FIFTEEN ROPE FERRY ROAD
WATERFORD, CT 06385-2886

Town of Waterford

PHONE: 860-442-0553
www.waterfordct.org

Long Range Fiscal Planning Committee
Regular Meeting Minutes *Amended

Wednesday, February 25, 2025
BOE Conference Room

1. Establishment of a quorum and call to order

A quorum was established and the Regular Meeting of the Board of Finance was called to order at 6:25 p.m. January 15, 2025.

2. Roll Call/Attendance

Voting Members
Present: Ursula Moreshead, Lindsey Khan, Ron Fedor, Glenn Patterson, Marcia Benvenuti
Absent: Christina Jessuck, Harry Colonis, Mark Campo

Elected Present: Rob Brule, First Selectman

Staff Present: Kim Allen, Town Finance Director, Tom Giard Superintendent of Schools

3. Public Comment: None

4. Approval and acceptance of minutes from the Regular Meeting on January 15, 2025

Motion by Marcia Benvenuti and seconded by Ursula Moreshead to approve the minutes of the January 15, 2025 Regular Meeting as presented.

Vote: 5-0-0 **Motion: Passed**

5. To consider and act on a quarterly meeting schedule for the rest of 2025.

After discussion, the following dates were established by the committee for posting by the Town Clerk.

2nd Quarter Meeting	Tuesday, June 10, 2025	6pm
3rd Quarter Meeting	Tuesday, September 9, 2025	6pm
4th Quarter Meeting	Tuesday, December 10, 2025	6pm

 *Amended to reflect that Marcia Benvenuti was in attendance.

Motion by Marcia Benvenuti and seconded by Lindsey Khan to approve the meeting dates as discussed.

Vote: 5-0-0 **Motion: Passed**

6. **Review and discussion of some Key Elements LRFPC Business between Feb 18, 2021 and March 17, 2022.**

Chairman Patterson discussed documents generated between 2020-2021 time frame making the following key points. Copies of these documents are attached to the minutes:

- The "mission statement" of the LRFPC is embodied in a letter accepted by the RTM in 2021 (Copy attached to the minutes)
- The LRFPC planning methodology is outlined by the Government Finance Officer's Association (GFOA) Long Term Financial Best Practice Guidelines. Attached to the minutes is a document outlining the committee's approach from 2020.
- The LRFPC created a document in the 3Q of 2021 intending for reporting back to the RTM on the LRFPC's activities. It provides some history as to how the committee was proceeding at that time.

Ron Fedor suggested updating the information related to the GFOA guidelines and Committee activities to document where the committee presently stands. Chairman Patterson, as the original author of these documents to the action to update them.

Ursula Moreshead noted that as we plan for long range spending we should be emphasizing energy efficiency whenever possible.

7. **Review and discussion of current project documents comprising the current Town-wide Building Maintenance Plan requested from the Department of Public Works.**

Public Works Director Gary Schneider presented a series of "Long Range Asset Matrices" for 7 of the 8 major structures in Waterford housing town employees excluding Board Of Education buildings and Fire Stations. For each building he provided a summary sheet projecting costs for major projects through 2047 along with a sheet further detailing the building components/systems costs that made up the figures cited in the summary.

The 8th Waterford-responsible building, the Eugene O'Neil Theater Center was not included; as responsibility for specific maintenance items are in the process of being clarified with the O'Neil.

The Director noted he used studies and system evaluations from as far back as 2015, contacts in various industries, and years of experience to arrive at the dollar estimates. Ron Fedor asked if cost escalation was included in the figures, Gary replied that only for the years 2024-2029.

Tom Giard thanked Gary for the presentation and noted that the format and content was something the School Facilities department could use to present their long range plan in more detail.

 *Amended to reflect that Marcia Benvenuti was in attendance.

Finally, Gary noted that these sheets are a "work in progress", that he would continue to update them as needed, and that DPW staff has access to them. He also mentioned that ultimate he is hoping to share an asset management system purchased by the Utilities Department to further refine long range plans.

