

# TOWN OF WINDSOR, CONNECTICUT

## Special Meeting Notice



**AGENCY:** Finance Committee

**DATE:** December 13, 2023

**TIME:** 7:00 PM

**PLACE:** Hybrid meeting - via Zoom and In-person at Town Hall in Ludlow Room

**Dialing in by Phone Only:**

1. Please call: **305 224 1968** or **301 715 8592**
2. When prompted for participant or meeting ID enter: **893 1881 5314**
3. 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/89318815314>

When prompted for participant or meeting ID enter: **893 1881 5314**

1. 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.

## **AGENDA**

1. Call to Order
2. Public Comment
3. \*Discussion of FY 25 Budget Assumptions/Parameters
4. \*Discussion of FY 25 budget format
5. \*Discussion of Proposed FY 25 budget calendar
6. Staff Reports
7. Approval of Minutes
  - a) \*October 30, 2023
8. 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: December 13, 2023

To: Members of the Finance Committee

Prepared By: Jim Bourke, Finance Director

Reviewed By: Peter Souza, Town Manager 

Subject: Preliminary Budget Guidelines and Parameters for FY 2025

### Background

As part of the annual budget process, the Town Council provides staff with a set of budget guidelines and parameters to be used in preparing the annual operating budget. As we proceed through the budget process, these preliminary projections for revenues and expenditures will be refined as new information is gathered.

### Discussion/Analysis

Attached are suggested revenue, expenditure and service delivery guidelines and parameters for FY 25. These parameters set the stage for developing a proposed budget that will attempt to maintain current levels of service, identify resources to address unmet and emerging service delivery needs, as well as continuing multi-year investments in programs such as open space preservation, debt and asset management, infrastructure improvements and funding for other post-employment benefits.

Results of property revaluation will be a primary factor to consider in preparing the proposed budget over the coming months. At this point, it is projected that with property appreciation due to State-mandated revaluation and economic development growth, the net taxable grand list will increase approximately \$926 million or 26%. Single-family homes are projected to increase over 50% on average while the commercial/industrial property category is expected to see an increase of 7% on average. Appreciation in the commercial/industrial property category is being negatively impacted due to large decreases in office building values. Please note the October 1, 2023 Grand List will not be formally completed until January 31, 2024.

Non-property tax revenue categories comprise approximately 16% of the current budget and include such items as State aid, interest earnings, cell tower lease revenue, building permits and other various fees. As in years past, it can be a challenge to forecast non-tax revenues at this early stage in the budget process as a number of factors influence these revenue sources. One uncertainty is the level of municipal state aid we anticipate to receive. We will not know these amounts until Governor Lamont's proposed budget is introduced in February.

Building permit fees, real estate conveyance fees and land recording fees are projected to be similar to what was budgeted from these sources for FY 24. We anticipate improved interest earnings as

compared to FY 24 budgeted levels in FY 24 and heading into FY 25. Please note assumptions may change as there is the possibility of downward pressure on interest rates moving forward.

On the expenditure side, our assumptions and projections related to individual expenditure categories will become more firm over the coming months as we compile new data from our vendors, consultants and cooperative purchasing coalitions. We are currently projecting increases in health insurance costs of approximately 18%. We are forecasting utility expenses to increase by approximately 14%. Retirement costs are expected to increase approximately 3%. The budgeted unit price for gasoline and diesel fuel are projected to increase modestly. The Metropolitan District Commission (MDC) ad valorem sewer assessment is projected to increase by approximately 1%.

As in the recent past, the suggested guidelines and parameters include direction to present a budget that reflects current levels of service as well as identifies needed resources to address unmet and emerging service delivery needs. Also included is direction to continue the multi-year investment program in open space preservation as well as asset management activities including pavement management, fleet, technology, facilities, athletic fields, parks and aquatic facilities.

