, that the Finance Committee recommend that the FY 21 General Fund open purchase orders as of June 10, 2021 be submitted and approved by the Town Council until October 18, 2021.

Town Manager Peter Souza stated there are eight FY 21 General Fund open purchase orders as of June 10, 2021 totaling \$237,028 that are expected to be encumbered.

Motion Passed 2-0-0

4. REVIEW OF YEAR END TRANSFERS

MOVED by Councilor Jepsen, seconded by Deputy Mayor McAuliffe, 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.

Finance Director Jim Bourke stated that at this time, there are no service units that are projected to need a year-end transfer by the Finance Director or Town Council. However, it is being respectfully requested that the Finance Committee recommend to the Town Council that the Finance Director be granted authorization to make year-end transfers of up to \$5,000 in the event a service unit exceeds the original budget authorization.

Motion Passed 2-0-0

5. REVIEW OF ENTERPRISE FUNDS

Caring Connection

MOVED by Councilor Jepsen, seconded by Deputy Mayor McAuliffe, that the Finance Committee recommend to the Town Council approval of a transfer of \$20,000 from the General Fund Unassigned Fund Balance to cover the anticipated FY 22 operating loss due to the continued impact of the COVID-19 pandemic.

Town Manager Peter Souza stated that census-driven revenues at the Caring Connection are still being significantly affected by COVID-19 and in the way we do day to day business. FY 21 revenues were budgeted to be \$325,860 and by year-end, we anticipate revenues to be \$199,600. Expenditures were budgeted to be \$448,710 and are projected to come in at \$360,600. Every effort was made to mitigate expenditures and to keep the known revenue loss due to COVID at the forefront of operations.

The forecasted net loss for FY 21 is \$161,000 which is level with the March 2021 projection. The estimated retained earnings for June 30, 2021 is \$5,976.

During the FY 22 budget process, \$140,000 was proposed in General Services funding and during budget deliberations, this amount was decreased by \$20,000. We are now respectively requesting a \$20,000 appropriation from the General Fund Unassigned Fund Balance to provide for a balanced FY 22 budget.

Cheryl Rosenbaum, Caring Connection Manager, said they added 4 new clients with an additional 3 clients coming on. The program is seeing Windsor residents, diversity and an increase in the male client population.

Councilor Jepsen asked if the ARPA funding can be used to fund the lost revenue due to COVID. Town Manager Souza said we are still unsure and he is asking for a transfer from the General Fund to start the year with a balanced budget.

Motion Passed 2-0-0

Milo Peck

MOVED by Councilor Jepsen, seconded by Deputy Mayor McAuliffe, that the Finance Committee recommend to the Town Council approval of a transfer of \$225,000 from the General Fund Unassigned Fund Balance to cover the anticipated FY 21 and projected FY 22 operating losses due to the impact the COVID-19 pandemic has had on client revenues.

Town Manager, Peter Souza, stated that FY 21 revenues, which were budgeted at \$1,180,380 are now projected to be \$703,250, a loss of \$477,130. The expenses budgeted at \$1,239,950 are now projected to be \$1,064,900 as a result of cost containment measures totaling \$175,050.

The forecasted net loss for FY 21 is now \$361,650 which is \$55,080 less than the March 2021 projection, but \$302,080 more than the adopted FY 21 budget amount of \$59,570. This leaves a retained earnings balance of (\$28,754) on June 30, 2021.

Therefore, we are requesting an appropriation of \$225,000 from the General Fund Unassigned Fund Balance to cover the FY 21 negative retained earning position, the \$144,360 projected loss in FY 22 and provide a \$51,886 reserve for FY 22 and beyond.

Motion Passed 2-0-0

6. REVIEW OF FY 21 GENERAL FUND YEAR END FINANCIALS

Finance Director Jim Bourke stated revenues are projected to come in with a favorable variance of approximately \$4.1 million. 84% of this positive variance is attributable to:

- Building Permits - \$2.18M (of which \$1.8M is related to Amazon Kennedy Rd)
- Tax Sale - \$520,000
- Land Conveyance & Recording Fees - \$247,000
- General Fund State Aid & COVID Grants - \$480,000

Expenditures, including the Board of Education, are estimated to be approximately \$1.4 million under budget, which is 1.17% of the FY 21 adopted budget. General Government savings are mainly due to vacant positions, employees on disability leave, and reduced program costs due to the pandemic and grant funds offsetting the need to use general fund monies. It is anticipated that the Board of Education will be under budget by \$500,000, which is mostly due to transportation savings.

7. STAFF REPORTS

Town Manager Peter Souza stated that our bond rating was recently reaffirmed at a 'AAA' rating by Standard & Poor's. He added that our bond and note sale took place today and the results were very favorable.

The town received nine bids on the bond sale and J.P. Morgan Securities LLC was the low bidder. We are issuing \$21,270,000 in general obligation bonds with a 15 year term and interest rates ranging from 5.0% in the early years of the issue down to 2.0% in the later years. The average rate or "coupon" is 3.2%.

We received 3 bids on the note sale and Piper Sandler was the low bidder. The amount of the one year note that was sold is \$2,610,000 and we received a 2% interest rate. The proceeds from the bond and note sale will be used to finance projects in the FY 21 capital improvement plan, as well as provide the remaining funds needed for the completion of the Fire/EMS facility at 340 Bloomfield Ave. We issued a large dollar amount for the bonds, as there are still substantial costs associated with the 340 Bloomfield Avenue project, but also because the bond market is very favorable right now and we lessen our interest rate risk by securing the funding we need now rather than spreading it out two or three years into the future. We also shortened the term from 20 years to 15 years as part of our strategic approach to this issue.

Councilor Jepsen asked what the premium was. Town Manager Peter Souza stated that we received \$1.8 million on the bonds and about \$45,000 from the note, and that these amounts will go into the debt service fund and used to ease the burden on the operating budget for debt service payments.

8. APPROVAL OF MINUTES

MOVED by Councilor Jepsen, seconded by Deputy Mayor McAuliffe, to approve the unapproved minutes of the March 22, 2021 meeting.

Motion Passed 2-0-0

9. ADJOURNMENT

MOVED by Councilor Jepsen, seconded by Deputy Mayor McAuliffe, to adjourn the meeting at 6:38 p.m.

Motion Passed 2-0-0

Respectfully submitted by,

Linda Collins
Assistant Finance Director