



TOWN OF EAST WINDSOR

FIRST SELECTMAN JASON E. BOWSA

March 23, 2021

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Town of East Windsor
Town Clerks Office

Pursuant to the East Windsor Town Charter, I am pleased to submit the Board of Selectmen's Fiscal Year 2021/2022 Budget Message to the Board of Finance for consideration.

MAR 23 2021

By: *Amy B. Fern*
Town Clerk *4:15pm*

Fiscal Policy of the Town

The Board of Selectmen have approved a budget recommendation that limits new spending to a few needed items, reallocates some existing expenditures to new initiatives in different departments and satisfies the commitment of the Board to remove fire service funding from the Town's General Fund Budget. While not within the purview of the Board of Selectmen, this budget recommendation assumes the same usage of the Undesignated Fund Balance as revenue as had been used in the current fiscal year.

While not integrated into the budget, the Board of Selectmen also unanimously recommended an added appropriation in the amount of \$3.5 million to pay down existing outstanding debt, specifically paying off one of two long-term loans for the sewer expansion project along Route 140, prepayment of lease purchases associated with the HVAC system at Town Hall and of certain DPW trucks, and defeasance of two general bond projects associated with the East Windsor Middle School roof project and the 2014 refunding bonds. Approval of the added appropriation by the Board of Finance and the voters will prevent the incursion of \$750,000 in interest over the life of the existing bonds, make additional bond capacity immediately available for needed projects, and would keep the debt service budget level (with an annual assumed growth rate of 2%).

Description of Important Features of the Budget plan

As presented to the Board of Finance, the Town budget for Fiscal Year 2021/2022 stands at an increase of **0.11%, or \$18,519** over last year's budget.

In keeping with passage of Town Ordinance 20-1, the proposed budget removes funding support for the Town of East Windsor – Broad Brook Fire Department (BBFD). Funds to support BBFD will be provided through a tax levy on residents of the territorial jurisdiction serviced by the department. Funding removed from the budget proposal that had previously supported BBFD totaled \$547,601 and was removed from the following line items: Broad Brook Fire; Fire Marshall; Tolland Dispatch; 27th Payroll; FICA; Worker's Compensation.

The budget proposal also seeks to add a police officer. Addition of this officer would allow for the removal and replacement of an existing patrol officer, and reassignment of the existing officer to a new unit responsible for mental health services. The officer, currently assigned to patrol, identified to head the mental health team holds a Masters of Social Work (MSW), is a licensed social worker in Connecticut, and has more than 900 hours of (volunteer) clinical work experience. In so doing, the

Town would be in compliance with one of the mandates included in Public Act 20-1, *An Act Concerning Police Accountability*, which requires the integration of social workers into municipal policing. However,

rather than include social workers who would be responding to calls for service, this proposal assigns social work duties to a sworn officer. This new unit will work closely with the local Youth Service Bureau, the East Windsor Community Services Department, the school social work team, and the School Resource Officer, all with the goal of providing enhanced engagement within the community and provide additional resources to our police officers as well.

Also included is additional professional services funding in the Planning Department to assist with economic development and departmental modernization, as well funding to support building projects requiring inspection from the Building Department.

Following last year's conversion of municipal health insurance from Cigna to the Connecticut Prevention Partnership, the Town will continue to see lower premiums and a lower premium increase. This year, health insurance premium costs will rise by only 3%. By contrast, the last initial quote provided to the Town by Cigna prior to conversion was a premium increase of 16.1%.

Explanation of All Major Increases or Decreases

Increases

The top priority of the Board of Selectmen in this budget proposal is the formulation and funding of a mental health unit within the Police Department. The Chief and the Deputy Chief have developed a robust and innovative concept that would put our police department on the cutting edge of preventative policing by standing up a Mental Health Team within the East Windsor Police Department, and that would undoubtedly have a positive impact town-wide. The team would be comprised of a licensed clinical social worker who also is a fully certified police officer, who holds an MSW. The officer would be supported by two part-time social workers, and a rotating university or college intern. This initiative will work closely with the existing Youth Services Bureau in the Department of Community Services, as well as the Social Services office within the school district. It will be housed outside of the police department, but still within the Town Hall Annex. The unit will focus on increased support for residents with mental health issues throughout the community.

