



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

APPROVED 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 1ST 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 4th 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 1st Quarter Results

For Total Revenues, the Transfer Station Enterprise Fund received \$131,119 for the 1st 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 1st 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 1st 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 1st 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 4th 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 1st 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 1st 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 1ST 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.

1st 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.

1st Quarter Expenses & Fiscal Year Projections

The Caring Connection expenditures for FY 24 are \$24,250 more than the 1st 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 1st 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.

1st 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 2nd through 4th 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.

1st Quarter Expenses & Fiscal Year Projections

The Child Enterprise Fund expenditures are \$344,291 for the 1st 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 1ST 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 1st 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