

TOWN COUNCIL
TOWN OF SOUTH WINDSOR

Minutes

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March 16, 2016

TOWN COUNCIL – Special Meeting
Council Chambers – South Windsor Town Hall

1. Call Meeting to Order

Mayor Anwar called the Special Meeting to order at 7:01 p.m.

2. Roll Call

Members Present: Mayor Thomas Delnicki
Deputy Mayor Carolyn Mirek
Councilor William Carroll
Councilor Edward Havens
Councilor Lisa Maneeley
Councilor Liz Pendleton
Councilor Matthew Riley
Councilor Janice Snyder

Members Absent: Councilor M. Saud Anwar

Others Present: Matthew B. Galligan, Town Manager

3. Public Participation

Mr. Don Gonsalves, 40 Bayberry Trail came before the Council and explained that he had sent an email to the Town Council and is hopeful of getting a response to that email. Mr. Gonsalves requested that the Council be fair to all residents when considering the budget.

4. Communications

None

5. Special New Business

A. General Government Budget Presentation

Mr. Matthew Galligan, Town Manager came before the Council and presented the General Government Budget for Fiscal Year 2016/2017, as shown in attached **Exhibit A**.

(Discussion Continued on Next Page)

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ITEM:

5. A. (Continued)

After the presentation was complete, Mayor Delnicki requested that the Council members send questions to the Clerk of the Council so that she can pass them onto the Town Manager who in turn will send them to the appropriate department.

B. Board of Education Budget Presentation

Mr. David Joy, Chairman of the Board of Education came before the Town Council and presented the Board of Education Budget for Fiscal Year 2016/2017, as shown in attached **Exhibit B**.

Mayor Delnicki pointed out that 1.98% increase from the Board of Education is the second lowest increase he has seen from the Board of Education. Mayor Delnicki reiterated that Council members should formulate questions to be routed to the Clerk of the Council and the Town Manager pertaining to the Town Government side of the budget.

Answering questions from Councilor Carroll, Mayor Delnicki explained that on the Budget Calendar there is a tentative date of April 25th in case further public hearings were felt to be necessary for the budgets. The dates for the General Government budget will probably remain the same but the dates for the Board of Education budget may change.

Chairman Joy explained to Councilor Snyder that the earlier the questions are sent in, the better. Questions should be sent to the Clerk of the Council who in turn will send them the Clerk of the Board of Education.

Councilor Maneeley asked for the difference between a Project Manager, Maintainer and Public Building Maintenance Supervisor. Mr. Galligan explained that the Maintainer position is part of the union and they are plow drivers and park maintenance people. The Public Building Maintenance Supervisor would be someone who would work with the Fire Department so the Town can take over the maintenance of the Fire Department buildings. This position would be a night position. The Project Manager position would be a managerial position

(Discussion Continued on Next Page)

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ITEM:

5. B. (Continued)

which do things such as bids, and do projects that would not have to be done by outside contractors. These positions are all new positions. Over the years there have been nine managerial positions that have been eliminated.

Councilor Pendleton requested that the Town Manager make sure under the Charter that the Town is able to do or help with the maintenance of the Fire Department buildings. Mr. Galligan stated he would look into this issue.

Councilor Pendleton questioned if the Board of Education does not get their full budget, would the food service workers be outsourced as stated in last years budget? Mr. Joy stated that it is his understanding that this budget anticipates business as usual. An RFP has been issued for cafeteria services to understand what the market could possibly do for the Board of Education, but this budget does not anticipate any change.

Mr. Galligan informed the Council that a justification for all of the proposed positions in the General Government budget will be emailed to the Council.

Councilor Havens stated that both budgets were nicely presented but the public will not like a 4.88% increase. The budgets will need to be reduced.

Mr. Galligan stated that 4.88% is high. The Council has made tough choices in the past and what is being put back into this budget is what the Town had five or six years ago. The economy in South Windsor is back and this is the Town's opportunity to have services back.

Deputy Mayor Mirek stated that the Town Council will need to take a hard look at everything. Deputy Mayor Mirek then requested that the Town Manager provide a spreadsheet showing when the tax abatements are complete.