8. New Business

Multiple items were discussed during this portion of the meeting. Among them:

Incorporating Fire Station Maintenance into Long Range Planning. It was noted that the Fire Stations are privately owned but rely on the town to perform capital projects.

Keep Long Range Fiscal Planning synchronized as much as possible with the Plan of Conservation and Development

Segregation of Fire Service "rolling stock" from other vehicles in the Fleet Management Plan given their significant cost. The Finance Director noted that the Fire Service and the Finance Office are exploring options other than purchasing Fire Apparatus, and that the results of this analysis estimated to be available in the 4^{th} quarter of 2025.

There was discussion about the size of the Fleet. The Finance director will provide a comparison of the current fleet size to the size identified in the Fleet Study of 2009; with emphasis on ensuring an "apples to apples" comparison to look at Fleet growth over that time. That info will be provided No later than the next LRFPC meeting.

9. Adjournment

Motion by Marcia Benvenuti and seconded by Ron Fedor to adjourn the meeting.

Vote: 5-0-0 Motion: Passed

The meeting adjourned at 7:40 pm.

Respectfully submitted,

____

Glenn Patterson LRFPC Chair

 *Amended to reflect that Marcia Benvenuti was in attendance.

E

FIFTEEN ROPE FERRY ROAD
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Town of Waterford

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To: Moderator Waterford RTM
From: Richard Muckle, Chairman; Long Range Financial Planning Committee
Date: November 19, 2020

The reconstituted Long-Range Financial Planning Committee determined an update to their charge is necessary.

To that end the LRFPC has established the following charge:

The LRFPC shall establish a comprehensive long-term financial planning process that supports delivering quality services with integrity, excellence, and innovation.

The LRFPC shall carry out actions which include, but are not limited to, the following:

- Establish a Long-Range Financial Plan guided by the Government Finance Officers Association best practices statement that strives to align financial capacity (revenue/debt/expenses) with long term municipal service objectives.

- Utilize forecasts to provide insights into future financial capacity so that strategies can be developed to achieve long term sustainability in light of the government's service objectives and financial challenges.

- Make recommendations to relevant town bodies.

Sincerely,

Richard Muckle, LRFPC Chairman

LONG RANGE FISCAL PLANNING COMMITTEE

LONG RANGE FINANCIAL PLAN DEVELOPMENT

HOW ARE WE DOING RELATIVE TO
THE GFOA BEST PRACTICE ?

GLENN PATTERSON

11/10/2020

GFOA NOTES A LONG-TERM FINANCIAL PLAN SHOULD INCLUDE THESE STEPS:

1. Mobilization Phase

   The mobilization phase prepares the organization for long-term planning by creating consensus on what the purpose and results of the planning process should be.

2. Analysis Phase

   The analysis phase is designed to produce information that supports planning and strategizing.The analysis phase includes the projections and financial analysis commonly associated with long-term financial planning. The analysis phase involves information gathering, trend projection, and analysis.

3. Decision Phase

   After the analysis phase is completed, the government must decide how to use the information provided

4. Execution Phase

   After the plan is officially adopted, strategies must be put into action (e.g. funding required in achieving goals). The execution phase is where the strategies become operational through the budget, financial performance measures, and action plans.

LRFPC has begun the Mobilization and Analysis phases, Slides 2& 3 review LRFPC status in these phases.

LRFPC PLAN : MOBILIZATION PHASE STATUS

The mobilization phase prepares the organization for long-term planning by creating consensus on what the purpose and results of the planning process should be.The mobilization phase includes the following items:

1) Alignment of Resources.This step includes:
   a) determining the composition of the project team ***COMPLETE: LRFPC is the project team***
   b) identifying the project sponsor ***COMPLETE: RTM is the project sponsor***
   c) formulating a strategy for involving other important stakeholders.This step also involves the creation of a high-level project plan to serve as a roadmap for the process. ***ON-GOING: LRFPC responsible for involving stake holders, a high level project plan is still needed***

2) Preliminary Analysis. ***ON-GOING : Initial spread sheet developed for discussion***
   a) This step helps raise awareness of special issues among planning participants, such as the board or non-financial executive staff.
   b) A scan of the financial environment is common at this point.

