

TOWN OF WINDSOR, CONNECTICUT

Special Meeting Notice



AGENCY: Finance Committee

DATE: March 10, 2025

TIME: 6:30 PM

PLACE: Hybrid meeting - via Zoom and In-person at Town Hall in the Council Chamber

Dialing in by Phone Only:

1. Please call: **646 558 8656 or 312 626 6799**
2. When prompted for participant or meeting ID enter: **882 8119 1529** then press #
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/88281191529>

When prompted for participant or meeting ID enter: **882 8119 1529**

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 draft ordinance on First Responder Line of Duty Death tax abatement
4. *Discussion of Motor Vehicle Valuation - Local Option
5. *Review Memorandum from Board of Education relative to Public Act 13-60
6. *Review of Community Service Contributions and Grant Funding Policy
7. Staff Reports
8. Approval of Minutes
 - a) *January 27, 2025
9. 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: March 10, 2025

To: Members of the Finance Committee

Prepared by: Scott W. Colby, Jr., Assistant Town Manager

Reviewed by: Peter Souza, Town Manager 

Subject: Line of Duty Death Surviving Spouse Exemption

Background

State law allows municipalities the option to provide an abatement of taxes for the surviving spouse of a Connecticut police officer, firefighter or emergency medical technician who has died in the performance of their duties. Initial information on this local option, which Windsor has not previously considered, was presented to the Finance Committee in November 2024 and January 2025.

The purpose of this agenda item is to allow the Committee to continue discussions of potentially advancing a proposed ordinance to the Town Council for consideration.

Discussion/Analysis

CGS Sec. 12-81x enables the legislative body of a municipality to establish, by local ordinance, a program to abate all or a portion of the property taxes due with respect to real estate that is owned by the surviving spouse of a police officer, firefighter or emergency medical technician who has died during the course of the performance of such officer's, firefighter's or technician's duties, so long as it is also occupied as their principal residence.

The statute provides no further guidelines regarding the amount of the abatement. The Town Council could decide to establish an abatement program for a flat dollar tax benefit, or for a fixed percentage tax benefit. Several towns have adopted this local option including Southington, Berlin, and Groton along with a few others (see attached).

Staff has researched eight municipalities in Connecticut who have adopted this local option and developed a preliminary draft ordinance for review and discussion. Below are some highlights of the draft ordinance that is attached.

- Exemption provides an abatement of 100% of municipal real residential property taxes.
- Remains in effect so long as the surviving spouse occupies the residence as their primary residence.
- Exemption continues if the surviving spouse remarries.
- If the spouse subsequently purchases another residence in the town, and all qualifying criteria remain, then the tax abatement shall apply to the new residence.
- If the property is a multiple family or multiple use dwelling, such relief be prorated to reflect the fractional portion of such property occupied by the qualifying spouse.
- Establishes an annual application process for the abatement.

Some key elements in other community's adopted ordinance that vary from municipality to municipality include the following.

Abatement term

The abatement term was fairly split between offering either a 50% or 100% lifetime abatement. One municipality had the term set for a specific length of time. While another municipality bases a lifetime abatement off of years of service.

Remarrying

The item that allows for the surviving spouse to remarry and continue to receive the abatement was another item for discussion. From the research gathered, four municipalities state that the abatement ceases on remarriage while the remaining four have no mention of such a clause within their ordinance.

Dependents

Another item the Finance Committee was looking for more information on was whether municipalities had the abatement subject to when a dependent turned 21 years of age. From the research gathered no municipality has this item within their ordinance.

Establishing a new residence

Another item within the ordinance that was discussed was allowing for the surviving spouse to purchase a different primary residence in the town and continue to receive the abatement. Based on the research that was gathered, five municipalities do allow the abatement to be portable to a new primary residence. The remaining three municipalities do not mention this within their ordinance.

Recommendation

This item is presented for discussion purposes and to provide direction to staff.

Attachment

Preliminary Draft Ordinance

PRELIMINARY DRAFT

CHAPTER 5

**AN ORDINANCE AMENDING CHAPTER 5, TO ADOPT CONNECTICUT GENERAL
STATUTES SECTION 12-81x TO PROVIDE PROPERTY TAX ABATEMENT FOR
LINE OF DUTY DEATH SURVIVING SPOUSE.**

BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF WINDSOR:

Chapter 5, of the *Windsor Code* is amended as follows:

Section 1.

