TOWN OF WINDSOR, CONNECTICUT

Special Meeting Notice

AGENCY: **Finance Committee**

DATE: **June 4, 2025**

TIME: **6:00 PM**

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

Dialing in by Phone Only:

1. Please call: **646 558 8656**
2. When prompted for participant or meeting ID enter: **823 7043 9291** 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/82370439291
When prompted for participant or meeting ID enter: **823 7043 9291**

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. *Review of Projected FY 25 General Fund Year End Financials
4. *Review of FY 25 Year End Transfers
5. *Review of FY 25 Year End Purchase Orders
6. Staff Reports
7. Approval of Minutes
   a) *April 1, 2025
8. Adjournment

*Backup materials

Public Act 75-312 requires notice of Special Meetings to be posted in the Town Clerk's Office not less than 24 hours prior to the time of such meeting. No other business shall be considered at this meeting than that listed on this Agenda.

Agenda Item Summary

Date:	June 4, 2025
To:	Members of the Finance Committee
Prepared By:	Jim Bourke, Finance Director
Reviewed By:	Peter Souza, Town Manager
Subject:	FY 25 General Fund Year-End Projections

Background

Attached are unaudited General Fund revenue and expenditure estimates for fiscal year-end 2025. This report is provided for the Finance Committee's review and discussion.

Discussion/Analysis

Revenues are projected to come in with a favorable variance of approximately $1.7 million. Positive revenue variances in excess of budget are General Property Taxes by $1.2 million (includes $780,000 from delinquent tax sale), Licenses and Permits by $466,000, State Aid by $197,000 and Charges for Services by $190,000. Revenue from interest income under Revenues from Use of Assets is expected to come in under budget by $270,000 due to interest rate reductions in the fall of 2024.

Expenditures (including the Board of Education) are estimated to be approximately $548,000 under budget, which is less than 50% of the FY 25 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 $44,180 due to legal fees for workers compensation. General Services is expected to be over budget by $98,500 due to changes in property assessments within the Great Pond Improvement District that occurred after the budget was adopted. A transfer from the Safety Services budget is recommended to offset the overage in these service units.

During the course of the year, the Town Council approved appropriations from the General Fund unassigned fund balance totaling approximately $690,000. These items are listed on the attached exhibit.

Overall additional revenues, expenditure savings and appropriations from the fund balance are anticipated to result in a decrease to the General Fund budgetary fund balance of approximately $1.4 million, when taking into consideration that $3.0 million from opening cash was used in the budget.

Other Board Action

None

Recommendations

This report is presented for informational purposes only.