3) Identification of Service Policies and Priorities ***ON-GOING : spread sheet 1st draft assumes no reduction in services***
   a) Service policies and priorities have important implications on how resources will be spent and how revenues will be raised.
   b) A strategic plan or a priority setting session with elected officials could be useful in identifying service policies and priorities.

4) Validation and Promulgation of Financial Policies. Financial policies set baseline standards for financial stewardship and perpetuate structural balance.
   a) so a planning process must corroborate policies in place (as well as the organization's compliance with those policies)
   b) and also identify new policies that may be neede**Later**

5) Definition of Purpose and Scope of Planning.The purpose and scope of the planning effort will become clear as a result of the foregoing activities, but the process should include a forum for developing and recognizing their explicit purpose and scope.

LRFPC PLAN: ANALYSIS PHASE STATUS

The analysis phase is designed to produce information that supports planning and strategizing. The analysis phase includes the projections and financial analysis commonly associated with long-term financial planning. The analysis phase involves information gathering, trend projection, and analysis as follows:

1. Information Gathering. ***ON-GOING***
   a) analyzes the environment in order to gain a better understanding of the forces that affect financial stability. Improved understanding of environmental factors should lead to better forecasting and strategizing.
2. Trend Projection. ***ON-GOING***
   a) After the environment has been analyzed, the planners can project various elements of long-term revenue, expenditure, and debt trends.
3. Analysis. The forecasts can then be used to:
   a) identify potential challenges to fiscal stability (e.g., imbalances). These could be fiscal deficits (e.g., expenditures outpacing revenues), environmental challenges (e.g., unfavorable trends in the environment), or policy weaknesses (e.g., weaknesses in the financial policy structure).
   b) present both optimistic, base, and pessimistic scenarios/cases

LRFPC PLAN: DECISION PHASE STATUS

After the analysis phase is completed, the government must decide how to use the information provided.

1. Key to the decision phase is a highly participative process that involves elected officials, staff, and the public.
2. The decision phase also includes a culminating event where the stakeholders can assess the planning process to evaluate whether the purposes for the plan described in the mobilization phase were fulfilled and where a sense of closure and accomplishment can be generated.
3. Finally, the decision phase should address the processes for executing the plan to ensure tangible results are realized.

Later

LRFPC PLAN: EXECUTION PHASE STATUS

1. Execution Phase. After the plan is officially adopted, strategies must be put into action (e.g. funding required in achieving goals). The execution phase is where the strategies become operational through the budget, financial performance measures, and action plans. Regular monitoring should be part of this phase..

Later

PER THE GFOA THE BELOW ELEMENTS SHOULD BE INCLUDED IN THE PLAN. LRFPC STATUS IS NOTED:

1. Time Horizon.

   A plan should look at least five to ten years into the future. Governments may elect to extend their planning horizon further if conditions warrant. ***COMPLETE: LRFPC first-cut spread sheet goes out 10 years***

2. Scope.

   A plan should consider all appropriated funds, but especially those funds that are used to account for the issues of top concern to elected officials and the community. ***c: LRFPC first-cut spread sheet considers all appropriated funds, but does the group agree the top concern is increasing spending while headed toward a projected loss of revenue ?***

3. Frequency. *LATER*

   Governments should update long-term planning activities as needed in order to provide direction to the budget process, though not every element of the long-range plan must be repeated.

4. Content.

   A plan should include an analysis of the financial environment, revenue and expenditure forecasts, debt position and affordability analysis, strategies for achieving and maintaining financial balance, and plan monitoring mechanisms, such as scorecard of key indicators of financial health. ***ON-GOING: LRFPC first-cut spread sheet addresses revenue expenditure/debt--Does the committee agree with the assumptions made on the sheet ?***

5. Visibility. *LATER*

   The public and elected officials should be able to easily learn about the long-term financial prospects of the government and strategies for financial balance. Hence, governments should devise an effective means for communicating this information, through either separate plan documents or by integrating it with existing communication devices.