Chief DeMarco, Deputy Chief Hart, Lieutenant Carl and I met with the Connecticut Commissioner of Public Safety, Commissioner Rovella, to talk about the new mental health unit. We think this can be a model for other municipal police departments as they strive to implement the Police Accountability Act. Commissioner Rovella was so impressed with our idea in concept that within 30 minutes of concluding our presentation, he had the commander of the Police Officers Standards and Training Council on the phone with the Chief to talk about presenting this innovative idea. The innovation behind this idea is being recognized beyond our own community.

The mental health team initiative also takes great strides to meet the needs of our community. The East Windsor Police Department will demonstrate that calls for service are overwhelmingly driven by mental health issues, and they provide additional details on that in their budget presentation. By using data analytics, the police department can determine the census blocks in town that are most likely to need

some sort of mental health intervention, the frequency of that need, even determine quantifiably the days of the week and hours of the day most likely to have mental health-related issues occur.

Institution of a Mental Health Team will also provide much needed in-house support for police officers who often face terrible circumstances or events. Compounding stress and difficult nature of police work can have a detrimental impact on our officers and their families. This comprehensive program can provide real help for both our residents and our departmental staff members. Beyond that, this concept takes another aspect of the Police Accountability Act and strengthens the intention of that law concerning psychological evaluations. By having an in-house interventionist, we can provide much quicker, trusted and more meaningful aid to police officers within the department. This type of forward-thinking police work is needed in our community, and it is another example of why our police department has the support that it does in the community.

We are recommending the Planning Department increase by 9.42%. However, most of that funding is redistributed from other departments, and not a new allocation. This funding increase is our second highest priority, and one of the few departments where we are recommending a significant increase in budget.

It is clearly understood that the focus throughout Town government needs to be on customer services, particularly true in this department. We now have two new permanent employees that have joined us in recent months that we think will be very valuable to the community in the years moving forward (Clark Chapin and Ruthanne Calabrese). The funding increase we are requesting would support the work being done within the Planning Department by retaining a consultant who has been serving as our interim Town Planner, but now in a different capacity.

The Planning Department will be working on key initiatives moving forward: Broad Brook Mill remediation/redevelopment; resolution of the South Road ownership issue; qualification for SustainableCT; Warehouse Point Village Study implementation; POCD implementation; review and rewrite of zoning regulations; encouragement of economic development opportunities; and grant writing and implementation.

None of the money requested of the proposed increase in the department's professional services line is new money. It redistributes previously budgeted money from the First Selectman's professional services, the Tax Collector's part-time line, and the Economic Development Commission professional services.

Decreases

The most striking and significant change in the budget recommendations of the Board of Selectmen is the removal of expenditures associated with supporting the Broad Brook Fire Department. This is done in compliance with Town Ordinance 20-1 which established the Town of East Windsor - Broad Brook Fire Department and provided the department with a funding source through a tax levy imposed on residents of the territorial jurisdiction of the department. This removed nearly \$550,000 from the General Fund and is reflected in our budget recommendation.

Summary of the Proposed General Fund Budget Showing Comparisons Itemized by Principal Sources of Revenue and the Main Categories of Expenditures

