



**TOWN OF WINDSOR
FINANCE COMMITTEE
JUNE 10, 2024
SPECIAL HYBRID MEETING
UNAPPROVED MINUTES**

1. CALL TO ORDER

Councilor Ojala Naeem (via Zoom) called the meeting to order at 5:30 p.m. with Councilor Ronald Eleveld present.

Councilor Leroy Smith (arrived at 5:40 p.m.)

Staff Present: Peter Souza, Town Manager; Scott Colby, Assistant Town Manager; Jim Bourke, Finance Director; Linda Collins, Assistant Finance Director

2. PUBLIC COMMENT

George Slate, 73 Ethan Drive, said regarding the agenda for this meeting, you are going to keep it at \$1.4 million as unexpended. To him it should go to zero. Now you can buy at least one police cruiser. The other one is \$4.8 million revenue over budget. His math is \$1.4 million and \$4.8 million is a \$6.2 million net gain for the year. The one thing that didn't make the agenda was the senior tax benefit. In his letter to the *Windsor Journal* he did verify today with the assessor in Granby that a single person that has \$38,000 of income can get a benefit of \$2,500 on a \$6,000 property tax bill. We should not let Granby be the best town for the Senior Tax Relief. A town 1/3 of our population is spending more than we are on Senior Tax Relief. He explained how the Senior Tax Relief benefits the town.

3. REVIEW OF FY 24 ENTERPRISE FUNDS YEAR END FINANCIALS

Child Development

Laura Casey, Discovery Center & Montessori School Director, stated at this time, we are at 94% enrollment across all programs for the upcoming 2024-2025 school year. For the remaining spaces, we have 3 families waiting for Care4Kids approval, 2 families waiting on possible special education services and the final 2 spaces have interested families, but the children are not currently fully potty-trained. We were able to accommodate 29 children from our waiting lists for the 2024-2025 academic year.

Our goal is to have full enrollment in all programs by July 31, 2024, for the 2024-2025 academic year. For the next academic year, it is anticipated there will be a need for additional part-time staff to fill afternoon teacher assistant positions. One of our challenges is attracting and affording

the cost of hiring qualified staff given our pay rates and the limited amount of qualified early childhood educators on a regional and statewide basis.

FY 24 revenues, which were budgeted at \$1,502,990, are now projected to be \$1,494,821, a decrease of \$8,169. The FY 24 expenses, budgeted at \$1,508,340 are now projected to be \$1,394,918. The savings of \$113,422 is primarily due to personnel costs for two partial year full-time vacancies.

The budgeted net loss for FY 24 was \$5,350 and is now forecasted to be a gain of \$99,902. This gain is attributed to salary savings due to staff vacancies. Our Unrestricted Net Position is projected to be \$475,150 on June 30, 2024.

Councilor Elevled said 'good job'.

Councilor Smith asked in terms of those salary reductions that you were able to achieve. Are you anticipating on hiring for those positions? Ms. Casey said yes she was able to fill one on June 1st of this year and they have reposted the position and have applicants for the second full-time position right now.

Councilor Smith asked if there has been an increase in the salary. Is it comparable to the salary that was previously paid in this position? Ms. Casey responded that it would depend on their credentials. The salary that was paid for before was for an employee that wasn't credentialed. We would like to hire someone with credentials. If they are a credentialed employee, we will have to hire them at a higher salary.

Councilor Naeem asked if any of the positions that were vacant, did they have an impact on the classroom? Are they classroom or administrative related? Ms. Casey said they are classroom positions and with the addition of the education coordinator two years ago, that was one of her primary roles. She explained in further detail what the coordinator now does. Town Manager Souza noted that there are only two administrators or the person that she just mentioned who fills in the classroom when needed and Laura does the same.

Councilor Naeem asked with the recruitment of newer teachers and then also from a retention perspective are there any foreseeable challenges as you look at next year? Ms. Casey said they are working on a salary study to see where they are comparable to not only child care, but to other Montessori schools as far as retention goes. The infant classroom is always a challenge. It's a very difficult position to be in. It's a trying classroom. They've decided to send additional staff to Montessori training this summer so that will help with the retention of the program.