Lastly, in FY 2021 the Town Council approved a resolution directing staff to present a proposed budget reflecting no use of Opening Cash. Opening Cash is the use of General Fund reserves as a revenue source, and is included in the budget as a way to decrease or mitigate the mill rate for a given fiscal year. The adopted FY 24 budget did not include the use of Opening Cash.

#### Other Board Action

None

#### Recommendations

The Preliminary Budget Guidelines and Parameters for FY 2025 are presented for review and discussion by the Finance Committee.

The parameters are not needed to be adopted by the full Town Council until the January timeframe but if the Finance Committee is so inclined to make a recommendation at this time, the following motion is recommended for approval:

**“MOVE that the Finance Committee recommend to the Town Council that the attached FY 25 budget assumptions and parameters be approved as presented.”**

#### Attachments

DRAFT FY 25 Budget Assumptions & Parameters

## **Fiscal Year 2025 Budget Assumptions and Parameters**

### **Revenues**

Overall State Aid projections will be consistent with FY 24 adopted levels, and adjusted as based on the Governor's budget which will be released in early February.

Building permits, conveyance fees and land recordings are projected to remain level with FY 24 adopted budget amounts.

Interest earnings are anticipated to remain favorable for FY 25. We are estimating a rate of return for FY 25 of approximately 3.5%.

No opening cash will be included as part of the Town Manager's proposed budget, as per the Town Council's June 2021 direction. Alternative scenarios utilizing cash reserves will be presented for consideration.

### **Expenditures**

Employee and retiree insurance benefit self-insured claims and premiums (health, prescriptions, dental, life and disability) are projected to increase approximately 18% (\$690,000).

Town contributions to defined benefit and defined contribution retirement plans are forecasted to increase approximately 3.0% (\$165,000).

Transfer payment to Great Pond Improvement District is expected to increase 120% due to the completion of new private developments and resulting Grand List growth (\$760,000).

Budgeted costs for utilities (electricity, natural gas, water) are forecasted to increase 14% (\$240,000).

Budgeted per gallon costs for gasoline and diesel are expected to increase 3.5% (\$14,000).

MDC sewer ad valorem is expected to increase 1.0% (\$47,000).

General Fund appropriation for debt service is a planned increase of 3% (\$250,000).

Capital spending is forecasted to decrease 19% (-\$680,700). This is related to the Town Council funding a *Community Investment Initiative* program for FY 24.

No increase in the appropriation for Other Post-Employment Benefits (OPEB), which is budgeted at \$800,000 in the FY 24 budget.

*\*\* % increases and dollar estimates are preliminary projections. They are subject to change as budget process proceeds*

Continue contribution to the Caring Connection (FY 24 adopted budget \$100,000).


Provide continued financial support to Windsor EMS reflecting an estimated 3% increase (\$20,000).

**Service Delivery**

In recognition of property revaluation impacts, present a budget that attempts to maintain current levels of service as well as identifies needed resources to address unmet and emerging service delivery needs (e.g., traffic enforcement, workforce development / succession planning, senior transportation, infrastructure maintenance, cyber security, affordable senior and workforce housing). Continue multi-year investment program in open space preservation as well as asset management activities including pavement management, fleet, technology, facilities, athletic fields, and park facilities.

*\*\* % increases and dollar estimates are preliminary projections. They are subject to change as budget process proceeds*

## Agenda Item Summary

Date: December 13, 2023  
To: Members of the Finance Committee  
Prepared By: Jim Bourke, Finance Director  
Reviewed By: Peter Souza, Town Manager   
Subject: FY 2025 Budget Format

### Background

The *Town Charter* requires that should the Town Council desire any changes to the budget format that these changes need be adopted by January 15<sup>th</sup>.

### Discussion/Analysis

Finance staff is not proposing any changes to the budget format for FY 2025. As was done for the FY 24 budget, we will be presenting American Rescue Funds (ARF) grant revenues and expenditures in the applicable department budgets of the FY 25 budget to reflect initiatives that have been approved by the Town Council, as well as the associated information on the special revenue page for American Rescue Funds.

