



**TOWN OF WINDSOR
FINANCE COMMITTEE
MARCH 25, 2024
SPECIAL HYBRID MEETING**

APPROVED MINUTES

1. CALL TO ORDER

Councilor Ojala Naeem called the meeting to order at 6:01 p.m. with Councilor Ronald Eleveld and Councilor Leroy Smith present.

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

2. PUBLIC COMMENT - None

3. REVIEW AND DISCUSSION OF THE FY 25 BUDGET SCENARIOS

The purpose of this agenda item is to provide a high level overview of the soon to be proposed FY 2025 budget and to provide an opportunity for continued discussions on how to potentially manage the significant policy decisions facing the Town Council.

Grand List & Revaluation

The October 2023 grand list reflects the results of State-mandated property revaluation, which the town is required to conduct every five years at minimum. The net taxable grand list for October 1, 2023 is \$4,439,061,648, which is an increase of \$884,561,097 or 24.89%.

The main driver of the increase is the real estate component of the grand list, which increased \$838.2 million or 31.5%. Personal property saw an increase of \$65.4 million or 11.1%, while motor vehicles decreased \$19 million or -6.2%.

The results of the property revaluation are by no means unique to Windsor. According to the Federal Housing Finance Agency Quarterly Report dated November 2023, single-family housing prices nation-wide have seen a 59% increase over the last five years. In the New England region, the increase is over 63% for the same time period. Housing prices in all major metropolitan areas in Connecticut have increased upwards to 63% as well.

Expenditures

The overall General Fund budget including the BOE's budget is proposed approximately \$145,670,840 which is 4.64% over the adopted FY 24 level.



General Government	1,335,770	2.26%
Board of Education	<u>5,129,320</u>	6.40%
	6,465,090	

Below are notable expenditure changes related to the General Government portion of the overall General Fund as compared to FY 2024 budget.

Health Insurance	164,000	4.3%
Liability & Work Comp	168,000	6.3%
Debt Service	195,000	2.3%
Pension / Retirement	278,000	4.6% (incl. defined benefit & defined contribution)
Salaries / Wages	568,000	3.1%
Senior & Workforce Hsg	(75,000)	(100%)
Housing Rehabilitation	(400,000)	(100%)
Capital Funding	(700,000)	(19.9%)

Revenues

The proposed general fund revenues total \$145,670,840. Of this amount approximately 84% will come from all sources of property taxes, and non-tax revenues are anticipated to contribute \$23,149,440 or 16%. State Aid comprises approximately \$15.7 million of the local non-tax revenues.

Interest income is being budgeted to be upwards to \$1.0M greater than the FY 24 adopted level and building permit revenues are proposed to be 10% higher than the current years adopted amount. The Town Manager's budget proposal does not assume any funding to come from the Opening Cash category, as per Town Council direction.

Councilor Naeem asked if the non-tax revenue encompasses the Board of Education. Town Manager Souza replied that it is if it is from the general fund and related to the Board of Education. There is approximately \$3.5 million that is not tied to the Board of Education.

Councilor Eleveld asked if we are estimating that we are getting the same school state aid. Jim Bourke, Finance Director, indicated that this is correct.

Councilor Smith asked if the state reimburses the town for the Senior Tax Credit program. Town Manager Souza clarified that it is a local program and that the town no longer receives anything for it from the state. The town does get a reimbursement for the Veterans benefits.

The scenarios include:

- no use of opening cash,
- use of opening cash,
- reduction of expenditures to FY 24 adopted level
- combination of opening cash and expenditures

Base scenario - 4.6% expenditure increase over FY 24 budget, NO use of Opening Cash
RE Taxes = \$7,418 a \$1,538 increase or 26.1% over 7/23

Scenario A - Use \$4.4M in Opening Cash
RE Taxes = \$7,153 a \$1,273 increase or 21.7% over 7/23

Scenario B – Reduce Expenditures by \$6.46M
RE Taxes = \$7,030 a \$1,150 increase or 19.5% over 7/23

Scenario C - Reduce Expenditures by \$6.46M & Use \$4.4M in Opening Cash
RE Taxes = \$6,762 a \$882 increase or 15% over 7/23

Town Manager Souza noted that by using opening cash, you'll need to fill that opening cash hole the following year through either growth, taxes, or reducing expenditures. This could be about \$12 million in opening cash over four to five years. This is with an approach of returning back to approximately \$450,000 to the Unassigned Fund Balance each year.

Councilor Naeem added that this would still allow us to maintain the Unassigned Fund Balance policy limit. Councilor Smith stated that this wouldn't change our credit rating. He believes this is why we have opening cash, for these unusual events. He asked for clarification on "Scenario C."

Town Manager Souza indicated that we would be sharing these scenarios at the budget informational meeting on March 28th, 2024. Councilor Naeem asked about the tax calculator and when that would be available to the public. Town Manager Souza stated that it will be up this week.

Phase-in of revaluation

State law allows for a revaluation to be 'phased-in' over a multi-year period. This essentially spreads the increased assessed value over the determined period of time which can't exceed 5 years.

Town Manager Souza spoke to revaluation and about how time would need to be made in April for the preliminary deliberations.

Councilor Smith asked what the formula for calculating the mill rate is. He further asked what the difference is between a phase in and delaying the implementation of the revaluation. Town Manager Souza noted that a phase in can be done by the Town Council. A delay requires special legislation from the General Assembly.

4. UPDATE AND DISCUSSION OF POSSIBLE EXTENSION OF BLUE PRINT ROBOTICS TAX ABATEMENT AGREEMENT

Town Manager Souza indicated that the Town Council had completed an agreement for a tax abatement extension last fall. Blue Print Robotics is currently going through ownership changes. They are looking to add a financial partner so the project is placed on hold. They are looking at an extension of one year. They will be acquiring the property. They are also looking at setting milestones. They are continuing to work with staff. He doesn't see a downside of extending the abatement. The purchase of the property is expected to occur in mid-September. The building permit is expected to be issued the first quarter of 2025.

Councilors Eleveld and Naeem agreed that maybe it should just be the building permit. Town Manager Souza noted that they are looking to have another conversation with Blue Print. Ultimately, they are looking to bring this back to the full Town Council in May.

5. STAFF REPORTS

Town Manager Souza indicated that he is working on providing an update on authorization and allocation of the remaining American Rescue Plan funds. He wants to remain cognizant of the timing for when these funds need to be allocated and expended by.

Town Manager Souza talked to the reallocation of funds for housing rehabilitation that would be brought to the full council.

6. APPROVAL OF MINUTES

MOVED by Councilor Eleveld, seconded by Councilor Smith, to approve the unapproved minutes of the February 12, 2024 meeting as presented.

Motion Passed 3-0-0

7. ADJOURNMENT

MOVED by Councilor Smith, seconded by Councilor Eleveld, to adjourn the meeting at 7:19 p.m.

Motion Passed 3-0-0

Respectfully submitted by,

Rachel Boward
Recording Secretary