Deputy Mayor Mirek felt that the Town may have to look for different ways to funds items.

Councilor Riley questioned if the 4.88% increase is an actual combined increase? Mr. Galligan explained that it is a combined increase. The Board of Education is at a 1.98% increase and the Town is at a 2.63% increase. Part of the Town's increase includes restoring the capital, best practices for

(Discussion Continued on Next Page)

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ITEM:

5. B. (Continued)

equipment, salt and other items that had been taken out in previous budgets. This increase also includes new positions. There are a lot of items in the past five or six years that have been eliminated from the Town's budget to keep the taxes low. The tax increase for residents would be 2.6%.

Councilor Riley stated he appreciates the details in each budget and also appreciates the focus on fund balance. The Town needs to make sure it maintains its favorable rating for future projects.

Councilor Carroll requested that at a future meeting, further explanation be given regarding the Municipal Spending Cap.

6. Executive Session

None

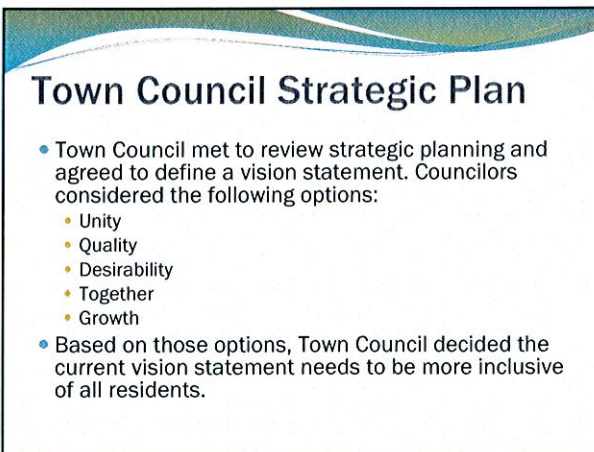
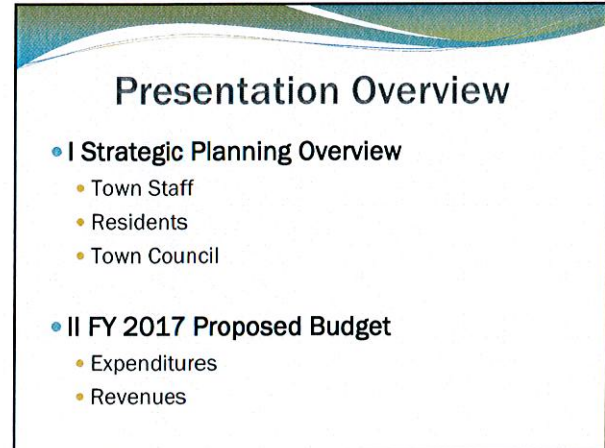
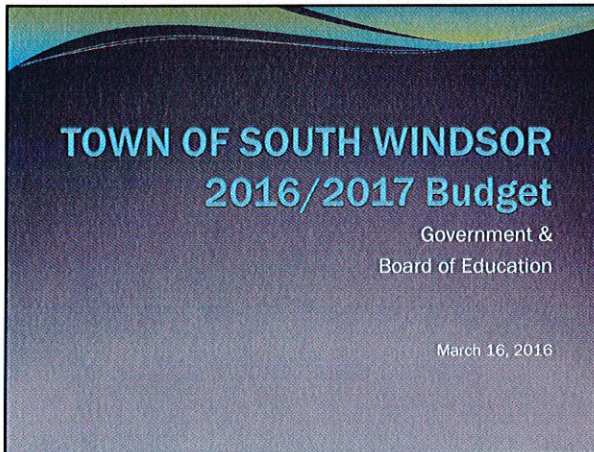
7. Adjournment

At 8:30 p.m. Councilor Snyder made a motion to adjourn the Special Meeting. Councilor Pendleton seconded the motion; and it was approved, unanimously.