Sec. 5-10. Abatement from property tax for line of duty death surviving spouse.

- (a) Definitions. The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

For the purposes of this section, "firefighter" is defined as any person who is a duly designated member of the Town of Windsor Volunteer Fire Department.

For the purposes of this section, "police officer" is defined as a duly sworn member of the Town of Windsor Police Department.

For the purposes of this section, "ems personnel" is defined as any member of the Town of Windsor EMS

Surviving spouse means the person who was a resident of the town and married to the police officer or firefighter at the time of the police officer's or firefighter's death.

- (b) In accordance with C.G.S. § 12-81x, there is hereby established effective for the Grand List of October 1, 2024, and subsequent Grand Lists, an abatement of 100% of municipal real residential property taxes due with respect to real property owned by the surviving spouse of a police officer, firefighter or EMS personnel who suffers a line of duty death while a resident of Windsor. The abatement only applies to Town taxes due to the Town of Windsor and does not apply to any district or other political subdivision taxes that may be due.
- (c) The tax abatement will remain in effect so long as the surviving spouse occupies the residence as their primary residence or until the spouse conveys their fee interest in the subject residence. If the spouse subsequently purchases another residence in the town, and all qualifying criteria remain, then the tax abatement shall apply to the new residence. For any property that is in a Trust, a copy of the Trust agreement must be provided to the assessor for review. The terms of the trust agreement are that the claimant must be considered to be the primary beneficiary of the trust.
- (d) Upon the death of any person entitled to tax relief pursuant to this section, the tax relief hereunder shall end the following June 30.
- (e) If any person who is entitled to a tax abatement hereunder conveys their fee title in the property with respect to which the tax abatement hereunder has been granted, the tax relief shall be suspended as of the date of conveyance and the nonqualifying grantee of such

property shall pay the town a prorated share of taxes thereby due and owing as provided by state statute § 12-81a.

- (f) The property tax relief provided for in this section shall, in any case where title to real property is recorded in the name of the qualifying surviving spouse and any other person or persons, be prorated to reflect the fractional portion of such qualifying spouse, or, if such property is a multiple family or multiple use dwelling, such relief be prorated to reflect the fractional portion of such property occupied by the qualifying spouse. A spouse desiring such abatement shall submit an application to the assessor requesting a determination as to whether such abatement is permitted.
- (g) The Tax Collector and Assessor shall prescribe with regard to their respective duties under this section such forms and procedures as may be necessary to implement this section. The Assessor, in addition, shall take such steps necessary to satisfactorily establish the facts as to the qualifying surviving spouse's interest in the property, by requesting such documents as the Assessor deems necessary. Such documentation will be required yearly to continue the tax abatement. Eligibility shall be determined by the Assessor and/or their designee, and such determination shall be final.
- (h) No later than November 1 of each year, the surviving spouse shall complete and file with the assessor an application for the abatement and shall attest annually that they remain otherwise qualified under the terms of this article.

Section 2. Savings Clause. The enactment of this Ordinance shall not operate as an abatement of any action or proceeding previously taken, now pending, or taken prior to the effective date of this Ordinance. All said actions and proceedings are hereby ratified to be continued.

Section 3. Severability. All provisions of the *Town Code* in conflict herewith are hereby repealed and that if for any reason, any word, clause, paragraph, or section of this Ordinance shall be held to make the same unconstitutional, this Ordinance shall not hereby be invalidated and the remainder of the Ordinance shall continue in effect. Any provision herein which is in conflict with the *Connecticut General Statutes* is hereby repealed, it being understood that said statute shall take precedence over this Ordinance.

Section 4. Effective Date. This Ordinance shall become effective ten (10) days after publication in a newspaper having a circulation in Windsor.

