



**TOWN OF WINDSOR
FINANCE COMMITTEE
FEBRUARY 16, 2022
HYBRID MEETING**

APPROVED MINUTES

1. CALL TO ORDER

Councilor Jody Terranova, Chair of the Finance Committee, called the meeting to order at 7:02 p.m. with Deputy Mayor Lisa Bress and Councilor Jim Dobler present.

Staff Present: Peter Souza, Town Manager; Scott Colby, Assistant Town Manager; and Jim Bourke, Finance Director; Linda Collins, Assistant Finance Director; Kelly Barrett, Budget Analyst; Laura Casey, Early Childhood Coordinator; Enita Jubrey, Assistant to the Town Manager; Jim Burke, Economic Development Director; Patrick McMahon, Communications and Community Outreach Specialist; Mark Goossens, Solid Waste Manager; Randy Graff, Town Treasurer

Guests: Scott Bassett of RSM US LLP

2. PUBLIC COMMENT

George Slate, 74 Ethan Drive, made a comment to the opening cash balance. He asked why the town has not yet closed down the Child Enterprise Fund. This will be the third straight year of a loss of at least \$250,000. He has always loved the property rehab exemption provision and stated that the town should expand this program. He added that he felt the town should somehow reward those projects that incorporate clean energy into their programs.

3. REVIEW OF FY21 FINANCIAL AUDIT

Mr. Bassett reported revenues on a budgetary basis exceeded the budget by \$4,065,578, mostly due to property tax collections, building permit revenues, state grants and conveyance fees. Expenditures came in under budget by \$1,955,596 mostly due to Board of Education savings of \$550,000 and savings from position vacancies and employees on workers comp and disability leave. The combined revenue surplus and expenditure savings resulted in a total budgetary surplus of \$6,021,174. Uses of General Fund reserves included an appropriation of \$395,000 for the town buildings LED lighting project, \$46,000 for the Railroad Grade Crossing Quiet Zone study, \$35,000 for Diversity, Equity and Inclusion training, \$15,000 for the John Mason statue relocation, \$20,000 for a transfer to the Caring Connection, and \$225,000 for a transfer to the Discovery Center. In addition to these uses, \$99,404 was returned to the fund balance as a result of the completion and closeout of the

Sage Park LED Lighting Conversion project. Total FY 21 appropriations from General Fund reserves were \$1,636,000 which included \$900,000 in opening cash; however, the overall operating surplus was sufficient enough so that the use of opening cash was not required.

The General Fund Unassigned Fund balance as of June 30, 2021, was \$31,416,207, which is an increase of \$3,378,845. The town's General Fund Unassigned Fund balance policy requires an unassigned fund balance of between 15% and 20% of the following year's adopted budgeted expenditures. \$31.4M in unassigned fund balance is 25% of the FY 22 adopted budgeted expenditures of \$125,787,620.

Councilor Dobler asked if there was anything from a high level that raised a concern. Mr. Bassett stated that there were nothing that stood out.

4. REVIEW OF FY22 SECOND QUARTER FINANCIALS

FY22 General Fund Mid-Year Budget Report

Mr. Bourke stated that revenues are 89% collected as compared to 90% for the same time period last year. Expenditures are 49% spent half way through FY 22, and were 49% expended at this same time period last year. Most of the differences relate to the disparate year-over-year timing of when purchase orders are opened in the accounting system, and when certain expenditures occur.

There have been four appropriations from the General Fund Unassigned Fund balance so far this year. \$25,000 for the purchase of Fire Department extrication equipment, \$120,000 for roof replacement and painting at the Chaffee House, \$60,000 for the replacement of the Town phone system and \$550,000 for the replacement of the O'Brien Field track.

Councilor Dobler questioned the drop in state grants in the overall general fund. Mr. Bourke stated that it was in regards to CRF funds.

Milo Peck Discovery Center

The first six months of the FY 22 fiscal year revenues were \$501,223. The FY 22 second quarter revenues totaled \$250,202. Revenues are trending \$55,964 higher in the second quarter than the same time period last year. We anticipate at this point in time to be under our budgeted revenue projections by \$157,710. This is due to the continued impact of COVID-19.

The Child Enterprise Fund expenditures are \$279,137 for the 2nd quarter of FY 22. This is 2.8% higher than the same time period last year. We continue to mitigate expenditures as much as possible due to the projected revenue shortfall. Savings are anticipated in areas such as personal services, supplies, and contractual services.

Deputy Mayor Bress asked about the waiting list for the toddlers. Ms. Casey stated that some will age out of the toddler program but will move to the waiting list for the primary program.

Deputy Mayor Bress asked if some of the OEC COVID-19 requirements will ease up. Ms. Casey answered that they are recommendations and they have staff that have worked to keep the cohorts separated to prevent any COVID-19 transmission.

Caring Connection

The first six months of FY 22 revenues were \$103,883. FY22 second quarter revenues totaled \$58,099. Revenues for the second quarter are trending \$3,372 lower than the same time period last year. We do not anticipate at this point to meet our budgeted revenue projections due to the impact of COVID-19.

The Caring Connection expenditures for second quarter FY22 are \$6,373 less than the 2nd quarter of FY21. The main reasons attributable to the decrease are reduced food cost, transportation and personal services costs as a result of COVID-19 and a reduced census. Projections for overall FY22 expenditures have been adjusted downward by \$47,060 for the year to reflect lower census levels.