### Financial Discussion

None

### Other Board Action

None

### Recommendation

If the Finance Committee is in agreement, the following motion is recommended for approval:

**“MOVE that the Finance Committee recommend to the Town Council that the FY 25 budget format remain the same as FY 24.”**

### Attachments

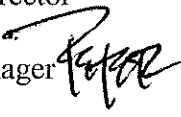
None

## Agenda Item Summary

Date: December 13, 2023

To: Members of the Finance Committee

Prepared By: Jim Bourke, Finance Director

Reviewed By: Peter Souza, Town Manager 

Subject: FY 2025 Budget Calendar

### Background

The attached budget calendar outlines the process for submittal, review and adoption of the annual operating budget.

### Discussion/Analysis

The proposed budget calendar is generally consistent with previous budget calendars and calls for a public hearing to be held on Monday, February 5, 2024 to hear budget requests and comments. The proposed budget is planned to be distributed to the Town Council on Wednesday, March 27, 2024. On Monday, April 1, 2024 a public hearing would be held prior to the Council's regularly scheduled meeting.

Town Council budget sessions are proposed for Wednesday, April 3; Monday, April 15; and Wednesday, April 17. There are currently no budget workshops scheduled during the week of April 8-12, 2024 due to school vacation. By not having a session the week of school vacation, the April 15<sup>th</sup> agenda is rather heavy with department reviews especially if the Board of Education needs to attend as a follow-up session. Therefore a question exists if the Council would like to have one budget session the week of April 8<sup>th</sup>.

Presently the calendar calls for Town Council discussion and preliminary deliberations for Monday, April 22, 2024, which is the first night of Passover. Budget adoption is proposed for Wednesday, April 24, 2024. A question exists if the Council would like to forgo the April 22<sup>nd</sup> session and meet for public comment and adoption on April 24<sup>th</sup>. An alternative would be to meet on April 23<sup>rd</sup> to hear public comment and preliminary deliberations.

As in years past, the formal setting of the referendum date is established when the Town Council adopts the budget. The recommended date for the Adjourned Town Meeting (referendum) is traditionally the second Tuesday of May, which would be Tuesday, May 14, 2024.

The schedule 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.

Dates for budget information meetings hosted by the Town Manager and staff have been scheduled for Thursday, February 15, 2024 and Thursday, March 28, 2024. These informal meetings provide residents

an opportunity for discussion of the budget process, our overall revenue outlook, as well as various fiscal and service delivery topics.

Community budget forums sponsored by the League of Women Voters and Windsor CT Votes have traditionally been held in various locations after the Council has approved the budget and before the referendum. Dates for these forums will be established in the April time frame.

Financial Impact

None

Other Board Action

None

Recommendations

If the Finance Committee is in agreement, the following motion is recommended for approval:

**“MOVE that the Finance Committee recommend to the Town Council that the FY 2025 budget calendar be approved as presented.”**