APPROVED AS TO FORM:

Town Attorney

ATTEST:

Town Clerk

Distributed to Town Council

Public Hearing Advertised

Public Hearing

Adopted

Advertised

Effective Date

Agenda Item Summary

Date: March 10, 2025

To: Members of the Finance Committee

Prepared By: Jim Bourke, Finance Director

Reviewed By: Peter Souza, Town Manager 

Subject: Municipal Option – Motor Vehicle Depreciation Schedule

Background

New legislation effective in 2024 by the Connecticut General Assembly requires assessors to value vehicles using the manufacturer's suggested retail price (MSRP) and a depreciation schedule, rather than using a publication such as the J.D. Power pricing guide. Under this new methodology, a new vehicle is appraised at 85% of MSRP, and then depreciates down in 5% increments until a floor of 15% of original MSRP, or an assessment of not less than \$500, is reached.

Discussion/Analysis

Legislation recently adopted by the General Assembly and signed by Governor Lamont, allows for a local option that increases the depreciation table such that a new vehicle is appraised beginning at 90% of MSRP and depreciates down in 5% increments until a floor of 20% of original MSRP, or an assessment not less than \$500, is reached. The local option can be retroactively effective for the October 1, 2024 grand list, but would need to be formally adopted by the Town Council, and notification sent to State of CT, Office of Policy & Management no later than 14 days after adoption. Assessors then have until April 15th to adjust and republish grand lists.

Financial Discussion

The October 1, 2024 motor vehicle grand list decreased \$29.1M in assessed value, primarily as a result of the State-mandated change to the MSRP valuation methodology and 85% depreciation schedule. If the 90% depreciation schedule were to be adopted, approximately \$28M in assessed value would be added back on to the motor vehicle portion of the 2024 grand list.

Other Board Action

None

Recommendation

It is recommended the Finance Committee discuss this item and make a recommendation to the full Town Council as to adopting the local adoption to utilize the so called 90% depreciation schedule. If the Finance Committee would like to recommend adopting the local option the following motion is suggested:

“MOVE that the Finance Committee recommends the Town Council adopt the local option as allowed under HB7067, Section 7 with a 90% depreciation schedule.”

Attachments

None

Agenda Item Summary

Date: March 10, 2025

To: Members of the Finance Committee

Prepared By: Peter Souza, Town Manager 

Subject: Public Act No. 13-60 – An Act Concerning the Consolidation of Non-Educational Services

Background

In 2013 the General Assembly adopted PA 13-60 which requires the local Board of Education (BOE) to annually submit an itemized estimate of maintenance expenses to the town's appropriating authority at least two months prior to the authority's annual budget meeting. This act defines “itemized estimate” to mean an estimate in which broad budgetary categories are divided into one or more line items, including salaries, fringe benefits, utilities, supplies and grounds maintenance.

The Public Act allows a town's appropriating authority (Town Council) to make spending recommendations and suggestions to the school board regarding consolidation of non-educational services by no later than 10 days after the school board submits its annual itemized estimate. The school board may accept or reject the suggestions.

Discussion / Analysis

The town's general government departments and school department have a long history of collaborating both formally and informally. For example, the town's public works department for several decades has been responsible for grounds maintenance and snow removal at school facilities. We have a combined risk management function staffed by one person. Through this formal arrangement, we combine administrative functions related to property and causality liability insurance, worker's compensation and safety training. We also work together on utility procurement as well as pursuing installation of renewable energy equipment at school facilities.

Working in partnership with the Public Building Commission, our respective facilities management staff (1 town and 1 BOE) coordinate the planning, designing, and implementation of major building projects at the various school facilities. The town's defined benefit pension plan includes non-certified BOE staff and is managed by a committee comprised of representatives from both entities. We have also worked closely with the school administration in years past to transition both entities to self-insured health and prescription drug programs.

Attached is a memorandum from the Director of Business Services outlining the Physical Plant Services for the FY 26 proposed budget.

Recommendations

It is suggested that the Finance Committee review the materials and provide guidance to the Town Council relative to providing a response to the Board of Education by April 1, 2025. At this time staff is not recommending any consolidation of non-educational services.

Attachments

Memo from Director of Business Services

Memo

To: Peter Souza, Windsor Town Manager
From: Danielle Batchelder, Chief of Operations
Date: February 19, 2025
Re: **PUBLIC ACT PA 13-60**

Effective October 1, 2013, the General Assembly enacted Public Act No. 13-60 - AN ACT CONCERNING THE CONSOLIDATION OF NONEDUCATIONAL SERVICES.