Attachment

FY 25 unaudited General Fund year-end revenue and expenditure estimates

TOWN OF WINDSOR
GENERAL FUND
UNAUDITED FINANCIAL STATEMENT
FY 25 PROJECTION

BUDGETARY BASIS

Service Unit/Department	Original Adopted Budget	Amendments	Final Budget	FY 25 Projection	Variance
Revenues:					
General Property Tax	119,010,500	0	119,010,500	120,193,600	1,183,100
Licenses and Permits	900,130	0	900,130	1,365,750	465,620
Fines and Penalties	22,000	0	22,000	36,500	14,500
Revenues from Use of Assets	3,623,000	0	3,623,000	3,330,000	(293,000)
State School Aid	12,797,660	0	12,797,660	12,994,660	197,000
State Grants in Lieu of Taxes	2,916,680	0	2,916,680	2,915,100	(1,580)
Other State Grants	50,000	0	50,000	45,300	(4,700)
Revenues from Other Agencies	128,370	0	128,370	125,440	(2,930)
Charges for Current Services	847,500	0	847,500	1,037,220	189,720
Other Revenues	20,000	0	20,000	20,000	0
Opening Cash	3,000,000	0	3,000,000	3,000,000	0
Total Revenues	143,315,840	0	143,315,840	145,063,570	1,747,730
Expenditures:					
General Government	1,299,630	0	1,299,630	1,343,810	(44,180)
Safety Services	13,548,200	0	13,548,200	13,311,200	237,000
Recreation & Leisure Services	2,509,970	0	2,509,970	2,509,970	0
Human Services	571,470	0	571,470	568,060	3,410
Health Services	645,000	0	645,000	627,700	17,300
Library Services	1,991,200	0	1,991,200	1,989,130	2,070
Development Services	2,257,540	0	2,257,540	2,207,770	49,770
Community Development	114,350	0	114,350	114,350	0
Public Works	7,053,420	0	7,053,420	6,776,080	277,340
Information Services	734,540	0	734,540	716,970	17,570
Administrative Services	3,014,060	0	3,014,060	2,953,070	60,990
General Services	19,287,690	0	19,287,690	19,386,190	(98,500)
Board of Education	84,313,340	0	84,313,340	84,313,340	0
Town Support for Education	5,975,430	0	5,975,430	5,950,290	25,140
Total Expenditures	143,315,840	0	143,315,840	142,767,930	547,910
Surplus/(Deficit)-Gross	(0)	-	(0)	2,295,640	2,295,640
Budgetary Fund Balance, July 1, 2024				42,090,436	
Use of Fund Balance:					
Opening Cash				(3,000,000)	
9/3/24 - 184 Windsor Ave LLC property tax appeal settlement				(379,579)	
10/7/24 - 2015 Plan of Conversation and Development services				(130,000)	
10/7/24 - Day Hill Road corporate area planning study				(95,000)	
11/18/24 - Windsor Senior Center elderly lunch program				(40,000)	
2/3/25 - Referendum costs - Broad Street traffic calming				(20,500)	
2/18/25 - Fire Apparatus PFAS Foam Removal				(25,000)	
Total Appropriations				(3,690,079)	
Budgetary Fund Balance, June 30, 2025				40,695,996	

Agenda Item Summary

Date:	June 4, 2025
To:	Members of the Finance Committee
Prepared By:	Jim Bourke, Finance Director
Reviewed By:	Peter Souza, Town Manager
Subject:	Approval of FY 25 General Fund Year-End Transfers

Background
Each June the Finance Committee reviews the projected year-end financial results for the General Fund and considers recommended transfers if needed. The Town Council, with the Finance Committee's recommendation, customarily grants the Finance Director the authority to transfer up to $5,000 between service units at the end of the fiscal year (offsetting those that have gone over budget with those that have come in under budget). In addition, the Town Council is requested to approve the transfer of funds to service units that are projected to over the adopted budget amount by more than $5,000.

Discussion/Analysis
The General Government service unit is projected to be over budget by $44,180, which brings the FY 25 General Fund funding to the service unit to $1,343,810 as opposed to the adopted budget of $1,299,630. The main drivers for this are additional costs from legal fees for workers compensation cases ($81,230), and costs incurred related to elections ($13,450). These costs are offset by savings primarily in the Town Manager, Town Council and Boards and Commissions budgets. It is recommended that a transfer of $44,180 be made from the FY 25 Safety Services budget.

The General Services service unit is projected to be over budget by $98,500, which brings the FY 25 General Fund funding to the service unit to $19,386,190 as opposed to the adopted budget of $19,287,690. The main drivers for this are additional costs related to the Great Pond transfer ($96,160) and MDC sewer charges ($19,420). These costs were offset by savings in tax refunds. It is recommended that a transfer of $98,500 be made from the FY 25 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.

Other Board Action
None

Recommendations
If the Finance Committee is in agreement, the following motions are recommended for approval:

Finance Director Authorization for Year End Transfers

"MOVE 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."