Respectfully submitted,

Deborah W. Reid

Deborah W. Reid
Clerk of the Council



Town Council Strategic Plan

- Most important to Town staff
 - Support from Council
 - Resources
 - Recognition
 - Funding
 - Services
 - Healthcare/benefits
 - Information for community
 - Consistent

Town Council Strategic Plan

- Most important to Town staff (continued)
 - Council to staff
 - Protocol
 - Chain of command
 - Pride
 - Efficiency
 - Honesty
 - Future goals
 - Future... follow-up with change
 - Future council

Town Council Strategic Plan

- Most important to residents
 - Concerned about taxes
 - Services
 - Quality of life
 - Education
 - Roads (repair/traffic)
 - Infrastructure
 - Parks, open space, recreation
 - Services and tax breaks for senior citizens
 - Responsible spending
 - Sewer fees

Town Council Strategic Plan

- Most important to residents (continued)
 - Public safety
 - Safety/security/crime
 - Fire/ambulance/police
 - Non-political decision
 - Accountability (for delivery)
 - Council civility
 - Farmland preservation
 - Sidewalks
 - Jobs/economic growth
 - Responsive staff
 - Customer service focused government

Town Council Strategic Plan

- Most important to Town Council
 - Systems
 - Efficiencies
 - Predictability
 - Processes
 - Planned/Structured Growth
 - Expense stability
 - Focus on agenda
 - Sustainability
 - Openness/transparency
 - Respect

Town Council Strategic Plan

- Most important to Council (continued)
 - Resources
 - Delivery of Town services
 - Collaboration
 - Meeting facilities, parks and recreation, open space
 - Economic development to lower taxes
 - Preserve suburban/rural character
 - Education

Town Council Strategic Plan

- Priority Areas
 - Finance
 - Education
 - Maintenance of infrastructure
 - Public Safety/Traffic
 - Quality of Municipal Services
 - Taxes/Finance
 - Desirability
 - Economic Development
 - Environmental Protection
 - Recreation
 - Rural Character

Town Council Strategic Plan

- Education
 - Town Council and Board of Education to work collectively on joint capital projects
 - Town Manager would like a predictability formula to forecast 2-3 year budgets
 - Increase communication regarding needs by hosting structured meetings in November & December before budget season in January

Town Council Strategic Plan

- Maintenance of Infrastructure
 - Departments would create strategic plans that would include the following:
 - Equipment schedules for depreciation & replacement costs
 - Plans & projections for replacement timing
 - Expected costs & expenses associated with these
 - Development of 5 year succession plans
 - Department priority lists with top 3 priorities
 - Council will work with Town Manager and Department Heads to fund capital projects

Town Council Strategic Plan

- Public Safety
 - Town Council will review level of police officer services, including police & community academies
 - Increase Dispatcher staffing levels
 - Fire Department – vehicle replacement apparatus
 - Provide support and resources for the Community Emergency Response Team
 - Provide community support staff
 - Budget for the team
 - Increase public outreach
 - Provide training

Town Council Strategic Plan

- Public Safety (continued)
 - Increase building and health department staffing levels
 - Town can cover cost by increasing fees
 - Need to assess what Town is offering Volunteer Fire Department
 - Emergency Operations Center

Town Council Strategic Plan

- Quality of Municipal Services
 - Council members would like top three priority needs from each department
 - Town needs to create mechanism to benchmark quality of our services
 - Surveying service users (online, suggestion box)
 - Providing forum for questions to be submitted
 - Incorporate & utilize existing Dashboard system
 - Suggestion: create 311 number for Dashboard

Town Council Strategic Plan

- Quality of Municipal Services (continued)
 - Create a training budget
 - Create marketing tool to share accomplishments of Town departments (potential collaborators include Chamber of Commerce)
 - Create a midterm, midyear report to assess departmental performance and to identify current or new needs

Proposed FY 17 Budget

FY 2017 Proposed Expenditures

Manager Proposed Expenditures	\$ Change	% Change
\$114,168,868	\$5,313,048	4.88%

Reduced \$1,109,756 from Department Requested

3-Year Expenditure Average 3.52% increase

5-Year Expenditure Average 3.45% increase

Adjustments From Department Requested Budgets

Asphalt	(\$500,000.00)
Capital	(\$500,000.00)
Start New Positions 1/1/17	(\$136,340.00)
Reduce Requested Salary Increases	(\$78,615)
Social Security	(\$16,544.00)
Health Insurance	(\$43,821.00)
Add 22k for Elections	\$22,000.00
Add 88k FFE @ EOC	\$88,000.00
TOTAL REDUCTIONS	\$(1,109,756.00)