This act mandates each local board of education to prepare an itemized estimate of the cost of maintenance of public schools for the ensuing year and shall submit such estimate to the board of finance in each town or city.

The board or authority that receives such estimate shall make spending recommendations and suggestions to such board of education as to how such board of education may consolidate non-educational services and realize financial efficiencies.

Such board of education may accept or reject the suggestions of the board of finance. The money appropriated by any municipality for the maintenance of public schools shall be expended by and in the discretion of the board of education.

An estimate of the maintenance costs is reflected on the attached document - Windsor Public Schools Physical Plant Services FY 2026 Budget.

Please contact me should you have any questions. Thank you for your consideration.

Attachment

Windsor Public Schools
Physical Plant Services
FY 2026 Budget

Labor (Substitutes)	\$	36,050
Labor (Overtime)	\$	200,000
Salaries	\$	2,710,175
Benefits	\$	464,237
FICA/MED	\$	225,386
Major Maintenance	\$	423,000
Utilities	\$	1,949,500
Contracted Srvs	\$	637,500
Supplies	\$	473,700
Equipment	\$	98,000
Dues & Fees	\$	1,500
TOTAL	\$	7,219,048

Physical Plant	Proposed 25 26 FTE
Custodian II	20
Custodian I	2
Head Custodian	6
Maintenance Worker	6
Director	1
Supervisor	1
Administrative Assistant	1
Total	37

Agenda Item Summary

Date: March 10, 2025

To: Members of the Finance Committee

Prepared By: Peter Souza, Town Manager 

Subject: Funding Criteria for Community Contributions & Grants

Background

During the FY 2025 budget process, the Town Council expressed a desire for the Finance Committee to review the Community Contributions and Grant Funding Policy. This policy has been in place many years and sets forth general eligibility criteria and a process for non-profit organizations to apply for funding through the town's annual budget process.

Discussion/Analysis

The current funding policy outlines eligibility criteria and factors for evaluating applications from non-profit organizations. To be eligible, organizations must be IRS-incorporated, have governing documents, and must have a regular audit or financial review conducted by a CPA if requesting \$15,000 or more. The proposed program or service must target the town's population, and both new and enhanced programs are considered, excluding those already funded by the town.

Proposals are reviewed on several factors such as based on demonstrated need, partnerships, realism, and evaluation criteria. Funding requests must be submitted by December 31st for the following fiscal year, and decisions are made during the Town's budget process.

Financial Impact

None

Other Board Action

None

Recommendations

This item is presented for discussion purposes.

Attachments

Community Contributions and Grant Funding Policy



Community Contributions and Grant Funding Policy

A. Eligibility Criteria

Organizations are eligible to apply for funding if they (or their parent organization) meet the following requirements:

1. Are incorporated as a non-profit organization with the IRS.
2. Have a constitution, charter, bylaws, or articles of incorporation.
3. If the organization requests to receive \$15,000 or more, they must have a regular audit or a formal financial review conducted by an Independent CPA.
4. Program/service must be targeted to the Windsor population.
5. Both new programs/services and the enhancement of ongoing ones will be considered for funding.
6. Existing programs already being supported by the Town of Windsor are not eligible.

B. Factors Considered in Evaluating Funding Request

Special attention will be given to proposals that include the following factors:

1. **Model:** The program/service has the potential of demonstrating new approaches that may be replicated in the Windsor community.
2. **Need:** The requesting organization provides relevant data regarding the need for the proposed program/service.
3. **Partnership:** The requesting organization documents that its proposal demonstrates cooperative and/or collaborative efforts with other community organizations.
4. **Realism:** The requesting organization documents that it is realistic regarding the projected accomplishments and costs of the proposed program/service.
5. **Evaluation:** The requesting organization clearly delineates criteria for measuring "success", that is, how the program/service will be evaluated.
6. Funding request must be given to the Town Manager by December 31st for the following budget year beginning July 1st and ending June 30th.