Long Range Fiscal Planning Committee
RTM Update 3Q 2021

- In December 2020 the Long Range Fiscal Planning Committee notified the RTM that the committee's mission is to "Establish a comprehensive long term planning process that supports delivering quality services with integrity, excellence, and innovation." The committee is utilizing GFOA guidelines in preparing the long-term plan and any recommendations presented to the RTM membership.

- Since that time the committee and the Finance Director have worked through several items toward accomplishing that mission
  - A forecast of year-to-year budget (spending) targets through 2028 (Slide 2)
    - Note the listed assumptions-- key is the assumption that Millstone revenue is undiminished through 2028
  - A listing of budget areas where long term planning is perceived as providing opportunities to limit spending growth (slide 3)
    - The LRFPC is pursuing these areas as "prototype" efforts in developing long range plans

- Based on the "lessons learned" in these initial efforts the LRFPC ultimately hopes to recommend a robust program to develop and implement department-level long range plans as ***significant*** drivers for budgeting efforts— including both ~~long~~ with revenue and expenses
- In the absence of comprehensive long range planning, budgeting/spending will remain a year to year exercise based on what happened last year and what's expected to happen in the next year versus the next 10 years

Budget Projection as of 051721

Please insert desired data in green cells

TOWN OF WATERFORD
ACTUAL AND PROJECTED TAX IMPACT - LONG RANGE PLANNING-EXPENDITURE INCREASE
FISCAL YEARS 2021 -2032

Tax Year	2016	2017	2018	2019	2020	2021	Reval 2022	2023	2024	2025	2026	2027	2028
Dominion Assessment						1,115,640,924	1,133,197,408	1,133,197,408	1,133,197,408	1,133,197,408	1,133,197,408	1,133,197,408	1,133,197,408
Total Town exc Dominion						2,215,316,133	2,253,975,778	2,268,401,223	2,282,918,991	2,297,529,672	2,312,233,862	2,327,032,159	2,341,925,165
Net Taxable GL	3,158,330,722	3,193,7[illegible]	3,239,062,198	3,280,204,493	3,290,513,595	3,330,958,957	3,367,472,188	3,401,598,631	3,416,116,399	3,450,727,080	3,445,431,270	3,460,228,561	3,475,922,519
Mill Rate	25.83	26.78	27.03	27.42	27.98	27.87	27.64	28.56	29.93	29.34	29.78	30.14	30.34
Mill Rate Increase (%)	4.15%	3.68%	0.93%	1.44%	2.04%	-0.39%	-0.83%	3.35%	4.80%	-1.96%	1.49%	1.22%	0.65%
Millstone Taxes							31,848,145	32,071,951	33,610,652	32,961,371	33,441,078	33,847,590	34,266,771
All Other Taxes							67,739,191	64,200,687	67,711,411	66,808,089	68,234,882	69,505,363	70,404,175
Total Tax Levy	80,923,071	84,930,23[illegible]	86,539,9[illegible]	88,876,556	91,609,588	91,988,266	103,597,336	96,272,63[illegible]	104,322,09[illegible]	99,759,48[illegible]	101,875,960	103,359,953	104,370,048
Collection Rate	99.20%	99.30%	99.30%	99.40%	99.20%	99.10%	99.10%	99.10%	99.10%	99.10%	99.10%	99.10%	99.10%
Other Revenue	$5,483,229	$4,275,848	$4,018,347	$3,727,925	$3,738,567	$3,976,199	$3,634,035	$3,654,035	$3,634,035	$3,634,035	$3,634,035	$3,634,035	$3,634,035