Councilor Naeem stated she thinks the difference in the adopted budget between sort of where the revenue total revenues were coming in and total expenditures was just about \$5,000-\$6,000. We've spoken of the cost that we're charging families so she thinks that should be kept in mind and seeing how much it would take and how big of an impact it would be to try to bring that

closer to break even in an ideal world. She knows we're going to have funding available in the Enterprise fund, but she thinks they'll be getting more of those questions coming their way.

Caring Connection

Cheryl Rosenbaum, Caring Connection Manager, stated overall, our projected FY 24 financial performance is encouraging. FY 24 revenues were budgeted to be \$292,660 and by year end, we anticipate revenues to be \$ 418,305. This is driven by the nearly 30% increase in average daily census compared to FY 23. Expenditures were budgeted to be \$471,460 and are projected to come in at \$487,332. The additional expenses were related to additional part-time hours and supplies to meet the increased daily attendance.

The forecasted net loss for FY 24 is \$69,026, which is \$109,774 better than our original budgeted net loss of \$178,800. The estimated retained earnings for June 30, 2024 are \$145,775.

Town Manager Souza added that their average daily census is 30% higher. That's when you're talking about 16 to 18 people, you get 30% that changes your revenues. In order to get that 30% increase you need to have 35-40 people on your census. Ms. Rosenbaum stated that right now the census is 40. There were a few days where we were making room for people, but they try not to be on top of each other. Town Manager Souza stated that's a big achievement just coming out of the last 3-4 years or so. Hopefully, we'll continue that trajectory.

Town Manager Souza stated there is money that we received from the State that will help as we talked about previously in the spring. But there's some additional money we're anticipating from the State through the efforts of Jane Garibay and our legislative delegation. That will help with making improvements to the outside space and some improvements to the inside, some kind of amenities and some refurbishing. Hopefully, it will make it more attractive for folks to place their family members there.

Councilor Naeem stated that when she saw the projections for the increase in how many folks we are anticipating about two weeks ago, she was a little skeptical and had a bunch of questions. So 30% is really great. That's quite significant. Great job to all of you on all the work you're putting in and she thanked them.

Councilor Eleveld asked if they are still looking at picking up those three people with the other place? Ms. Rosenbaum answered that it looks like it's possible it will happen early in our next fiscal year.

Councilor Smith asked in terms of facility expenses. You just mentioned that we again will be getting some funding from the State. Maybe the town is fully responsible for our facilities' expenses, but that's not necessarily the case. The Center has to carry some of its own expenses in terms of facilities. Town Manager Souza stated that the Caring Connection pays \$65,000 in what we term as rent that goes into a segregated account and some of those dollars are used for daily cleaning and used for some of the utility expenses for the building. But also those funds

can be used to do some of the deferred maintenance such as repainting. What we're getting at this point is monies from the State to be able to do outdoor improvements. The outdoor patio as an example and upgrading that area along with some furnishings. That helps to not have to go into the retained earnings to any large degree.

Councilor Smith stated that typically that would just be funded from the retained earnings also being paid directly by the town right? Town Manager Souza responded that would be our goal. However, there have been years past where we have used town dollars to do HVAC work. So the building envelope and the building mechanical systems are town "responsibilities" as a landlord.

Councilor Smith said expenditures are budgeted to come in a little bit more than expected. He expected the trajectory to come in a little bit more. What are some of those increasing expenditures? Ms. Rosenbaum asked is this the increase to the census? Councilor Smith said yes. Ms. Rosenbaum explained it got a little bigger. The cost of supplies and some extra staff to meet the needs of those days when we have above the number that we have to staff. We staff 1 to 7.

Landfill Transfer Station

Mark Goossens, DPW Director, stated for Total Revenues, the Transfer Station Enterprise Fund expects to receive \$326,967 for fiscal year 2024. This is 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 Projected Results."

Year-to-date Total Operating Expenses of \$325,814 are shown in the same column. The largest budgeted expenses are for the transfer and disposal of wastes delivered to the Transfer Station by residents. With the exception of yard wastes and brush, all wastes need to be hauled offsite to other facilities for processing.

Councilor Eleveld said for the Transfer Station we are sitting with \$503,503 as your projected three day earnings. Mr. Goossens said that is correct. Councilor Eleveld then asked is the \$4,000 for doing the compost? We're not making any money on that or is it still too new? Mr. Goossens said that will be a loss. It's going to be an expense item until regulations can catch up with society. Mr. Goossens explained the process.