FY 2017 Proposed Expenditures

Town Proposed	\$ Increase
General Government	\$660,702
Public Safety	\$784,295
Public Works	\$478,297
Culture/Leisure	\$321,527
Human Services	\$50,244
Debt	\$775,275
Capital	\$500,000
Unclassified	\$346,205
BOE	\$1,396,503
TOTAL	\$5,313,048

Expenditure Changes –
General Government

Department	2015-2016 Council Adopted	2016-2017 Manager Proposed	\$ Change	% Change	Notes
Registrar of Voters	\$155,085	\$183,745	\$28,660	18.48%	Primaries/Election Costs
Assessor	\$283,061	\$436,678	\$153,617	54.27%	Full Inspection Revaluation Costs
Information Technology	\$735,111	\$941,030	\$207,237	28.19%	Restore Equipment budget/Increased Maintenance Contract Costs

Expenditure Changes –
Public Safety

Department	2015-2016 Council Adopted	2016-2017 Manager Proposed	\$ Changed	% Changed	Notes
Police Operations	\$3,639,301	\$3,866,407	\$227,106	6.24%	Contractual salaries and increase in overtime budget
Police Support Services	\$1,793,863	\$2,009,687	\$215,834	12.03%	Contractual salaries and department equipment
Emergency Management	\$117,000	\$328,771	\$211,771	181.00%	Furniture for EOC, Equip Lease, and Vehicle

Expenditure Changes –
Public Works

Department	2015-2016 Council Adopted	2016-2017 Manager Proposed	\$ Changed	% Changed	Notes
Highway Maintenance	\$2,807,186	\$2,960,943	\$153,757	5.48%	Requested Maint. I position and Materials
Building Maintenance	\$1,478,058	\$1,697,393	\$219,335	14.84%	Requested Supervisor position, increases for utilities and maintenance contracts

Expenditure Changes – Culture & Leisure

Department	2015-2016 Council Adopted	2016-2017 Manager Proposed	\$ Changed	% Changed	Notes
Park Maintenance	\$1,285,484	\$1,500,827	\$215,343	16.75%	Install new Fence, Equip & Requested new Maint. I position

Expenditure Changes – Debt Service & Capital

Department	2015-2016 Council Adopted	2016-2017 Manager Proposed	\$ Changed	% Changed	Notes
Capital Leases	\$746,665	\$1,135,540	\$388,875	52.08%	New obligations for Turf Field, EOC Constr. & Video Wall
Principal, Bonded Debt	\$4,223,380	\$4,608,380	\$385,000	9.12%	
Capital Improvements	\$1,000,000	\$1,500,000	\$500,000	50.00%	

Expenditure Changes-New Staff

Requested Position	Salary	Start Date
HR Executive Secretary	48,807	7/1/16
Economic Development Coordinator	85,000	7/1/16
FT Tax Assistant (from PT)	29,250	7/1/16
PW Project Manager	37,500	1/1/17
PW Maintainer I	27,347	1/1/17
Public Build Maint. Supervisor	32,500	1/1/17
Parks & Rec Parks Manager	39,000	1/1/17
TOTAL	299,404	

Expenditure Changes – New Staff

Department	2015-2016 Council Adopted	2016-2017 Manager Proposed	\$ Changed	% Changed	Notes
Human Resources	\$127,506	\$202,511	\$75,005	58.85%	Requested Secretarial Position
Economic Development	-	\$99,769	\$99,769	0.00%	Creation-new Department
Building Department	\$207,100	\$263,955	\$56,855	27.45%	Salary increases/ temp empl / truck
Collector of Revenue	\$223,646	\$239,715	\$16,609	7.18%	Convert PT position to FT
Public Works Management	\$144,041	\$182,444	\$38,403	26.66%	Requested Project Director
Highway Maintenance	\$2,807,186	\$2,960,943	\$153,757	5.47%	Requested New Maintainer I
Building Maintenance	\$1,478,058	\$1,697,393	\$219,335	14.84%	Requested Maint. Supervisor, Utility & Contract Increases
Park Maintenance	\$1,285,484	\$1,500,827	\$215,343	16.75%	Requested Project Mgr., Fence & Equipment
Environmental Health	\$146,150	\$173,958	\$27,808	19.03%	New Health Director