Attachments

Draft FY 2025 Budget Calendar



TOWN OF WINDSOR  
FY 2025  
BUDGET CALENDAR

DATE	DAY	STEP
February 5, 2024	Monday	Public Hearing by Town Council to hear budget requests from citizens
February 15, 2024	Thursday	Informational meeting on Proposed Budget ( <i>hosted by staff</i> )
February 16, 2024	Friday	Board of Education to submit to Town Council information regarding Public Act 13-60 ( <i>tentative date</i> )
March 4, 2024	Monday	Town Council suggestions due to the BOE per Public Act 13-60 within 10 days of BOE submission
March 11, 2024	Monday <i>Tentative</i>	Board of Education to submit written responses to Town Council regarding suggestions made per Public Act 13-60.
March 11, 2024	Monday	Finance Committee Meeting ( <i>tentative date</i> )
March 27, 2024	Wednesday	Estimated receipts and expenditures submitted to Town Council by Town Manager (proposed budget)
March 28, 2024	Thursday	Informational meeting on Proposed Budget ( <i>hosted by staff</i> )
April 1, 2024	Monday	Town Manager's Presentation of FY 25 Proposed Budget  Public Hearing re: public opinion regarding budget as proposed by Town Manager  Regular Town Council meeting
April 3, 2024	Wednesday	Board of Education, Revenues, Public Works, Landfill Enterprise Fund, Resident Transfer Station Enterprise Fund
April 15, 2024	Monday	Board of Education, Health Services, Information Services, Library Services, Human Services, Police Department, Fire and Rescue Services, Ambulance Services, Recreation & Leisure Services, Child and Adult Day Care Enterprise Funds
April 17, 2024	Wednesday	Development Services, Community Development, Administrative Services, General Government, General Services/Capital Spending, Insurance Internal Service Fund, Town Support for Education
April 22, 2024	Monday	Public Comment, Preliminary Deliberations ( <i>tentative and may be combined with Final Deliberations</i> )
April 24, 2024	Wednesday	Public Comment, Town Council final deliberations and vote ( <i>tentative and may be combined with Preliminary Deliberations</i> )
May 14, 2024	Tuesday	Recommended date for Adjourned Town Meeting ( <i>referendum</i> )
May 20, 2024	Monday	Regular Town Council Meeting; Town Council sets tax rate
June 21, 2024	Friday	Tax bill mailing completed
June 30, 2024	Sunday	End of current fiscal year

Note: Windsor School Vacation Week 4/08 – 4/12  
Passover (begins at sundown on 4/22/24)



**TOWN OF WINDSOR  
FINANCE COMMITTEE  
OCTOBER 30, 2023  
SPECIAL HYBRID MEETING**

**UNAPPROVED MINUTES**

**1. CALL TO ORDER**

Councilor Ojala Naeem called the meeting to order at 6:30 p.m. with Councilor Ken Smith and Deputy Mayor Lisa Rampulla-Bress present.

Staff Present: Peter Souza, Town Manager; Scott Colby, Assistant Town Manager; Linda Collins, Assistant Finance Director; Enita Jubrey, Assistant to the Town Manager; Mark Goossens, Solid Waste Manager; Cheryl Rosenbaum, Caring Connection Manager; and Laura Casey, Discovery Center & Montessori School Director; Josh Gaston, Assistant Town Assessor; and Larry Labarbera, Town Assessor

**2. PUBLIC COMMENT - None**

**3. FY 2023 YEAR END & FY 24 1<sup>ST</sup> QUARTER FINANCIALS FOR LANDFILL AND TRANSFER STATION**

Mark Goossens, Public Works Director, gave the following report on the Landfill and Transfer Station:

**Transfer Station Enterprise Fund - FY 2023 Results**

For *Total Revenues*, the Transfer Station Enterprise Fund received \$351,684 for fiscal year 2023. This was primarily from fees for annual permits and disposal of bulky and yard waste deliveries from residents. These and other revenues for the fiscal year are shown in the column entitled: "YTD Results."

*Total Operating Expenses* of \$359,502 for FY23 are shown in the same column. When Non-Operating expenses related to our Food Scrap Recycling initiative are also considered, total FY23 expenses become \$364,027. The largest budgeted expenses are related to the transfer and disposal of wastes delivered to the Transfer Station by residents. With the exception of yard wastes and brush, all wastes must be hauled offsite to other facilities for processing.

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

- Construction & Demolition Revenues: Despite a reasonably strong 4<sup>th</sup> quarter, these revenues came in under budget by \$51,844 for the entire fiscal year.
- Side Window Transactions: These revenues were under budget by approximately \$6,875. The FY23 results for this line item are likely the result of a corresponding increase in the number of annual permits sold and is partially offset by the additional revenues associated with that annual permit increase.



