

**BOARD OF FINANCE
REGULAR MEETING MINUTES
FEBRUARY 26, 2018**

I. CALL TO ORDER

The meeting was called to order at 7:04 p.m. in the Avon Town Hall by Chairman Thomas Harrison. Members present: Chairman Thomas Harrison, Vice Chairman/Secretary Cathy Durdan, and Ken Birk, Dean Hamilton, Michael Oleyer, Katrina Marin, and Margaret Bratton (arrived at 7:18 p.m.). A quorum was present.

II. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Thomas Harrison.

III. COMMUNICATION FROM THE AUDIENCE
(Including Board of Education Liaison Report)

David Cavanaugh, liaison for the Board of Education (BOE), reported that the BOE held a special meeting last week to vote on a measure to request funds allocated to Avon Middle Science (AMS) Lab Renovations for approximately \$667,000 be reallocated for the purchase of camera equipment in support of school security; the BOE is under pressure by the community to upgrade school security in a number of ways and will be covered under executive session at tomorrow night's BOE meeting. In response to a question from Mr. Harrison, Mr. Cavanaugh responded that it is understood by the BOE that these funds could only be used for capital items and not personnel. He noted that the BOE did not fund a School Resource Officer (SRO) for the High School and do not have a SRO at any other schools which is a community concern. In response to a question from Mr. Oleyer, Mr. Robertson responded that the AMS Lab Renovations Project was never put out to bid; it was funded as a "pay as you go" project over three years; there was a flawed estimate, an architect evaluated their program and estimates were coming in at \$1+ million. He noted that the request to reallocate the funds will be on Council's agenda this Thursday and before the Board of Finance at the end of March and if approved funds will become available immediately. He noted that the BOE also requested an appropriation in the FY 19 capital budget for school security upgrades for approximately \$230,000 and is included in the proposed budget and would be implemented across all schools. In a response to a question from Mr. Oleyer, Mr. Robertson responded that as of right now there is no plan to renovate the AMS Science Labs. In response to a question from Ms. Durdan, Mr. Cavanaugh responded that the requested funds are existing capital dollars and not in the FY 19 budget. In response to a question from Mr. Hamilton, Mr. Cavanaugh responded that there was no discussion about using the funds for people who could stop a problem; the BOE did speak about the need to have those people. Mr. Hamilton commented that as a parent of children in the school system he would rather have somebody there who could react rather than watch a video. Ms. Marin commented that the Roaring Brook School camera system malfunctions and half their windows are bullet proof. She noted that the Chief of Police stated a person would not be designated to monitor the new school cameras. Ms. Durdan commented on the elimination of the SRO at Avon High School. Mr. Robertson clarified that the reason there is no longer a SRO at Avon High School the Superintendent of Schools at the time eliminated the program in September 2016; hall monitors were brought in and unionized; there is interest in the program going forward again; there is no funding in the FY 19 budget and is meeting with the Chief of Police and Interim Superintendent of Schools tomorrow to discuss their needs. In response to a question from Ms. Bratton, Mr. Robertson responded that there is a shatter resistant film that can be placed on school windows but we have not received such request; the identification of a project and the prioritization of a project within the BOE's capital budget requests comes to us. Mr. Harrison noted that we are all interested in safe schools.

IV. MINUTES OF PRECEDING MEETING:

January 22, 2018 Regular Meeting

On a motion made by Dean Hamilton, seconded by Katrina Marin, it was voted:

RESOLVED: That the Board of Finance approves the minutes of the January 22, 2018 Regular Meeting as drafted.

Messrs: Harrison, Hamilton, Birk, Oleyer and Mmes: Bratton, Durdan, and Marin voted in favor.

V. OLD BUSINESS

17/18-07 Review and Discussion: FY 18/19 Budget

Mr. Robertson noted that Ms. Marin attended the Town Council Budget Work Session on Saturday. He noted that Town Council asked for a few adjustments and Council should make a recommendation at their meeting this week and should result in a 2.54% mill rate increase for FY 19. He noted that Governor's budget is not going anywhere which for Avon zeros out our ECS money along with any other community with a net grand list per capita of more than \$2,000. In response to a question from Mr. Harrison, Mr. Robertson responded that the State's budget had shortfalls as soon as it was adopted. Mr. Robertson noted that we have three potential projects that will require bonding – public safety radio system, Avon High School turf field project, and Old Farms Road Project (LOTICIP-Local Transportation and Capital Improvement Program is in danger).

The Board discussed the option of moving the Budget Workshop from the Avon Senior Center to Town Hall in the Avon Room but the consensus was to keep the location as is.