Municipal Spending Cap

- Beginning in FY 18
- Limits "general budget expenditures" to 2.5 percent above the previous year or the rate of inflation rate, whichever is greater
- Several exemptions
 - Debt service
 - Special education expenditures
 - Expenditures for implementing court orders
 - Arbitration awards
 - Expenditures related to a major disaster or emergency declaration
 - Any municipal revenue sharing grant distributed to a special taxing district

Municipal Spending Cap (cont'd)

- Penalty is 50 cents for every dollar the municipality spends over the cap
- Municipalities must add language to their tax bills informing taxpayers of the penalty for going over the spending cap
 - "The state will reduce grants to your town if local spending increases by more than 2.5 percent from the previous fiscal year."

Funding Proposed FY 2017 Budget

- Rebounding current economy
- Continued economic development growth
- Grand list growth
 - Increase in assessments of \$44m



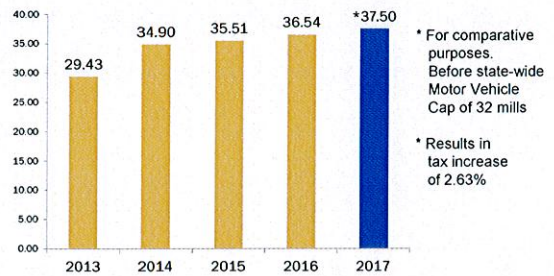
FY 2017 Proposed Revenues

Category	2015-2016 Council Adopted	2016-2017 Manager Proposed	\$ Change	% Change	Notes
Taxes	\$91,574,464	\$96,040,538	\$4,466,074	4.88%	
ECS	\$13,071,926	\$12,640,494	(\$431,432)	(3.30%)	Includes transportation and \$500,000 direct payment to Magnet School
Other Grants	\$1,600,190	\$3,309,096	\$1,708,906	106.8%	Includes two new State Revenues
Local Revenues	\$1,442,000	\$1,491,500	\$49,500	3.43%	Includes permits/fees
Misc & Transfers	\$1,167,240	\$687,240	(\$480,000)	(41.12%)	Decrease use of Fund Balance to \$600,000
TOTAL	\$108,855,820	\$114,168,868	\$5,313,048	4.88%	

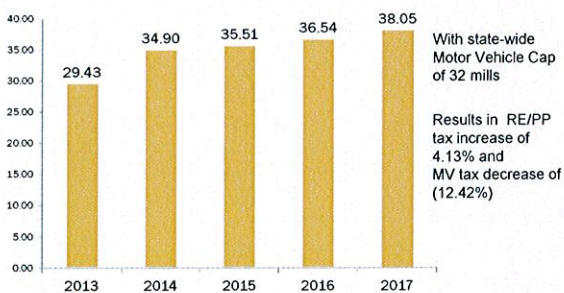
Motor Vehicle Tax Cap

- Cap of 32 mills in FY 17 and 29.36 mills beginning in FY 18
- Reimbursement if FY 17 mill rate is above the cap
- Cap includes taxing districts
- Can set two mill rates (vehicle v. other)

Mill Rate History



Mill Rate History



Tax Increase History

FY	% Increase	Mill Rate
2012	1.54	28.78
2013	2.27	29.43
2014	18.60	34.90
2015	1.75	35.51
2016	2.90	36.54
2017*	2.63	37.50

*Comparison only

FY	RE/PP % Increase	MVMR % Decrease	RE/PP Mill Rate	MV Mill Rate
2017	4.13	(12.42)	38.05	32.00