Net Budget w/o Surplus	$83,810,300	$88,206,082	$90,958,135	$93,409,6[illegible]	$95,346,150	$96,968,426	$97,221,321	$99,905,673	$104,958,095	$103,983,496	$105,309,895	$106,957,988	$108,104,981
Budgetary Increase		3.87%	1.96%	2.59%	2.28%	0.75%	1.07%	2.98%	5.05%	-1.49%	1.85%	1.59%	1.04%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.58%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
General Government	$31,325,479	$31,782,358	$32,153,715	$33,241,437	$33,781,761	$34,299,162	$34,560,086	$34,992,067	$35,429,488	$35,872,357	$36,320,761	$36,774,771	$37,234,455
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CYC/TCNR	$2,213,301	$4,010,210	$3,903,251	$4,013,283	$4,615,819	$3,617,980	[illegible]	$6,422,542	$7,648,580	$4,069,720	$4,022,810	$4,022,810	$4,022,810
Debt Service	$7,415,135	$7,383,808	$7,448,583	$7,505,479	$7,532,898	$7,710,546	$7,934,833	$8,327,109	$8,148,250	$8,109,744	$7,964,600	$7,478,426	$6,374,375
% Increase BOE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Board of Education	$45,374,474	$45,892,257	$47,287,524	$48,305,332	$49,537,064	$50,372,315	$50,845,471	$52,184,835	$53,729,780	$55,341,674	$57,001,924	$58,711,982	$60,473,341
Approved Budget	$85,729,178	$89,048,651	$90,799,673	$93,146,501	$95,287,505	$95,978,230	$97,005,544	$99,506,679	$104,958,095	$103,393,496	$105,305,895	$106,967,988	$108,104,981
BOE % Approved Budget	52.9%	51.5%	52.1%	51.9%	51.8%	52.5%	52.2%	52.2%	51.2%	53.5%	54.1%	54.9%	55.9%
Gen Gov % Approved Budget	36.5%	35.7%	35.4%	35.7%	35.5%	35.6%	35.6%	35.0%	33.8%	34.7%	34.5%	34.4%	34.4%
Tax on $188K Home	$4,856	$5,036	$5,082	$5,155	$5,260	$5,240	$5,117	$5,287	$5,541	$5,432	$5,513	$5,560	$5,618
Tax Increase		$172	$47	$73	$105	($20)	($123)	$170	$254	($109)	$81	$67	$58
Percent Increase		3.68%	0.93%	1.44%	2.04%	-0.39%	-2.34%	3.33%	4.80%	-1.96%	1.49%	1.22%	0.65%

	2016	2017	2018	2019	2020	2021	Reval 2022	2023	2024	2025	2026	2027	2028
Total Approx Residents	19,427	19,427	19,427	19,427	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Approved Budget/Resident	$ 4,413	$ 4,584	$ 4,673	$ 4,795	$ 4,881	$ 4,918	$ 4,870	$ 5,119	$ 5,378	$ 5,298	$ 5,396	$ 5,452	$ 5,598
Student Enrollment*	2,506	2,506	2,483	2,454	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BOE/Student	$ 18,106	$ 18,298	$ 19,045	$ 19,685	$ 20,852	$ 21,406	$ 21,982	$ 22,680	$ 23,401	$ 23,937	$ 24,730	$ 25,449	$ 25,999

Assumptions:

1) Grand List Growth @ [illegible] for Town only; projected decreases for Dominion- down [illegible] per year 2022 to 2028 VS [illegible]

2) Collection rate based on historical level loaded at 99.1%

3) Revenue other than taxes is projected to be relatively flat - One-Time Capital Projects Grant Reimbursements are excluded

4) Projected Budgetary Increases include 0.58% for Town and Capital Budgets beginning in FY 2022 0.54% for BOE

5) 2020 Median home price [illegible]

6) Student enrollment (actual & projection through 2031) from NESDEC Enrollment Projection Report, October 2020