Revenues

DESCRIPTION				
	FY 20-21	FY 20-21	INCREASE	PERCENT
TAXES	BUDGET	ESTIMATED	(DECREASE)	INC (DEC)
Current Levy (RE,PP+MV)	32,966,727	34,580,064	1,613,337	4.89%
MV Supplemental	325,000	325,000	-	0.00%
Prior Year Taxes	60,000	60,000	-	0.00%
Interest and Fees	100,000	100,000	-	0.00%
Aircraft-Copy Fees-Parking Tickets	4,320	4,320	-	0.00%
TOTAL TAX REVENUE	33,456,047	35,069,384	1,613,337	4.82%
LOCAL REVENUE	ESTIMATED	ESTIMATED	INC (DEC)	INC (DEC)
Transfer from Fund Balance	750,000	-	(750,000)	-100.00%
Assessor	300	300	-	0.00%
Building	250,000	250,000	-	0.00%
Town Clerk	220,100	220,100	-	0.00%
Land Use Permits	13,800	13,800	-	0.00%
Dial-A- Ride	3,000	3,000	-	0.00%
Police Department	15,500	15,500	-	0.00%
Recycling/Public Works	2,500	2,500	-	0.00%
Treasurer	35,200	35,200	-	0.00%
Greater Hartford Transit District	7,000	7,000	-	0.00%
Park and Recreation	32,500	32,500	-	0.00%
Local Option Elderly Tax Relief				
Interest on Investments	150,000	25,000	(125,000)	-83.33%
TOTAL LOCAL REVENUE	1,479,900	604,900	(875,000)	-59.13%
STATE REVENUE	ESTIMATED	ESTIMATED	INC (DEC)	INC (DEC)
Educational Cost Sharing	5,482,136	5,482,136	-	0.00%
Adult Education	16,123	13,393	(2,730)	-16.93%
Tax Exempt- Disabled	1,650	1,650	-	0.00%
Tax Relief- Veterans	5,850	5,850	-	0.00%
TAR	267,488	267,765	277	0.10%
Pequot	15,432	15,432	-	0.00%
PILOT	548,433	548,433	-	0.00%
Telecommunications Tax	15,000	15,000	-	0.00%
TOTAL STATE REVENUE	6,352,112	6,349,659	(2,453)	-0.04%
TOWN BUDGET FY 21-22	\$42,023,943	MILL RATE: FY 20-21		34.72
LESS: TOTAL NON-TAX REVENUE	7,443,879	TOWN MILL RATE: FY 21-22		35.59
TAXABLE BALANCE	34,580,064	MILL RATE CHANGE:		0.87
				2.50%
GRAND LIST (RE+PP+AUTO)	986,468,083			
GL X 98.5% COLLECTION FACTOR	971,671,062			

Expenditures

NEXT YEAR BUDGET HISTORICAL COMPARISON							
2022 Town of East Windsor FY 21-22 General Fund Budget							
ACCOUNTS FOR:	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2020-21	FY 2021-22	PCT
General Fund	ACTUALS	ACTUALS	ACTUALS	YTD ACTUALS	BUDGET	PROPOSED	CHANGE
Education	\$ 22,474,439	\$ 23,529,744	\$ 23,402,324	\$ 4,800,000	\$ 24,700,000	\$ 25,417,365	2.90%
Wages	\$ 5,819,778	\$ 6,025,815	\$ 6,153,042	\$ 4,534,524	\$ 6,749,418	\$ 6,725,205	-0.40%
Employee Benefits	\$ 2,861,479	\$ 2,884,706	\$ 2,926,024	\$ 2,348,934	\$ 3,239,768	\$ 3,317,533	2.40%
Professional Svcs	\$ 1,067,491	\$ 980,934	\$ 990,948	\$ 836,292	\$ 1,157,988	\$ 1,154,362	-0.30%
Property Services	\$ 1,682,599	\$ 1,750,478	\$ 1,823,888	\$ 1,244,582	\$ 1,821,843	\$ 1,860,578	2.10%
Oth Purchased Svcs	\$ 243,807	\$ 242,711	\$ 243,820	\$ 219,445	\$ 304,551	\$ 262,908	-13.70%
Supplies	\$ 1,016,150	\$ 994,001	\$ 931,138	\$ 666,122	\$ 1,101,526	\$ 1,025,026	-6.90%
Miscellaneous	\$ 1,124,281	\$ 1,124,976	\$ 1,148,671	\$ 938,845	\$ 1,210,464	\$ 1,246,293	3.00%
CIP Allocation	\$ 1,940,439	\$ 1,963,682	\$ 1,699,316	\$ 1,030,518	\$ 1,053,463	\$ 1,014,668	-3.70%
BOS Expenditures	\$ 15,756,023	\$ 15,967,303	\$ 15,916,848	\$ 11,819,262	\$ 16,639,021	\$ 16,606,573	-0.20%
TOTAL General Fund	\$ 38,230,462	\$ 39,497,047	\$ 39,319,172	\$ 16,619,262	\$ 41,339,021	\$ 42,023,938	1.70%