- Interest Earnings: Came in \$9,682 higher than budgeted due to higher-than-budgeted interest rates for FY23.
- Personal Services Expense: Came in over budget by \$7,393 (7.7%) due to additional part-time hours in the first two quarters of FY23 that were necessary to cover various extended leave time.
- Bulky Waste Disposal Expense: Came in approximately \$39,583 under budget. These savings are directly attributed to the drop in tonnage which also accounts for the corresponding drop in revenues identified above. With the decrease in Bulky Waste intake tonnages came a proportional decrease in the expense to dispose of those same tons.

The Annual Operating Loss (where revenues and expenses are considered together) realized by the Transfer Station Enterprise Fund was \$12,343 for fiscal year 2023. Subtracting this loss from the Retained Earnings at beginning of the fiscal year, resulted in a new balance of \$507,287 in retained earnings at the conclusion of FY23.

#### **Transfer Station Enterprise Fund - FY 2024 1<sup>st</sup> Quarter Results**

For Total Revenues, the Transfer Station Enterprise Fund received \$131,119 for the 1<sup>st</sup> quarter of FY24. Permit fees and revenues from bulky waste deliveries were the primary revenue sources.

Total Expenses were \$67,742 in the first quarter, with personnel services expenses and the transportation and disposal of Bulky Wastes being the largest components respectively.

Operating Income for the 1<sup>st</sup> quarter of FY24 was \$63,377. This net operating income is \$3,423 more than the same period, previous fiscal year. Intake tonnages continue to drop significantly below those of the pandemic period and we expect that our intake tonnages will eventually settle into a "new normal" which includes a more reserved, cautionary customer environment, likely due to continued rising costs and increasing economic concerns.

The Total Operating Income of \$63,377 for the 1<sup>st</sup> quarter, when added to the Retained Earnings of the fund shown on the bottom, left side of the report (\$507,287), results in an updated Retained Earnings of \$570,664 at the end of the 1<sup>st</sup> quarter of FY24.

Councilor Smith asked if any consideration has been made for satellite collection locations for food waste. Mr. Goossens replied they have not talked about this heavily. The challenge would be to police the material that was brought in.

Deputy Mayor Bress stated someone mentioned cameras at the Take It Or Leave It. Has this happened? Mr. Goossens stated they are working on this. The next step is to get a conduit run to the area. This is a work in progress.

Councilor Naeem asked if we've given away all the collection bins. Mr. Goossens replied we still have some left and we plan to do another push after the holidays to residents.

### **Landfill Enterprise Fund – FY 2023 4<sup>th</sup> Quarter Results**

For Total Revenues, the Landfill Enterprise Fund received \$338,732 for the fiscal year. This was attributed entirely to interest income, as the budgeted sale of a landfill trash compactor, and reimbursements from the State DEEP Reimbursement Grant for expenses related to landfill closure costs were pushed into FY24.

Total Expenses of \$1,361,705 were related to closure and capping of the landfill. The three major components of this expense are Personnel Services (\$487,488), Contractual Services (\$314,219), and Supplies (\$335,511) expenses.

As shown in the row entitled: Annual Operating Income, the Landfill Enterprise Fund expended more than it received by \$1,022,973 for fiscal year 2023. This scenario is anticipated for subsequent years, and is reflected in the FY24 adopted budget.

Some of the notable variances on the attached report are as follows:

- Total Revenues were under budget by \$392,808. This shortage was related to DEEP Reimbursement revenues, which were expected to be realized in FY23, but are now expected to be received in FY24. In addition, the sale of an unused trash compactor was delayed into FY24 so that it would still be available to compact on-site materials at the landfill prior to the sale.

These shortages were partially offset by a positive increase of \$243,732 in interest income for the fiscal year.

- Contractual Services: Under budget by \$997,621. The FY23 approved budget included a \$1.1 million expense for the installation of a horizontal, subsurface pipe to address aesthetic concerns within the wetlands. This project has since been replaced with a new approach that includes a less intrusive, but equally effective method to address the aesthetic conditions within the wetlands. We are currently in the process of obtaining the necessary approvals to begin this project in the latter part of FY24.
- Capital Outlay: Under budget by \$275,000 due to the shortage of equipment available for purchase. This equipment has since become available, and these capital costs will be realized in FY24.