7) Level Dominion Taxes through 2028

Updated Figures 5/17/21

Long Range Planning Opportunities

- The LRFPC perceive the below as areas with lots of "stuff" where long term planning approaches can be proved out and applied to other areas
  - *Do we need all the stuff to effectively and efficiently provide services?*
  - *Should we be spending as much as we do on the stuff?*
  - *Have we properly planned for future expenses to replace/maintain the stuff?*
  - *Can procedures and guidelines be tightened to improve fiscal efficiency?*

Fleet Management

Municipal Building Maintenance

IT

Capital Planning

Staffing

Long Range Planning
Opportunity #1: The Fleet

- Background
  - The current "Fleet Management" approach was established in 2009 following a Fleet Sizing and Utilization Study
    - Significant Fleet Study Findings (excluding fire apparatus)
      - Fleet size
        - Waterford: 196 units
        - East Lyme: 113 units
        - Stonington: 69 units
    - Life Cycle Costs
      - The study also noted Waterford spent 58% more on a "per unit" basis to acquire and maintain its fleet than East Lyme
      - The percentage is calculated using "Maintenance & Repair Unit Analysis" adjusted for fleet size
  - A key goals of the plan were to
    - inventory the fleet
    - schedule fleet asset replacement
    - level year-to-year fleet spending from year to year and avoid surprises at budget time
  - Up until FY2020, Waterford budgeted $1M/year in its capital plan for the Fleet Management Program
    - Reductions made in the last (2) fiscal years

Long Range Planning
Opportunity #1: The Fleet

- The current Fleet Management Plan is more a replacement schedule for budgeting purposes than a true Fleet Management Plan
- More comprehensive Fleet Management plans integrate any number of the following elements:
  - Management (eg Motor pool vs Departmental)
  - Risk Management
  - Vehicles
    - Use
    - Usage and Cost Record Keeping
    - Fuel Management
    - Maintenance
  - Drivers (eg authorization and qualification)
  - ETC
- In 2009, the focus was on getting a handle on the Fleet Assets ie the vehicles. The LRFPC and the Finance Department are taking this same track ie to set a long term plan around the physical assets

Long Range Planning
Opportunity #1: The Fleet

- Current Action on a Fleet Long Term Plan
  - Issues with the current approach
    - that current tools for managing the fleet are an EXCEL sheet and the annual budgeting process
    - No single point of responsibility for maintaining the asset inventory list
    - Issues over the years keeping the asset inventory list current
    - This year-to-year approach is currently calling to replacing 22 assets in a single year fiscal year
  - As the initial step in a long range plan the Finance Office has done an in-depth inventory of Fleet assets to establish the population of items to manage
  - **INSERT KIM A. FLEET REVIEW SUMMARY INFO HERE OR REFERENCE SEPARATE DOCUMENT – I would include as a separate document.**
    - Should include some info on the Fleet Management Account re capital I would include the current Fleet account balance and maybe a history of expenditures for so many years.
    - A full inventory listing should be a separate document Yes!

Long Range Planning
Opportunity #1: The Fleet

- Potential LRFPC Recommendations
  - Update the current fleet management plan
    - Provide a basis for making Fleet addition/replacement decisions based on asset life-cycle cost analysis balanced by need relative to providing services
    - Identify software tools capable of recommending changes/updates to a revised Fleet plan on a periodic basis
    - **NOT SURE WHAT RECOMMENDATION TO MAKE (if any) REGARDING WHO RUNS THIS SHOW** Asset tracking is part of finance's responsibility, it should remain our responsibility. However, I think we need a better way to track all maintenance and repair costs to incorporate into the plan. This information would be the responsibility of Public Works.
- An option is to explore hiring a consultant to provide the ad-hoc Fleet Management Committee/BOS/RTM an updated Fleet Management approach

Long Range Planning
Opportunity #1: The Fleet

- Other Long Range Planning Opportunities
  - As the LRFPC progresses with recommendations on a long-range Fleet Plan the committee will note what worked and what didn't and apply those lessons learned to:
    - Building Maintenance
    - IT
    - Capital Spending
      - As influenced by what develops in the (3) prior planning exercises.
    - Staffing