FY 25 Year End Transfer Over $5,000

"MOVE to recommend to the Town Council the approval of the following transfers to cover the projected year-end deficit:

- **$44,180 from Safety Services to General Government**
- **$98,500 from Safety Services to General Services**

Attachments

None

Agenda Item Summary

Date:	June 4, 2025
To:	Members of the Finance Committee
Prepared by:	Jim Bourke, Finance Director
Reviewed by:	Peter Souza, Town Manager
Subject:	Approval of FY 25 Year-End General Fund Purchase Orders

Background

Attached are FY 25 year-end purchase orders as of June 4, 2025 for the Finance Committee's review. When goods and services are not able to be received and paid for in the current fiscal year, purchase orders encumbering the funds for those goods or services must be extended into the upcoming fiscal year. By extending the purchase orders into the new fiscal year, the Town Council is formally extending budgetary authority for that item or service.

Discussion/Analysis

There are seven FY 25 General Fund open purchase orders totaling $221,827.01 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 20, 2025.

Other Board Action

None

Recommendations

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

"MOVE that the Finance Committee recommend to the Town Council that the FY 25 General Fund year-end open purchase orders as presented on 'Attachment A' be extended until October 20, 2025."

Attachment

FY 25 Year-End General Fund open purchase orders

Attachment A

Town of Windsor
FY 25 Year-End General Fund Open Purchase Orders
As of June 4, 2025

Department	P.O. #	Vendor Name	Product / Service Description	Open Amount
Public Works Equipment Repair				
Repair & Maintenance	25358	Ray Jurgen Co. LLC	Mobile Column Lifts	$28,551.00
Police - Uniform Patrol				
Vehicles	25262	Northwest Hills Chevrolet	2025 Chevrolet Tahoe	$45,850.88
Contractual Services	25342	USA Mechanical	Rooftop HVAC Units - 100 Addison Rd.	$52,419.23
Repair & Maintenance	25176	Steve Hershman	Lights & Equipment for Vehicles	$25,749.88
Other Capital Equipment	25366	Adorama Inc.	Public Safety Drone	$24,356.90
Other Capital Equipment	25362	Parros Gun Shop & Police Supplies	Firearms	$39,159.12
Other Capital Equipment	25359	Laser Technology Inc.	Laser Speed Detection Units	$5,740.00
			General Fund Total	**$221,827.01**

TOWN OF WINDSOR
FINANCE COMMITTEE
APRIL 1, 2025
SPECIAL HYBRID MEETING

UNAPPROVED MINUTES

1. CALL TO ORDER

Councilor Ojala Naeem called the meeting to order at 6:30 p.m. with Councilor Ronald Eleveld being present.

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

2. PUBLIC COMMENT

Eileen Simpson commented on cleanup in the Wilson/Deerfield neighborhood and some concerns she has about the new park in Wilson.

3. REVIEW OF GENERAL FUND UNASSIGNED FUND BALANCE FORECAST

Town Manager Souza gave an overview of the General Fund Unassigned Fund balance forecast as follows:

The town has adopted an overall Debt and Fund Balance Policy which includes a target level for the General Fund Unassigned Fund Balance in order to make sure there are adequate financial resources available to protect against unforeseen economic circumstances and other events such as revenue shortfalls or unanticipated expenditures. The policies are intended to assist the Town Council with achieving long and short-term goals, framing major policy initiatives and ensuring the fiscal health of the Town.
The present fund balance policy states in part;

> "The Town shall endeavor to maintain an available balance in the General Fund as a cushion against potential revenue and expenditure volatility. The definition of what is available balance will be the unassigned fund balance as of the end of the preceding fiscal year. The measure used will be available fund balance as a percentage of current year budgeted expenditures. The unassigned fund balance may be used for non-recurring or capital expenditures, unanticipated budget deficits or operating emergencies, to make debt service payments or reduce debt service, property tax or revenue stabilization as part of an overall strategy."

The policy states the town will endeavor to keep the Unassigned Balance at between fifteen to twenty percent of the current year General Fund budgeted expenditures. This parameter aligns with guidelines and recommendations of the Government Finance Officers Association (GFOA) and Standard & Poors (S&P) rating agency.