Councilor Naeem asked what we are doing with all the food scraps right now? Mr. Goossens said it is being hauled off site and composted off site.

Councilor Naeem asked if there is a significant expense for us to have that. Mr. Goossens responded that it's \$100 per week.

Councilor Eleveld asked what did they do with it? Turn it into electricity? Mr. Goossens stated they have anaerobic digester that creates gases and they turn it into electricity and take the sludge and create a compost with it as well.

Councilor Smith stated in New York City you have to separate your food. So it's anticipated that one day pretty soon we may get to that. What kind of expenditure do you anticipate that may cause? Town Manager Souza stated it cost roughly \$480,000 a year for curbside recycling two times per month. You've got your capital expenditure cost for containers. That's going to be somewhere at 50%-60% of that cost if we are going to do curbside collection. If we do drop off like we do now, it will be different. It would be different because you're not paying a hauler to do that curbside collection on a regular basis. He explained the process further.

Councilor Eleveld asked how much of our stuff goes into the landfill and never actually gets recycled. Mr. Goossens said he has no way to speak to that but hopes that it is zero. Plastics and contamination create a problem. Those are the biggest obstacles of recycling.

Landfill Enterprise Fund

Mark Goossens, DPW Director, stated For Total Revenue, the Landfill Enterprise Fund expects to receive \$1,108,080 for the fiscal year. This estimate is comprised of \$750,000 in interest income, \$258,080 from reimbursements from the longstanding grant provided for by the CT DEEP, and \$100,000 for the sale of a landfill trash compactor.

Total Expenses of \$1,491,388 are related to closure and capping of the landfill. The three major components of this expense are Personnel (\$417,718), Contractual Services (\$334,924), and Supplies (\$241,359) expenses.

The Landfill Enterprise Fund expects to expend more than it receives by \$383,308 for fiscal year 2024. This scenario is anticipated for, and reflected in, the FY 25 proposed budget.

Councilor Eleveld said Revenues are from the interest account, money DEEP sends us plus whatever we sold. Is that correct? Mr. Goossens said it was correct. Councilor Eleveld stated we are not collecting revenues from anything to do with trash. Councilor Eleveld said this is all strictly whatever we get from whatever sources. Mr. Goossens said that's \$19 million.

Town Manager Souza added that essentially we still have staff there finishing all the capping requirements for FY 25. Then as we go through the FY 26 budget process, we're reflecting the expenses will decrease significantly.

Councilor Eleveld asked if we have a plan because it's in FY 27 that the property can be put back into use. Town Manager Souza said we've got our work with the DEEP that has to happen and then we've got some settling issues. Mr. Goossens added that we need to put a bunch of restrictions on the deed. We need to do some quality control monitoring for the first couple of years to make sure there's no settlement. We have to also ensure the integrity of the cap that

we just installed is maintained and the environmental integrity is ensured. Discussion ensued on the possible use of the landfill.

Councilor Smith asked about road kill. How does that work? Where does that go? Mr. Goossens replied it depends on where the event takes place. If it's near something that is natural, then we let nature take its course and the road is cleaned. Animals that are picked up are bagged and put in waste containers and are hauled off.

Councilor Eleveld said that is for town streets. Do we take care of state roads too when this happens? Mr. Goossens said if it's in the town, they try to address it.

4. REVIEW OF FY 24 GENERAL FUND YEAR END FINANCIALS

Jim Bourke, Finance Director, stated revenues are projected to come in with a favorable variance of approximately \$4.7 million. Positive revenue variances in excess of budget are licenses and permits by \$1.2 million, revenues from use of assets (interest income) by \$1.5 million, charges for services by \$850,000 (primarily conveyance fee, vital records), general property tax collections by \$586,000 and State grants by \$392,000.

Expenditures (including the Board of Education) are estimated to be approximately \$1.1 million under budget, which is less than 1% of the FY 24 adopted budget. These savings are mainly due to vacant positions, employees on workers compensation or disability leave, and public safety retirement/pension savings. General Government is expected to be over budget by \$24,510 due to legal fees for workers compensation cases. A transfer from the Safety Services budget is recommended to offset the overage in this service unit. We're expecting to increase the General Fund Budgetary Fund balance by about \$1.4 million.