It should also be noted that the American Rescue Plan recently passed by the United States Congress and signed into law by President Biden will afford the Town of East Windsor additional revenue in terms of both Local Education Aid (LEA) and municipal aid. Final allocations have not yet been determined, but preliminary estimates suggest that the Town will receive \$1,152,015 in municipal aid and the Board of Education will receive \$2,276,000. Both allocations will come with as-yet undetermined restrictions governing their use, however, the Connecticut Conference of Municipalities (CCM) has put together preliminary guidelines stating that the federal law prohibits the use of municipal funds “for directly or indirectly offsetting a tax cut¹.”

Debt Position of The Town

Over the last three years, the debt position of the Town of East Windsor has dropped from a total of \$14,471,717.59 in FY20 to a projected level of \$12,320,066.35 in FY22. This represents a depreciation of \$1,567,771.72 in principle owed, and of \$583,879.52 in interest. However, if the added appropriation approved by the Board of Selectmen were approved, those numbers would drop considerably farther.

¹ Email from CCM to municipal CEOs – March 12, 2021

Under that scenario, the principal owed would be \$6,472,199.24, a decrease of \$4,775,718.37 from when I took office. Similarly, the interest accrual would drop by \$1,477,354.15.

See (Attachment "A" - 3 Year Debt Summary) for additional specifics.

Pension Funding Position

The Town has maintained a commitment to fully-fund our municipal pension plan. We continue to consistently meet our commitment to funding the Actuarially Determined Contribution (ADC). Our pension funding level has been as follows:

	Actuarial Value of Assets	Total Accrued Liability	Funded Ratio
7/1/19 Valuation	\$ 27,535,554	\$ 34,311,119	80.3%
7/1/18 Valuation	\$ 25,737,637	\$ 31,460,798	81.8%
7/1/17 Valuation	\$ 23,692,847	\$ 29,878,258	79.3%
7/1/16 Valuation	\$ 21,974,197	\$ 28,011,201	78.4%
7/1/15 Valuation	\$ 20,416,316	\$ 24,643,249	82.8%

The decreases between 2015 and 2016 and between 2018 and 2019 are attributable to adjustments in the Town's assumed rate of return and adoption of updated mortality tables. No new changes to tables or assumptions are anticipated in the coming year, and the ADC contribution has been included in the Board of Selectmen's budget recommendation to the Board of Finance.

Attachment "A" - 3 Year Debt Summary

FY 21-22

FY 21-22 After Debt Paydown

	Principal	Interest	Total
Bonds	6,165,000.00	967,547.50	7,132,547.50
Clean Water Loans	3,177,692.31	1,654,095.26	4,831,787.57
	9,342,692.31	2,621,642.76	11,964,335.07
Leases	337,453.58	18,277.70	355,731.28
Total Debt	9,680,145.89	2,639,920.46	12,320,066.35

	Principal	Interest	Total
Bonds	4,600,000.00	812,722.50	5,412,722.50
Clean Water Loans	1,872,199.24	933,723.33	2,805,922.57
	6,472,199.24	1,746,445.83	8,218,645.07
Leases	-	-	-
Total Debt	6,472,199.24	1,746,445.83	8,218,645.07

FY 20-21

	Principal	Interest	Total
Bonds	6,810,000.00	1,146,592.50	7,956,592.50
Clean Water Loans	3,238,793.48	1,743,162.09	4,981,955.57
Leases	422,094.42	28,304.34	450,398.76
Total Debt	10,470,887.90	2,918,058.93	13,388,946.83

FY 19-20

	Principal	Interest	Total
Bonds	7,445,000.00	1,349,527.78	8,794,527.78
Clean Water Loans	3,298,259.35	1,833,864.22	5,132,123.57
Leases	504,658.26	40,407.98	545,066.24
Total Debt	11,247,917.61	3,223,799.98	14,471,717.59