C. Approval of Funding

The Town Council will approve funding during the Town's budget process either for the full amount, a reduced amount or no funding.

1. Applicants will be notified of funding decisions at the conclusion of the Town's budget process and will also be available in the Town's Financial Plan and Program Services documentation.
2. All organizations receiving funding must submit in writing request for the funding. Once the Town receives the request monies will be distributed to the organization.
3. All organizations receiving \$15,000 or more must submit financial reports and evaluations for the first six months into the Town's fiscal year (July through December) by February 28th and then again for the twelve month fiscal year in full (July through June) for the given fiscal year which the funding was awarded for.



**TOWN OF WINDSOR
FINANCE COMMITTEE
JANUARY 27, 2025
SPECIAL HYBRID MEETING**

UNAPPROVED MINUTES

1. CALL TO ORDER

Councilor Ojala Naeem called the meeting to order at 7:00 p.m. with Councilor Ronald Eleveld and present.

Staff Present: Peter Souza, Town Manager; Jim Bourke, Finance Director; Linda Collins, Assistant Finance Director; Scott Colby, Assistant Town Manager, Laura Casey, Child Development Director; Enita Jubrey, Assistant to the Town Manager; Mark Goossens, Director of Public Works

Absent: Councilor Leroy Smith

2. PUBLIC COMMENT - None

3. DISCUSSION OF FISCAL YEAR 2025 MID-YEAR FINANCIALS

General Fund and Mid-Year Budget report

Jim Bourke, Finance Director, said revenues are 87% collected as compared to 90% for the same time period last year. Notable changes in revenues received between the two fiscal years are as follows:

- Licenses and Permits is 64% collected as compared to 143% for the same period last year. The main driver in this category is building permit revenue, which was higher last year mostly due to permit revenue received for the building project at 205 Baker Hollow Road, the Founders Square project, and the Target facility on Groton Road.
- Fines and Penalties is 69% collected as compared to 52% for the same period last year. This difference is an increase in parking fines revenue and revenues from moving violations that is a result of increased police enforcement and ticketing.
- Revenues from Use of Assets is 53% collected as compared to 92% for the same period last year. Interest income makes up most of this category. This variance is due to lower interest rates being realized in the current reporting period as compared to what was budgeted.
- State Grants in Lieu is 29% collected as compared to 49% for the same period last year. A revenue sharing grant was received from the State of Connecticut in FY 24 that was not budgeted for. This is mainly due to timing of the grant.

- Charges for Current Services is 58% collected as compared to 138% for the same period last year. This is mainly due to stronger conveyance fee revenue received in FY 24. Land conveyance fees were higher due to several large industrial property sales including the facility on Old Iron Ore Road that Amazon leases.
- Other Revenues is 12% collected as compared to 105% for the same time period last year. A recovery of unclaimed property funds was submitted for and received in FY 24. Funds of this type are posted to Other Revenues, as they are not applicable to any other revenue category.

Expenditures are 50% spent half way through FY 25, and were 51% expended at this same time period last year. Most of the service unit differences relate to the timing of when purchase orders are opened in the accounting system, and when certain expenditures occur. Notable changes in expenditures between the two fiscal years are as follows:

- Community Development reflects 35% expended this year as compared to 87% for the same time period last year. This is due to the timing of FY 24 budgeted expenditures and transfers related to the housing rehabilitation program and the Senior & Workforce Housing planning initiative.

There have been five appropriations from the General Fund Unassigned Fund balance as of December 31, 2024. \$379,579 for the property tax appeal settlement for 184 Windsor Avenue LLC, \$130,00 for consultant services for the 2015 Plan of Conservation and Development update, \$95,000 for a planning study for the Day Hill Road corporate area, and \$40,000 for the Windsor Senior Center lunch program.

LANDFILL ENTERPRISE FUND

Residential Transfer Station

Mark Goossens, Solid Waste Manager, stated for Total Revenue, the Transfer Station Enterprise Fund received \$199,402 during the first half of fiscal year 2025. These revenues were generated primarily from fees for bulky waste materials, yard wastes, and residential permit fees. These and other revenues for the fiscal year are shown in the column entitled: "YTD Results."