Councilor Eleveld asked if the \$1.4 million is net dollars of the open cash and the pay as you go? Mr. Bourke said that is correct.

Councilor Eleveld said that Mr. Bourke said the Board of Education is at this point going to expend their full \$80 million allotment. He presumes that is correct? Mr. Bourke said that is correct.

Councilor Naeem stated that we have about a \$5.7 million surplus this year that has been bounced out with the Pay as you go, the \$4.4 million we did. This is good. Are there any items that we might want to do or take action on before the end of the fiscal year? Town Manager Souza said he has authorized a number of expenditures that are already reflected here in the year end. For example, a police cruiser replacement was authorized. There's been a handful of small pieces of equipment in public works that have been authorized using FY 24 dollars. We did that knowing that in FY 26 we were going to be challenged.

Councilor Eleveld said we spent a lot of money on schools this year didn't we? We do every year don't we? Town Manager Souza said it is a substantial amount of our service portfolio.

5. REVIEW OF FY 24 YEAR END TRANSFERS

Jim Bourke, Finance Director, stated the General Government service unit is projected to be over budget by \$24,510, which brings the FY 24 General Fund funding to the service unit to \$1,283,140 as opposed to the adopted budget of \$1,258,630. The main driver for this is additional costs from legal fees for workers compensation cases. Town Manager Souza added that also reflects the costs of the outside counsel for the solar facility for River Street. Mr. Bourke added it is recommended that a transfer of \$24,510 be made from the FY 24 Safety Services budget.

At this time, there are no service units that are anticipated to require a year-end transfer by the Finance Director. However, in the event a service unit should exceed the original budget authorization, it is requested of the Finance Committee to recommend to the Town Council that the Finance Director be granted authorization to make year-end transfers of up to \$5,000.

MOVED by Councilor Eleveld, seconded by Councilor Smith that the Finance Committee recommend to the Town Council that the Finance Director be granted authority to make year-end transfers in the General Fund of not more than \$5,000 per Service Unit.

Motion Passed 3-0-0

MOVED by Councilor Smith, seconded by Councilor Eleveld to recommend to the Town Council the approval of the following transfer to cover the projected year-end deficit:

- \$24,510 from Safety Services to General Government

Motion Passed 3-0-0

6. REVIEW OF FY 24 YEAR END PURCHASE ORDERS

Jim Bourke, Finance Director, stated there are eight FY 24 General Fund open purchase orders totaling \$198,315 that are expected to be continued into FY 25. The list of these purchase orders is attached. It is recommended the purchase orders be extended until October 21, 2024.

Councilor Eleveld asked what makes the drainage camera so expensive? Town Manager Souza stated that was out of his area of expertise so he will have to get back to Councilor Eleveld. He would imagine it's because it's in very adverse conditions. Councilor Naeem stated that she assumes that it's something that's very technologically advanced that kind of snakes through drains versus people actually walking through them. So it's probably got incredible wiring that has to be flexible, moveable, robotic, etc.

Councilor Eleveld asked about the delay in the fire hose. Town Manager Souza stated there is a delay in getting the five inch replacement hose.

Councilor Eleveld stated that he presumes Human Resources is just a survey on where we stand pay wise relative to other communities. Correct? Town Manager Souza said there are two components here. That's pretty much for the administrative pay plan and is to check benchmarks with peer communities. The part-time pay plans are a little bit more involved and it's really looking into all of our job classifications within our part-time pay plan trying to clean that up. We used some of the FY 24 savings to get that under way.

Councilor Smith was curious about the vendor management of the America consultant. In terms of their class studies, are they studying similar towns like Connecticut? Is ours a nationwide study? Town Manager Souza stated we are primarily looking at the Connecticut marketplace. We have about a dozen peer towns that we look at. If there aren't enough comparative positions, we may look to western Massachusetts.

MOVED by Councilor Eleveld, seconded by Councilor Smith that the Finance Committee recommend to the Town Council that the FY 24 General Fund year-end open purchase orders as presented on "Attachment A" be extended until October 21, 2024.

Motion Passed 3-0-0

7. STAFF REPORTS

Town Manager Souza stated we did get our AAA rating reaffirmed. That was in anticipation of us selling bonds later this week. We're going to the market for roughly \$8.8 million. He explained the process of selling the bonds and where we might stand.