At the bottom, left side of the report is a figure of \$20,507,737, which was the Retained Earnings of the Landfill Enterprise Fund at the end of FY22. With a \$1,022,973 annual operating loss for

FY23, the balance of the Retained Earnings of the enterprise fund at the end of the year was \$19,376,279, 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 Enterprise Fund – FY 24 1<sup>st</sup> Quarter**

Mr. Goossens stated for Total Revenue, revenues of \$303,570 received by the Landfill Enterprise Fund are attributed to \$203,570 in interest income, and \$100,000 for the sale of a landfill trash

compactor which had originally been scheduled to occur in Q4 of FY23. Additional revenues are anticipated in future quarters as a result of expected reimbursements from the State DEEP Reimbursement grant referenced above.

For *Total Expenses*, \$324,470 was expended, again primarily related to closure and capping. The majority of these expenses were related to Personal Services (\$100,679), Services (\$77,568), and Supplies (\$62,409) expenses.

The *Annual Operating Loss* was \$20,900 for the first quarter. Subtracting this quarterly loss from the Retained Earnings total results in a new balance of \$19,355,379 at the conclusion of the 1<sup>st</sup> quarter of FY24.

Deputy Mayor Bress asked where we are with the DEEP project. Mr. Goossens stated they are in the process of permitting. Most of the work will occur in calendar year 2024 but that some elements will be ongoing.

#### **4. FY 23 YEAR END & FY 24 1<sup>ST</sup> QUARTER FINANCIALS FOR ADULT DAY CARE ENTERPRISE FUND**

Ms. Cheryl Rosenbaum, Caring Connection Manager, gave the following overview of the enterprise fund:

##### **FY 23 Year End Review (unaudited)**

The Caring Connection was budgeted to experience a \$137,010 operating loss in FY 23. The enterprise fund ended FY 23 with a \$108,946 unaudited loss which resulted in a net position of \$49,734 as of June 30, 2023. This includes the \$100,000 transfer from the General Fund-General Services adopted budget, as well as a transfer from American Rescue Funds of \$40,000 out of the \$100,000 Town Council appropriation from June 2022. During FY 23 the program experienced a consistent increase to census.

##### **1<sup>st</sup> Quarter Revenues & Fiscal Year Projections**

During the first three months of the FY 24 fiscal year, revenues were \$87,908. The FY 23 first quarter revenues totaled \$61,196. Therefore, revenues are trending about \$26,700 higher than the same time period last year. We do anticipate, at this point, to exceed our budgeted revenue projections. Obviously, census fluctuations, upticks in Flu, RSV and COVID as well as winter related closing could impact our estimated projection.

##### **1<sup>st</sup> Quarter Expenses & Fiscal Year Projections**

The Caring Connection expenditures for FY 24 are \$24,250 more than the 1<sup>st</sup> quarter of FY 23 due to salary increases based on market conditions as well as corresponding increases for supplies needed due to an increase in the daily census.

##### **Overall FY 24 Projection**

At this time, we project an end of fiscal year operating loss of \$133,095. That loss would be \$45,705 less than the \$178,800 loss projected in the FY 24 adopted budget. We anticipate

\$66,432 more in operating revenues due primarily to an increase in census and state reimbursement rates and \$21,606 more in operating expenditures due to staffing costs.

Deputy Mayor Bress thanked staff for all of their efforts.