Year-to-date Total Expenses of \$156,898 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.

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

- C&D Revenues: Revenues are under target by \$9,829 – due to tonnage intake levels that were lower than budgeted, likely due to the unusually wet weather we experienced during part of last Fall.

The Annual Operating Income earned by the Transfer Station Enterprise Fund was \$42,504 for the first half of fiscal year 2025. Adding this to the retained earnings at the start of the fiscal year, yields a total of \$583,069 in retained earnings at the midpoint of FY 2025.

Landfill

For Total Revenue, the Landfill Enterprise Fund has received \$425,517 at the midpoint of the fiscal year. This revenue is comprised mostly of interest income. A portion of these revenues (\$49,000) are related to the receipt of clay soils from the Town of Bloomfield. The Town expects to submit reimbursement request(s) to the DEEP for much of the remaining grant balance during the remainder of this fiscal year as presented in the approved FY25 budget.

Total Operating Expenses of \$405,471 were primarily related to closure and capping of the landfill. The two largest components of these expenses are Personnel Services (\$184,350) and Contractual Services expenses (\$99,216).

As shown in the row entitled: Annual Operating Income, the Landfill Enterprise Fund received \$20,046 more than it expended during the first half of fiscal year 2025.

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

- Interest Income – was over budget again for the 2nd quarter, as interest earnings continue to be higher than budgeted.
- Contractual Services – were under budget due largely to the timing of the work related to the project to improve the aesthetic issues within the wetlands. This work is expected to take place during the spring/summer timeframe of 2025. Because of this schedule, much more of the contractual expenses will be realized during the second half of FY25.
- Supplies – were under budget due to lower than anticipated heavy equipment rental expenses, and costs for additional materials including topsoil, stone, and road materials.

The Retained Earnings of the Landfill Enterprise Fund at the beginning of FY25 was \$18,916,774 as shown on the bottom, left side of the report. With a net operating gain of \$20,046 during the

first half of FY25, the balance of the Retained Earnings of the enterprise fund at the end of the year becomes \$18,936,820 at the end of the 2nd quarter, 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.

Caring Connection

Enita Jubrey, Assistant to the Town Manager, stated the Caring Connection's average daily census has surpassed where those numbers were pre-COVID. We continue to receive inquiries from both within and outside our catchment area. These inquiries are followed up with meet and greets, trial days and partnering with the senior transportation division to support efforts to increase our census.



The first six months of FY 25 revenues were \$232,640. Revenues are trending approximately \$48,600 higher than the same time period last year. Total revenues for FY 25 are projected to come in at \$500,350, which is \$8,550 less than the FY 25 budgeted revenues.

The Caring Connection expenditures for the first six months of FY 25 are \$298,340 which are increased due to the increase in programming and market adjustments to salaries. Current projections for overall FY 25 expenditures are expected to come in \$47,830 over budget.

2nd quarter census continues to remain healthy as a result of our outreach efforts combined with our online presence and digital media advertising efforts. As of mid-January, our average daily census was 19.5.

We project an end of fiscal year operating loss of \$121,250, which is \$55,930 more than the \$65,320 loss projected in the FY 25 adopted budget. The use of DSS Covid Relief Funds are projected to be \$39,180, which will help to offset this operating loss. An increase of \$17,930 is projected for the Unrestricted Net Position at the end of FY 25.

Child Care/Montessori School

Laura Casey, Early Childhood Manager, During the first six months of fiscal year 2025, total revenues equaled \$738,290, \$26,270 higher than the same time period last year. We anticipate at this point to be under our budgeted revenue projections by \$82,270. This loss is due to the inability to accommodate longer schedules (full-day vs half-day) in the primary program due to staffing challenges as well as a loss of 6 students as families relocated during the first and second quarter. We are optimistic we will be able to reduce the vacancies before third-quarter end.

In regards to staffing, as you know, seasoned and highly qualified staff has always been a trademark of the Discovery Center. Attracting qualified part-time staff continues to be a challenge and will come at a higher cost due to the increase in minimum wage and competition with other centers in the region, as well as a shrinking pool of qualified applicants.