Town Manager Souza said tax billing, depending on how the referendum goes on the 18th, we are striving to get those bills out. Assuming it's a favorable vote on the 18th, we will ask the Council to set the mill rate and we will work to get the bills out. So there's an August 1st deadline or due date with a 30 day grace period which essentially puts it to Tuesday after Labor Day. If it doesn't pass on the 18th, there are all sorts of machinations that we will try to explain.

Town Manager Souza said that we have approximately \$600,000 of American Rescue fund dollars that are uncommitted at this point. That's out of a total of \$8.5 million. He is looking to come back to the Council at the July meeting with a suggested allocation for that following the same framework that the Council had adopted previously around the area of competitive economy, safe neighborhoods and families, community health and wellness or capital investment. One of the biggest components is putting additional dollars into the housing rehab programs, either multi-family housing, the single family or duplex housing. We continue to have a demand that outstrips our resources.

Councilor Naeem stated that coming out of the last Town Council meeting, they did discuss spending some time at the Finance Committee meeting to figure out what we could do with potential questions on the ballot. She would like some more insight on that. For our next meeting coming up closer to the fall, perhaps we will be able to get a little bit of a deeper understanding on that and have a discussion so that we're ready for it ahead of the next budgetary cycle.

Town Manager Souza said he believes there were a few follow ups based upon his notes. They had the advisory question and looking at a potential multi-tax payment. If the Council wants to look at altering the income caps for senior and veterans, then just kind of backing up from those especially for the elderly, basically we can run an application time frame from February 1st through May 15th. He further explained what the Council could do.

Councilor Eleveld stated so the changes we just made will apply to the July 1st bills? Town Manager Souza said they will because they will just apply to anyone who's eligible. Everyone's already applied in that window. We didn't make the umbrella any bigger. We just changed that benefit within that umbrella of the income.

Councilor Smith asked about the motor vehicle tax. There is a point when there is a supplemental motor vehicle tax base and if you purchase a car at a certain point in the year like maybe in November or December. Town Manager Souza asked was it about the billing? Councilor Smith said yes and asked how would that billing work now that we have the second budget referendum? Town Manager Souza said his expectations would be that it would be on the same timeframe at the end of November or first of December. He expects that those would be sent out December 1st. We'd be on that same cycle for the supplemental tax.

Councilor Simon asked how that is calculated. It's based on if you purchase a vehicle after what month? Town Manager Souza said he doesn't know off the top of his head. Mr. Bourke interjected that it is in the timeframe of August and September to buy a car that would go on the supplemental tax.

Councilor Eleveld asked if it is August and September of last year. Mr. Bourke responded it's August and September of any year. Councilor Eleveld then said for the current billing it would be anything bought after October 1st. Councilor Naeem thought it was August 1st. Mr. Bourke then said August and September is for the vehicles but then it gets billed on December 1st.

Councilor Eleveld then said if you are replacing a car, then you get hit twice, right? Councilor Naeem said yes. Town Manager Souza said he believes that you get it prorated or a credit depending on timing.

Councilor Naeem explained that you are always paying in arrears. For instance, the bill that we get in January is for the year before. So if you sell your car tomorrow, you'll only be billed for the time that you've had. Then it would switch over because you would show that your car is no longer registered to you so they would prorate it based on when you've had it for. What you pay in July it's for the previous year, not the coming year.

Town Manager Souza stated we'll plan on having these items on the agenda in the fall. We do look at our multi-year forecast, a minimum of a three year forecast looking out obviously built on a whole host of assumptions, some known facts as well. The thought is that we'd also take a look at debt management forecast as well at that time.

Councilor Naeem asked when they look at budget assumptions and if that was during the December meeting? Town Manager Souza said traditionally it's been during the December meeting.

8. APPROVAL OF MINUTES

a) March 25, 2024

MOVED by Councilor Smith, seconded by Councilor Eleveld, to approve the unapproved minutes of the March 25, 2024 meeting as presented.

Motion Passed 3-0-0

9. ADJOURNMENT

MOVED by Councilor Eleveld, seconded by Councilor Simon, to adjourn the meeting at 6:43 p.m.

Motion Passed 3-0-0

Respectfully submitted by,

Helene Albert
Recording Secretary