Tax Increase Impact

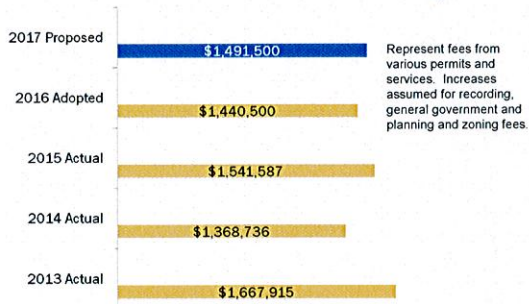
Mill Rate	RE Assessed Value \$175,000	MV Assessed Values \$17,500	Total Taxes
36.54	\$6,395	\$639	\$7,034
37.50*	\$6,563	\$656	\$7,219
Comparison Only			
38.05/32.00	\$6,659	\$560	\$7,219

Mill Rate	RE Assessed Value \$350,000	MV Assessed Values \$25,000	Total Taxes
36.54	\$12,789	\$914	\$13,703
37.50*	\$13,125	\$938	\$14,063
Comparison Only			
38.05/32.00	\$13,318	\$800	\$14,118

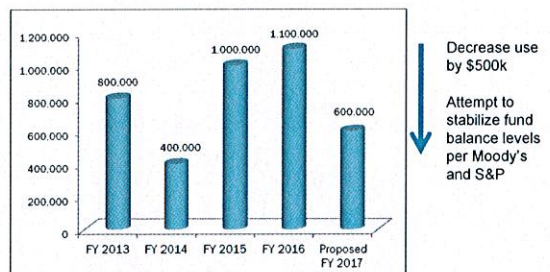
FY 2017 Proposed Revenue – Other Grants

- **Motor Vehicle Property Tax Grant** – Offset losses from the motor vehicle mill rate cap. Estimated at \$830,111 for South Windsor, grant amount is based on the difference between taxes levied on motor vehicles for the 2013 grand list year, budgeted and collected in fiscal year 2015.
- **Municipal Revenue Sharing Grant (MRS)** – New grant, estimated at \$804,270 for South Windsor. This grant will be funded by allocating ½ cent of State Sales Taxes.

Local Revenue History



Use of Fund Balance History



Town Ratings – Moody's

- Moody's Investors Service assigned Town Aa2 rating to \$4.3 million General Obligation Bonds, Issue of 2016
 - Stable financial position with narrow reserve levels
- Rating of MIG 1 to \$21.4 million General Obligation Bond Anticipation Notes dated February 2016
 - Strong fundamental credit profile, satisfactory liquidity, and status as a frequent user of debt
- Affirmed Aa2 rating on \$32 million outstanding long-term GO debt

Town Ratings – Moody's

- Credit Strengths
 - Stable financial position
 - Moderately sized tax base located outside state capital with above average income and wealth indices
 - Manageable pension and other post employment (OPEB) liabilities
- Credit Challenges
 - Fund balance levels, while stable, are below average
 - Above average debt burden with future borrowing plans
 - Practice of appropriating reserves

Credit Strengths 10 Reasons to Prefund OPEB

- | | |
|---|---|
| <ul style="list-style-type: none"> • Considered assets on financial statements • Greater rate of return • Offset budgetary impact of GASB 75 • "Rainy day fund" to cover OPEB expenses • Use a higher discount rate • Favorably impact credit rating • Fiscally prudent-GFOA best practice | <ul style="list-style-type: none"> • Hedge against health care inflation, longer life expectancies for retirees and the "baby boom" retirement surge • Future taxpayers/employees will not bear disproportionate burden of the costs • Dedicated for future OPEB costs-Protected from other uses |
|---|---|

Town Ratings – Moody's

- Factors that Could Lead to an Upgrade
 - Significant expansion of tax base
 - Material increase in reserves
- Factors that Could Lead to a Downgrade
 - Decreased reserves leading to less financial stability
 - Increased debt burden above current expectations
 - Large decline in the tax base

Town Ratings – Standard & Poor's

- S&P assigned AA+ long-term rating to 2016 General Obligation (GO) Bonds
- Affirmed AA+ long-term rating on existing parity debt
- Assigned SP-1+ short-term rating to GO Bond Anticipation Notes (BAN)
- Affirmed SP-1+ short-term rating on existing GO BANs