The Child Development Enterprise Fund operating expenditures are \$717,050 for the first six months of FY 25. This is 8.8% higher than the same time period last year due largely to personnel costs.

At this time, we project an end of fiscal year loss of \$39,570 for FY 25 versus a budgeted loss of \$6,360. The projected loss would leave the Child Development Enterprise Fund with a positive Unrestricted Net Position of \$444,439 at the end of FY 25. The additional loss is due to the Primary (ages 3-5) vacancies in the new classroom.

Councilor Naeem inquired as to how many staff members she is looking for. Ms. Casey indicated that as of right now just two staff members. The challenge has been the limited applicant pool.

4. DISCUSSION OF FIRST RESPONDER LINE OF DUTY DEATH TAX ABATEMENT

Scott Colby, Assistant Town Manager, said the purpose of this agenda item is to allow the Committee to continue discussions of potentially advancing a proposed ordinance to the Town Council for consideration.

CGS Sec. 12-81x enables the legislative body of a municipality to establish, by local ordinance, a program to abate all or a portion of the property taxes due with respect to real estate that is owned by the surviving spouse of a police officer, firefighter or emergency medical technician who has died during the course of the performance of such officer's, firefighter's or technician's duties, so long as it is also occupied as their principal residence.

The statute provides no further guidelines regarding the amount of the abatement. The Town Council could decide to establish an abatement program for a flat dollar tax benefit, or for a fixed percentage tax benefit. Several towns have adopted this local option including Southington, Berlin, and Groton (see attached).

Staff has researched municipalities in Connecticut who have adopted this local option and developed a preliminary draft ordinance for review and discussion. Below are some highlights of the draft ordinance that is attached.

- Exemption provides an abatement of 100% of municipal real residential property taxes
- Remains in effect so long as the surviving spouse occupies the residence as their primary residence.
- Exemption continues if the surviving spouse remarries.
- If the spouse subsequently purchases another residence in the town, and all qualifying criteria remain, then the tax abatement shall apply to the new residence.
- If the property is a multiple family or multiple use dwelling, such relief be prorated to reflect the fractional portion of such property occupied by the qualifying spouse.
- Establishes an annual application process for the abatement

Some key elements in other community's adopted ordinance that vary from municipality to municipality include:

- *Remarrying* – Some municipalities allow for the surviving spouse to remarry and continue to receive the abatement while others upon remarrying the abatement ends.
- *Multi-Family dwelling* – The entire dwelling may be abated or the dwelling is prorated to reflect just a portion of the property occupied by the surviving spouse.
- *Establishing a new residence* – Some municipalities do not allow for the surviving spouse to purchase a different primary residence in the town and continue to receive the abatement.

Councilor Naeem asked how primary residence is defined. Town Manager Souza stated that this would be the address where they are registered to vote or have listed as their mailing address.

Discussion ensued regarding the component of a surviving spouse remarrying.

Councilor Naeem asked staff to continue to research other communities in regards to some component of the ordinance to ensure they have enough information to help the committee make a recommendation.

5. DISCUSSION OF FY 24 AUDIT

Jim Bourke, Finance Director, stated representatives from CliftonLarsonAllen LLP (CLA) will present the results of the town's FY 2024 audit to the Finance Committee at tonight's meeting.

Jessica Aniskoff, from Clifton Larson Allen LLP, gave an overview of the presentation.

Revenues on a budgetary basis exceeded the budget by \$4.8 million, mostly due to interest income, building permit revenues, property tax collections, and state grants. Expenditures came in under budget by \$1.6 million mostly due to savings from position vacancies, employees on workers compensation and disability leave, and storm control savings. During the course of the year, the Town Council approved appropriations from the General Fund unassigned fund balance totaling approximately \$4.4 million. These items consisted of \$63,000 for the L.P. Wilson Community Center Generator repair, \$750,000 for Oliver Ellsworth School HVAC Improvements, \$380,000 for Welch Pool Improvements, \$107,500 to reimburse BOE costs for Oliver Ellsworth School humidity mitigation, \$350,000 for the Stormwater Management program, \$19,000 for Wilson Park Referendum expenses, \$1,390,000 for Clover Street School Restroom & ADA Improvements, \$695,000 for Clover Street Athletic Field Improvements and \$655,000 for L.P. Wilson Community Center HVAC Improvements. The combined revenue surplus, expenditure savings and use of fund balance resulted in a total budgetary surplus of \$2.0 million.