Deputy Mayor Bress mentioned the elderly care program offered by the adult continuing education and that may be beneficial to make a connection there.

Resident Transfer Station Enterprise Fund

For Total Revenue, the Transfer Station Enterprise Fund received \$217,415 during the first half of fiscal year 2022. These revenues were generated primarily from fees for bulky waste materials, yard wastes, and residential permit fees.

The Annual Operating Income earned by the Transfer Station Enterprise Fund was \$48,769 for the first half of fiscal year 2022. Adding this to the retained earnings at the start of the fiscal year, yields a total of \$576,529 in retained earnings at the midpoint of FY 2022.

Landfill Enterprise Fund

For Total Revenue, the Landfill Enterprise Fund has received \$325,970 at the midpoint of the fiscal year. This revenue is comprised of \$31,951 in interest income and \$294,019 from the State DEEP Reimbursement Grant for expenses related to landfill closure costs. The Town expects to submit additional reimbursement request(s) to the DEEP for more of the remaining \$723,663 grant balance during the current fiscal year as presented in the approved FY22 budget.

Total Expenses of \$688,276 were primarily related to closure and capping of the landfill. The three major components of this expense are Personnel (\$219,638), Contractual Services (\$167,306), and Supplies (\$222,071) expenses.

Councilor Dobler asked when the town will be able to utilize the capped landfill area. Mr. Goossens stated that every site is different with its physical characteristics. Staff will need to watch it the first few years and then look to move forward.

Town Manager Souza added there was a reuse plan completed in years past. Perhaps it should be updated in the coming years.

5. DISCUSSION OF FUND BALANCE POLICY

Town Manager Souza stated that over the past several years, the Town has experienced positive General Fund operating results in terms of surplus revenues and expenditure savings due to strong grand list growth, revenue from building permits, conveyance fees, grants, delinquent property tax collections, as well as vacancy savings and monitoring of expenditures.

As a result, the Unassigned Fund Balance as of June 30, 2021 is 25% of adopted FY 22 General Fund operating expenditures, and is \$6.3M over the 20% policy amount. The policy currently provides guidance as to how the General Fund Unassigned Fund balance may be spent. The purpose of this agenda item is to identify potential policy language to guide the use of the unassigned reserves once the level of the fund balance has exceeded 20%.

Councilor Dobler said he liked the suggested allocation plan and flexibility. He stated one individual sent an email regarding using some funds for cyber security. This may be something to have a conversation about.

Deputy Mayor Bress asked how the percentages were decided. Town Manager Souza stated that this suggested allocation plan was based off of Town Council initiatives and goals.

Deputy Mayor Bress liked that it could achieve other goals and could be used as a good guideline.

Councilor Terranova stated that perhaps we can allocate a small percentage to open space or augment an ARPA related project or initiative. Town Manager Souza said that they certainly could be a possibility.

No action taken by Committee. Further review and discussion by the Committee will be scheduled.

6. DISCUSSION OF AMENDING TAX ABATEMENT POLICY

Mr. Burke reported that in 2004 the Town Council adopted an Assessment Abatement Policy with the intent to increase the non-residential tax base, provide quality jobs, support business expansion, and encourage quality development. These objectives are accomplished by providing qualified projects a temporary abatement of a portion or all of the increased assessed real property valuation. This policy has been revised three times with the latest revision in 2014 adding permanent multi-family residential projects located within the Windsor Center Design Development Area which had a January 31, 2017 sunset provision, as well as a mechanism to review and modify agreements should the owner fail to comply with provisions of the fixed assessment agreement and requirements specified by land use commissions.

Deputy Mayor Bress asked how the tax abatement policy may fit in with the affordable housing plan. Mr. Burke replied this is a tool that could be utilized to meet that goal with a



certain criteria or requirements. Deputy Mayor Bress stated that she would rely on the staff for their recommendation.

Deputy Mayor Bress asked if it was possible to include more requirements from the developers. Mr. Burke responded that this is the Town Council's policy and that they could determine a variety of elements. He added there is a need to understand how the policy parameters compare to what other communities in the region incorporate in their incentive policies.

Deputy Mayor Bress asked if we could leverage more for solar.

Councilor Dobler stated that this is a complicated issue but that a top down approach would work for this.

Deputy Mayor Bress made a comment about the wages and what other towns are doing regarding this.

No action taken by the committee. Further committee discussions will be scheduled.

7. STAFF REPORTS

Town Manager Souza stated that the costs are going up in the CIP with inflation, availability of labor, supplies, labor and materials.

Town Manager Souza added that two businesses did not submit their personal property declaration on time. He expects that they will be reaching out soon in order to file an extension which would need to be considered by the Town Council. This item could be on the Town Council agenda sometime in March.

8. APPROVAL OF MINUTES

MOVED by Deputy Mayor Bress, seconded by Councilor Dobler, to approve the unapproved minutes of the January 10, 2022 meeting as presented.

Motion Passed 2-0-1 (Councilor Dobler abstained)

9. ADJOURNMENT

MOVED by Deputy Mayor Bress, seconded by Councilor Dobler, to adjourn the meeting at 9:02 p.m.

Motion Passed 3-0-0

Respectfully submitted by,

Scott Colby
Assistant Town Manager