GFOA recommends that general purpose governments, regardless of its size, should maintain an unrestricted fund balance in their General Fund of no less than two months of regular General Fund operating revenues or operating expenditures. Two months of the proposed FY 2026 budget equates to 16.7%. In addition, Standard & Poors (S&P) rating agency has established a fund balance criteria which includes a set of ranges for unassigned reserves as part of their credit rating process. For example, the range of 8% - 15% is considered *Strong* and 15% - 20% is considered *Very Strong.* S&P views a strong fund balance as providing financial and budgetary flexibility to meet large unexpected expenditures or fluctuations in revenues.

The Town Council's policy outlines that if the General Fund unassigned fund balance exceeds the 20% target, the amount exceeding that level could be available for possible appropriation. The policy provides the following guidance when the Town Council considers potential appropriation of funds above the 20% target:

- Transfer up to 40% to a Tax Rate Stabilization Fund for use to reduce the tax rate in the subsequent year(s) provided that care is taken to avoid a major fluctuation in the tax rate in succeeding years *(essentially Opening Cash)*
- Transfer up to 20% of excess to the Capital Projects Fund for capital projects
- Transfer up to 20% of excess to fund long-term liabilities in Other Post Employment Benefit programs (OPEB) or defined benefit pension plan
- Transfer up to 20% of excess to a Clean Energy & Sustainable Projects Fund

The fund balance policy also states that if the unassigned fund balance falls below the minimum level, the Town Council will replenish the fund balance during the annual budget process by appropriating at least 25% of the difference between the policy level and the unassigned fund balance each year until the policy level is met. This demonstrates to the credit rating agencies that the Town Council understands and appreciates the importance of rebuilding reserves and that our policy reflects contemporary best practices.

At the end of FY 24, the Unassigned Fund Balance was at 27.2% of the FY 25 adopted General Fund budget after taking into account the allocation of $3.0M for FY 25 *Opening Cash.* To date in FY 25, the Town Council has approved the use $690,079 for the following uses:

POCD and Day Hill Corridor Studies	$225,000
Property Tax Appeal Refund	379,579
Elderly Lunch Program	40,000
Fire Dept. PFAS Foam Removal	25,000
Broad Street Referendum	20,500

Also, the FY 25 Capital Plan allocates $610,000 from the General Fund Unassigned Fund for various capital related projects.

When factoring in the above appropriations, plus the $610,000 for CIP and $250,000 in potential additional uses as well as the projected FY 25 year end operational surplus of $802,000, the estimated fund balance as of June 30, 2025 is $38,342,357. This is 25.2% of the Town Manager's FY 26 proposed budget <u>*prior to*</u> taking into account potential FY 26 uses for capital projects or FY 26 Opening Cash / Tax Rate Stabilization. This is approximately $7.9M above the 20% target. Please note that use of Opening Cash in one year needs to be 'made up' in the following year by either additional cash reserves, tax revenue, other non-tax sources or expenditure reductions.

Councilor Eleveld stated that we are looking at an approximate $129M tax levy. So using $3M over $2M in opening cash does not do much to reduce the mill rate and it also creates a bigger hole for the following year. Town Manager Souza stated that was correct.

Town Manager Souza walked through various hypothetical tax bills depending upon if a different amount of opening cash were used.

Councilor Naeem thanked the staff and stated that this was helpful to understand before the full council begins the budget meetings.

4. STAFF REPORTS

Town Manager Souza provided some additional information in regards to the new motor vehicle depreciation schedule. Town Manager Souza stated that the way we received the data from the DMV it has been challenging to develop a lookup tool. Staff continues to work on this.

5. APPROVAL OF MINUTES

MOVED by Councilor Eleveld, seconded by Councilor Naeem, to approve the unapproved minutes of the March 10, 2025 meeting as presented.

Motion Passed 2-0-0

6. ADJOURNMENT

MOVED by Councilor Eleveld, seconded by Councilor Naeem, to adjourn the meeting at 7:17 p.m.

Motion Passed 2-0-0

Respectfully submitted by,

Scott Colby
Recording Secretary