The General Fund Unassigned Fund balance as of June 30, 2024 was \$39,036,737, which is a decrease of \$1,125,840. 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. \$39.0 million in Unassigned Fund Balance is 27.2% of the FY 25 adopted budgeted expenditures of \$143,315,840.

The town recognized approximately \$14.0 million in new capital asset investments in FY 24. These consisted of \$130,000 for building improvements, \$6.9 million for new machinery and equipment, and \$6.9 million in infrastructure additions. Major additions during the year included the Great Pond and Poquonock Commons infrastructure acceptance, fire apparatus and Wilson Firehouse generator replacement, Sage Park Middle School athletic field renovation, Goslee Pool house improvements, pickleball court improvements at L.P. Wilson Community Center, park equipment at Washington and Deerfield parks, and other vehicle and equipment replacements.

The town's total bonded debt increased by \$2.0 million during FY 24 and stands at \$71.3 million as of June 30, 2024. Debt service payments made in FY 24 totaled \$8,847,686, which is 6.4% of FY 24 budgeted operating expenditures, and is within the town's policy guidelines of 6.0% to 8.0%.

During the FY 24 audit, there were no significant deficiencies identified by the audit firm, however, material weaknesses in internal controls over financial reporting were identified. These were due to a restatement for improper revenue recognition, and the allocation of the net pension and OPEB liability to the enterprise funds. More information can be found on these adjustments under Note 15 in the audit report. Town staff has already initiated, with CLA's guidance, steps to strengthen existing internal controls and implement new controls where needed.

6. DISCUSSION OF HOMESTEAD EXEMPTION

Scott Colby, Assistant Town Manager, stated this item was preliminarily discussed by the Finance Committee in November 2024 and the consensus at that time was to continue the discussion in the first quarter of the new year as well as to provide information on how a homestead exemption may affect different types of non-residential properties. Attached are sample properties showing hypothetical mill rates and changes in tax impact based on a homestead exemption levels of 5% and 10%.

Under a new law (PA 24-151 sec. 71), municipalities may exempt between 5% and 35% of the assessed value of owner-occupied single-family homes and duplexes. This also includes condominiums and common interest community units.

Unlike most exemptions, abatement or tax credit programs, which have either an age, disability, income, or military or civil service component (or some combination of these requirements), the homestead exemption is limited only by the fact that the property needs to be the primary residence of the owner, and that it does not consist of more than two units.

Implementing the homestead exemption, even in its smallest degree of 5% is estimated to reduce the Grand List by approximately \$113 million in net assessed value, with as much as approximately \$791 million reduction if the full 35% exemption were to be adopted. By reducing the Grand List through a homestead exemption, the mill rate would need to increase (absent growth in non-tax revenue or similar new economic growth) to continue to raise the needed revenue to maintain service levels and meet inflationary budget increases. \$113 M in residential assessed value at a tax rate of 29 mills equals \$3.2M in tax revenue. This dollar amount would shift to non-eligible residential and commercial properties, as well as motor vehicles, and personnel property.

Councilor Eleveld asked what other municipalities in CT are exploring this. Town Manager Souza stated that to his knowledge known in the greater Hartford area are exploring this.

Councilor Eleveld asked if staff could provide examples of some of the other apartments in town as a follow up.

7. UPDATE ON 10/1/24 GRAND LIST

Peter Souza, Town Manager, gave an overview of the 10/1/24 grand list. This item will be included on the next Town Council Meeting Agenda.

8. STAFF REPORTS - None

9. APPROVAL OF MINUTES

MOVED by Councilor Eleveld, seconded by Councilor Naeem, to approve the unapproved minutes of the December 9, 2024 meeting as presented.



Motion Passed 2-0-0

10. ADJOURNMENT

MOVED by Councilor Eleveld, seconded by Councilor Naeem, to adjourn the meeting at 8:46 p.m.

Motion Passed 2-0-0

Respectfully submitted by,

Scott Colby
Recording Secretary