Town Ratings – Standard & Poor's

- Short-term rating
 - Reflects opinion that Town maintains strong ability to pay principal and interest when notes come due
 - Low market risk profile because of strong legal authority to issue long-term debt to take out notes and frequent debt issuer that provides regular ongoing disclosure to market participants

Town Ratings – Standard & Poor's

- Long-Term Rating Reflects Town's:
 - Very strong economy
 - Strong management with "good" financial policies and practices
 - Strong budgetary performance
 - Adequate budgetary flexibility
 - Very strong liquidity
 - Strong debt and contingent liability position
 - Very strong institutional framework score

Town Ratings – Standard & Poor's

- Upside Scenario
 - Over time, rating could be raised if local economic indicators were to improve and reserves were to increase to and be maintained at strong levels through consistent financial performance
- Downside Scenario
 - Rating could lower if reserves should weaken as a result of deteriorated financial performance

South Windsor Public Schools



Board of Education Proposed Budget FY2017

Town Council Presentation

March 16, 2016

Board of Education Proposed Budget



Fiscal Year 2017 Budget Request

\$71,752,070

\$1,396,503 increase

1.98%

Review of FY16 Investment Theme Requests



- Enhancing School Security and Student Support
- Responding to Our Changing Demographics
- Remaining Competitive Regionally and Beyond

Responding to Our Changing Demographics



In FY16
Budget?

Yes

- An additional English Learner teacher for our growing population of students whose first language is not English

Yes

- An additional special education teacher and nursing staff for the medically fragile, a growing population with significant needs

Yes

- An additional half-time Board Certified Behavioral Analyst to address our growing population of students with autism

Enhancing School Security and Student Support



In FY16
Budget?

No

- Additional security staff for both the middle school and high school to further strengthen our school security posture

No

- An additional school psychologist to support emotional and social needs of middle and high school students

Remaining Competitive Regionally and Beyond



In FY16
Budget?

No

- Pilot for elementary Science, Technology, Engineering and Mathematics ("STEM")

No

- 1-to-1 computing devices for ninth grade students

No

- Additional high school staffing to create the capacity for more elective offerings and establishment of a Career Pathways program

BOE Budget Guidelines for FY 2017



1. Comply with federal and state education mandates
2. Maintain a safe, clean learning environment for all staff and students
3. Demonstrate fiscal responsibility by examining current staffing and programs, identifying cost avoidance measures, seeking efficiencies, and analyzing historical budget data
4. Ensure adequate funding for the healthcare reserve fund and future pension liabilities.

BOE Budget Guidelines for FY 2017



5. Implement initiatives associated with the 2015-2018 Strategic Plan, specifically:
 - Increase student access to a broader variety of elective courses at South Windsor High School with an emphasis on Career Pathway opportunities
 - Increase STEM initiatives districtwide
 - Meet goals in South Windsor's 2015-2018 Technology Plan
 - Provide resources and training to further support social and emotional needs of students

Development of BOE Budget

Superintendent's Budget Proposal:

\$71,752,070 \$1,396,503 increase, or 1.98%

- 5.6 FTE increase

Review and Approval Process

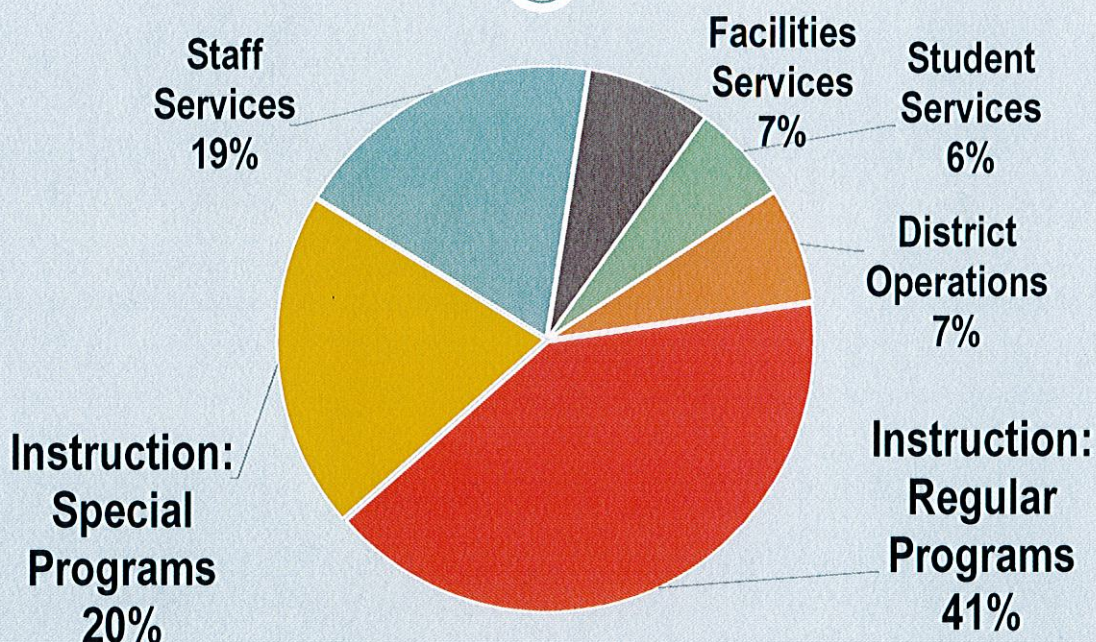
- Board of Education held three budget review work sessions
- Universal support for Superintendent's recommendations
- Unanimous Board approval

Board of Education's Proposed Budget:

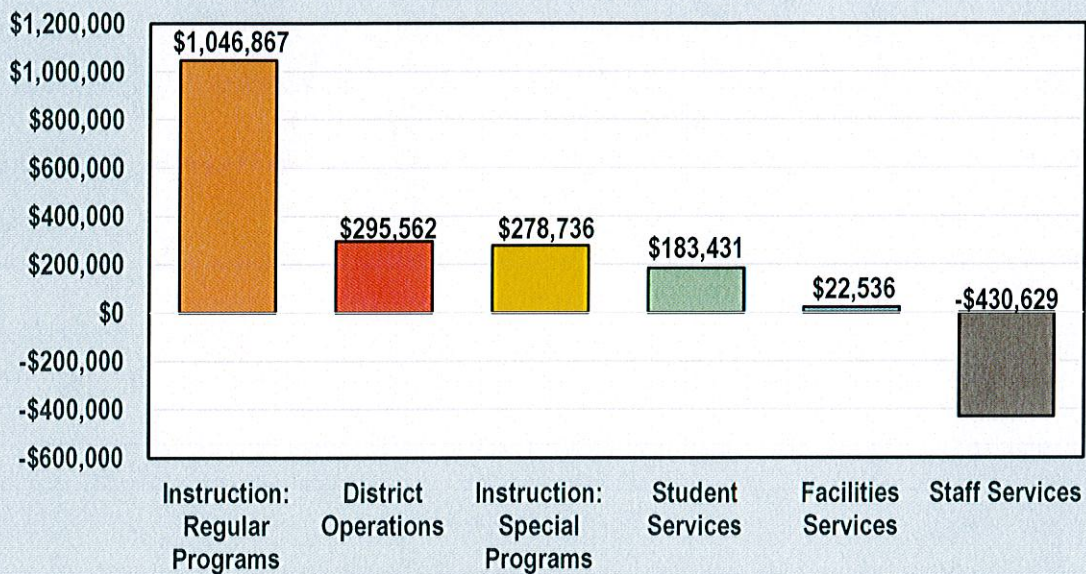
\$71,752,070 \$1,396,503 increase, or 1.98%

- 5.6 FTE increase

Board of Education Proposed Budget



Distribution of Increase



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Budget implications of Strategic Plan Initiatives

New elective courses with Career Pathway opportunities at SWHS

⇒ Increased staffing levels to support 8 period schedule (5 FTE)

STEM initiatives

⇒ New STEM teacher for pilot elementary program (1 FTE)

Technology Plan Goals

⇒ Lease/purchase 1:1 computing devices for all 9th & 10th graders

Social and emotional needs of students

⇒ Additional school psychologist (1 FTE)

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South Windsor Public Schools