## **5. FY 23 YEAR END & FY 24 1<sup>st</sup> QUARTER FINANCIALS FOR CHILD DEVELOPMENT ENTERPRISE FUND**

Ms. Laura Casey, Early Childhood Manager, gave the following overview of the enterprise fund:

### **FY 23 Year End Review (unaudited)**

The Windsor Montessori School and Discovery Center enterprise fund was budgeted to experience an operating loss of \$176,640 in FY 23. The enterprise fund ended FY 23 with an unaudited gain of \$61,952 which resulted in a net position of \$337,590 at June 30, 2023. This includes the use of Office of Early Childhood Ready Set Rebuild Stabilization Grant funds in the amount of \$60,480. This gain is primarily a result of an increase in revenue due to higher than budgeted full-time enrollees and the use of the OEC Ready, Set Rebuild Stabilization funds.

### **1<sup>st</sup> Quarter Revenues & Fiscal Year Projections**

During the first three months of fiscal year 2024, total revenues equaled \$353,787, compared to the first quarter revenues of FY 23, which totaled \$291,703, an increase of \$62,084 year over year. This increase can be attributed to the addition of a Primary classroom, hosting children ages three-five.

During the summer, programs were 97% enrolled across the entire school. The 2<sup>nd</sup> through 4<sup>th</sup> grade program was full with a waiting list, so we opened up an additional section. The full-time toddler program was under-enrolled by one student for two months due to the age eligibility of the fall enrollees. The remaining two classrooms for children under three years old were fully enrolled for the summer.

### **1<sup>st</sup> Quarter Expenses & Fiscal Year Projections**

The Child Enterprise Fund expenditures are \$344,291 for the 1<sup>st</sup> quarter of FY 24. This is 10.6% higher than the same time period last year due largely to expenses for the additional classroom.

### **Overall FY 24 Projection**

At this time, we project an end of fiscal year loss of \$32,894 for FY 24 versus a budgeted loss of \$5,350. The projected loss would leave the Child Enterprise Fund with a positive net position of \$318,430 at the end of FY 24. The additional loss is due to the staffing shortage which directly impacts parent enrollment options.

Deputy Mayor Bress made a comment that we need to ensure that our salaries remain competitive.

## 6. FY 23 YEAR END & FY 24 1<sup>ST</sup> QUARTER GENERAL FUND FINANCIALS

Linda Collins, Assistant Finance Director, stated the below regarding the General Fund financials:

### FY 23 Year End General Fund

Revenues are projected to come in with a favorable variance of approximately \$7.2 million, which includes opening cash revenue of \$1.8 million. Positive revenue variances are attributable to general property tax collections in excess of budget by \$55,000, building permits by \$3.7 million, interest income by \$1.2 million, state aid by \$1.2 million and conveyance fees by \$314,000.

Expenditures (including the Board of Education) are estimated to be approximately \$875,000 under budget, which is less than 0.7% of the FY 23 adopted budget. These savings are mainly due to vacant positions and employees on workers compensation, military leave or disability leave.

Overall additional revenues, expenditure savings and appropriations from the fund balance are expected to result in an increase to the General Fund budgetary fund balance of approximately \$5.2 million. This does not include the \$1.8 million opening cash appropriation, which was not needed to balance the budget.

### FY 24 1<sup>st</sup> Quarter General Fund

Overall revenues are 84.1% collected as of the first quarter of the fiscal year, and were 83.3% collected for the same time period last year.

- Licenses and Permits are 60.6% collected for the first quarter as compared to 107.1% for the same period last year. The difference is mainly due to significant building permit revenues collected in FY 23 for the Target warehouse project located at 500 Groton Road as well as the Amazon project on Kennedy Road.
- Fines and Penalties are 6.2% collected for the first quarter as compared to 26.2% collected for the same time period last year. This is mainly due to the timing and amount of judicial court fines which can vary.
- Revenues from Use of Assets are 45.5% collected for the first quarter as compared to 34.7% collected for the same period last year. Interest income collections are higher in FY 24 due to increased interest rates.
- Charges for Current Services are 88.4% collected for the first quarter as compared to 27.8% for the same time period last year. This is due to increased conveyance fees related to non-residential real estate sales in the first quarter of FY 24.

