

**Town of Windsor  
Finance Committee Minutes  
Town Hall – Council Chambers  
January 30, 2012**

**APPROVED MINUTES**

**PRESENT:** Chair, Deputy Mayor Alan Simon; Councilor Donald Jepsen; Councilor Randy McKenney

**STAFF:** Peter Souza, Town Manager; Emily Moon, Assistant Town Manager; Robert Metcalf, Finance Director; James Burke, Economic Development Director

**GUESTS:** Marie Phelan, Pullman and Comley; Randy Graff, Town Treasurer

**1. CALL TO ORDER**

The meeting was called to order at 7:00 p.m.

**2. PUBLIC COMMENT**

None

**3. DISCUSSION OF TAX ABATEMENT POLICY AMENDMENTS**

Town Manager, Peter Souza and Mr. Jim Burke, Director of Economic Development, explained that staff had made modifications to the policy after the committee had commented on the previous version that was brought before them. These new amendments alter the definition for Significant Impact Projects. Additionally, the threshold for such a project has been changed from 2.5% of the taxable Grand List to \$60 million and will include taxable personal property in the calculation.

A new abatement schedule is being proposed to include more levels of investment and will allow for variable annual percentage abatements. Preferential treatment for existing businesses is still included in the policy. An incentive is provided for projects that exceed the median wages for similar positions in Hartford County. The building permit reduction policy has also been updated to be consistent with the abatement policy.

Councilor Jepsen asked for clarification about the value of land and site improvements. Town Manager Souza explained that the value of land is not included in the calculation.

Councilor Jepsen asked about the eligibility of an existing company that makes a new investment and moves into a new building and abandons their first building. Mr. Burke responded that the company must maintain and increase its investment in order to be eligible.

Councilor McKenney asked if the company would have to or would choose to come back to the Town Council for amendments. He asked, for example, how we would know what the wages are. Mr. Burke said this data would be company-provided projections.

Deputy Mayor Simon asked if there is any language that ties the abatement to being designated as a Significant Fiscal Impact Project. Mr. Burke said that the designation simply allows them to apply and be considered for the range of possible abatements. Mr. Burke also explained that the designation opens up eligibility to non-targeted industries.

Councilor Jepsen suggested that the policy be reviewed on a regularly scheduled basis to ensure that the dollar thresholds are still relevant.

Moved by Councilor Jepsen, seconded by Councilor McKenney, that the Town Council adopt the proposed revisions to the tax abatement policy.

Motion Passed 3-0-0

Moved by Councilor Jepsen, seconded by Councilor McKenney, that the Town Council adopt the proposed revisions to the building permit policy.

Motion Passed 3-0-0

#### **4. REVIEW OF GREAT POND VILLAGE INTERLOCAL AGREEMENT**

Town Manager Souza introduced Marie Phelan from Pullman and Comley and offered that Ms. Phelan and town staff could answer the committee's questions. He also stated that there were two outstanding questions from the previous meeting regarding the Town Council receiving reports and the Town Council being involved in deciding to refinance. These would be incorporated into the next draft.

Town Manager Souza said that the agreement currently includes motor vehicle tax revenue, which is a potential policy question. Town Manager Souza said he also has some data about the policy's impact on the revenues assumed in the fiscal impact analysis.

Deputy Mayor Simon said he had some challenges easily understanding Section 4 and asked Ms. Phelan to clarify that this section is simply to ensure that the tax revenues and tax increment payments would be reflected in the town's budget. Ms. Phelan stated that is indeed the intent of this section.

The Committee discussed the impact of including motor vehicle tax revenue in the town's tax increment payment. The town manager expressed that this source of revenue has not been included in past revenue sharing or abatement agreements and that it would be his preference not to include it in this agreement.

Councilor Jepsen asked if past tax penalties would also be split between the Town of Windsor and the Great Pond Village development. Ms. Phelan said they would be.

Ms. Moon reviewed the projections for tax revenues and the town's tax increment payment, based on the fiscal impact analysis and its assumptions and the proposed

interlocal agreement. Ms. Phelan explained how the revenue in the district fund would be used to pay off the district's debt.

Deputy Mayor Simon asked what are the "other General Fund revenues" on Ms. Moon's spreadsheet and what is "Year One?" Ms. Moon explained that those revenues are other licenses and permits, fines and fees and state aid. Mr. Souza said Year One would be roughly FY 16, according to the developer's schedule.

Councilor Jepsen asked what interest rate was assumed. Will the district achieve the same rate the municipality is able to? Ms. Phelan said that rate will be higher, as investors will see this as being more risky. Ms. Phelan explained that all of these will be tax exempt bonds.

The committee discussed the next steps for the agreement and determined the revised agreement should come back to the Finance Committee for further review. The agreement might be introduced to the full Town Council during their 2/21/12 meeting along with the request of holding a public hearing. It will then go back to the Council for final approval in March.

## 5. STAFF REPORTS

Town Manager Souza gave the committee notice that the high school roof project will be on the upcoming Town Council agenda and that the project will require a town referendum. The Travelers Insurance Company will hold approximately \$0.5 million back for retainage and that's part of the reason the total expenditure from the town will surpass the Charter threshold. Travelers is likely to pay approximately \$2.2 - \$2.3 million of the costs. The town may pay approximately \$100,000 above the insurance amount. The proposed ballot question is likely to be on the 2/6/12 Town Council agenda.

The committee discussed how to get the word out for the vote and about using one polling place.

The Town Manager told the committee that the town assessor would also announce the Grand List growth, which is anticipated to be approximately 0.5% at the 2/6/12 Town Council meeting. Additionally, the Board of Education's proposed budget includes self-funding health insurance and the Finance Committee is likely to be briefed on that subject.

Town Manager Souza stated he'd like to have the Finance Committee review the options on the landfill closure project. The Landfill Enterprise Fund has recently reached the \$30 million target.

## 6. APPROVAL OF MEETING MINUTES

Moved by Councilor McKenney, seconded by Councilor Jepsen, to approve the January 9, 2012 meeting minutes as presented.

Motion Passed 3-0-0

**7. ADJOURNMENT**

Moved by Councilor McKenney, seconded by Councilor Jepsen, to adjourn the meeting at 8:27 p.m.

Motion Passed 3-0-0

Respectfully submitted,

Emily Moon  
Assistant Town Manager  
Recording Secretary