FY 24 expenditures are comparable to the first quarter of FY 23, with a 0.5% difference between the two fiscal years (24.4% spent for FY 24 vs. 24.9% for FY 23). Most of the differences relate to the timing of expenditures as well as when purchase orders are entered into the accounting system. The most notable change in expenditures between the two fiscal years occurred in the Community Development service unit. This service unit reflects 82.1% expended for the first

quarter of the fiscal year versus 12.9% spent for the same time period last year. The FY 24 Community Development budget was increased in FY 24 to accommodate two transfers. These consisted of \$305,000 for the Community Development housing rehab program, to be used partially in FY 24 as well as in future years, and \$75,000 for the creation of a Senior & Workforce Housing planning initiative.

Deputy Mayor Bress asked if there is anything that we are doing for Oliver Ellsworth Elementary School that is coming out of here. How does it impact this? Town Manager Souza said it will impact FY 24 not FY 23. He has been having discussions with Danielle Batchelder and this item will be coming to the Town Council in the coming weeks.

Councilor Smith asked what the discrepancy in the Community Development Service unit is. Ms. Collins responded that the block grant transfer occurred.

## **7. UPDATE ON 2023 PROPERTY REVALUATION PROCESS**

Josh Gaston, Assistant Town Assessor, gave the following overview for the revaluation process.

The purpose of a revaluation is to determine the current fair market value of all properties. For property tax purposes, state law requires that municipalities assess a property at 70% of its current fair market value. Near the end of November, notices will be mailed to every property owner indicating both the prior and the proposed new assessment. If property owners believe their new stated value does not reflect a fair assessment, they may set up an informal hearing with our revaluation contractor (Vision Government Solutions) during the month of December to gather an understanding of how the value was determined. If an owner chooses to formally appeal their valuation, they are required to make an application to the Board of Assessment Appeals by February 20, 2024. Appeal hearings will be held in March, and in April if necessary.

At this time, the revaluation has not yet been fully completed. However, a high-level summary of the preliminary results are as follows:

Significant decreases in the values of large office buildings, such as the office complexes of VOYA and The Hartford, have created a significant drag in the overall value increase of the commercial/industrial segment of the grand list. Combining the relatively moderate increase in commercial/industrial with significant increases in residential home values, there is likely to be an overall tax-burden shift to residential properties. At this time it is projected that approximately 65% of the grand list real estate values will consist of residential properties (residential & condo) versus approximately 58% in October 2022.

Taxes for fiscal year 2025 will not be determined until a mill rate is established during the annual budget process. There are several more variables including other grand list component changes (personal property & motor vehicle), alterations in State Aid and non-tax revenues as well as budgeted expenditure levels for FY 25 that must be factored into the equation prior to a proposed mill rate being established.

Deputy Mayor Bress asked for clarification on the chart. Mr. Gaston provided context on it.



Councilor Naeem said people are going to see this. What can we do to educate them? Town Manager Souza said this is one piece of the equation. We will be utilizing the website, social media, *There's A Lot To Do in Windsor* magazine, and the appeal process.

## 8. STAFF REPORTS

Town Manager Souza stated the audit update is on track and should be completed by the statutory deadline. Town Manager Souza also stated that the Finance Department received the GFOA budget award.

Deputy Mayor Bress said she hopes we can continue to look at and adjust the tax abatement policy to explore;

- Give points for green energy
- Multi-family housing/workforce housing to bring the developments that we want to see.

## 9. APPROVAL OF MINUTES

MOVED by Deputy Mayor Bress, seconded by Councilor Smith, to approve the unapproved minutes of the June 12, 2023 meeting as presented.

Motion Passed 3-0-0

## 10. ADJOURNMENT

MOVED by Deputy Mayor Bress, seconded by Councilor Smith, to adjourn the meeting at 7:16 p.m.

Motion Passed 3-0-0

Respectfully submitted by,

Scott Colby  
Recording Secretary