Mr. Robertson commented that Avon is one of nine towns in the state to receive the GFOA Award, out of one hundred sixty-nine towns; Avon has received it thirty-three times and the next closest is Cheshire with thirteen. Mr. Harrison commented that is a credit to everything done by the staff in the Finance Department and Town Manager's Office and extended congratulations to all.

17/18-13 Supplemental Appropriation: 828 West Avon Road, \$70,000

On a motion made by Michael Oleyer, seconded by Dean Hamilton, it was voted:

RESOLVED: That the Board of Finance hereby appropriates a sum not to exceed \$70,000 from Account #01-0390-43913, General Fund, Other Financing Sources, Unassigned Fund Balance, and transfer from Account #01-8700-58000, General Fund, Other Financing Uses, Interfund Transfer Out

to

Account #03-4848-53441, Capital & Nonrecurring Exp Fund, Town CIP-Facil/Land Acquisition, Soft Cost CIP, and Account #03-0390-43918, Capital & Nonrecurring Exp Fund, Other Financing Sources, Interfund Transfers In, not to exceed \$70,000, for the purpose of funding soft costs associated with potential land acquisition.

Messrs: Harrison, Hamilton, Birk, Oleyer and Mmes: Bratton, Durdan, and Marin voted in favor.

Mr. Robertson noted that the next Board of Finance meeting agenda will have an item to take a look at the tax impact of this; in the first year is layered in the capital budget and in the out years it is layered into debt service. He added that the Town Meeting will likely be scheduled for May.

VI. NEW BUSINESS

17/18-14 CAFR Presentation by Blum, Shapiro & Company, P.C.

Ronald Nossek, Audit Partner, guided the Board through a review of the Comprehensive Annual Financial Report (CAFR) and Federal and State Single Audits. He noted that Avon also receives a Certificate of Achievement for Financial Reporting as part of the CAFR that is issued on an annual basis. Mr. Harrison extended congratulations to all. Mr. Robertson noted that the Board of Finance has a policy in place that calls for an Unassigned Fund Balance of 10% plus. Ms. Colligan referred to page 56 of the CAFR. In response to a question from Mr. Birk, Mr. Robertson responded that it was not included because it is not an expenditure that we actually make but we have to quantify and represent for disclosure purposes. Mr. Nossek noted that most communities will determine their fund balance policies based on budgetary

expenditures. In response to a question from Mr. Harrison, Ms. Colligan responded that we still have an Old Farms Road Project that is outstanding at approximately \$400,000, we have received some of the funds but have not moved any of it back to surplus yet. In response to a question from Mr. Birk, Mr. Robertson responded that we are investing the money used to fund OPEB obligations through a trust fund with more flexibility to drive more of a return. Ms. Colligan referred to page 64 of the CAFR. In response to a question from Mr. Robertson, Mr. Nossek responded that with regards to cyber security Blum Consulting did recommend a Fraud Risk Assessment. In response to a question from Mr. Harrison, Mr. Nossek responded that towns are being affected by this. Mr. Robertson noted that management has taken proactive steps to acquire insurance against this issue. In response to a question from Mr. Birk, Mr. Robertson responded that the Town will engage with the BOE on this issue as well.

17/18-15 Response to Audit comments and recommendations to Management

In a memo from Ms. Colligan to Mr. Robertson dated February 22, 2018 she responded to the auditor's comments and recommendations to management for the fiscal year ended June 30, 2017. In response to a question from Ms. Bratton, Ms. Colligan responded she did not know why all of the firms did not respond to the original Fraud Risk Assessment RFP. In response to a question from Mr. Harrison, Ms. Colligan responded that she was not aware if other towns were having an issue getting bid responses but not a lot of towns have pursued these services either. She noted that the Town will go out again in the spring with an RFP and we have the funds to cover these services. In response to a question from Ms. Bratton, Ms. Colligan responded that we have to be specific with the scope of service and we need guidance from the firm as well. In response to a question from Mr. Oleyer, Ms. Colligan responded that the cost for a Fraud Tip Line may just be a phone line and also work with the Human Resources Department regarding setup.

17/18-16 Appointment of Auditor for FY 17/18

A memo from Ms. Colligan to Mr. Robertson dated January 29, 2018 was included in the meeting packet. In response to a question from Mr. Birk, Ms. Colligan responded that we used Blum for twelve years, then we went with Kostin Ruffkess for ten years, and back with Blum. She noted there are fewer firms that do governmental audits. In response to a question from Mr. Harrison, Ms. Colligan responded that the cost increase with the contract is minimal.

On a motion made by Cathy Durdan, seconded by Dean Hamilton, it was voted:

RESOLVED: That the Board of Finance authorize the execution of an agreement with Blum Shapiro to serve as the Town's auditor for the FY 17/18 audit.

Messrs: Harrison, Hamilton, Birk, Oleyer and Mmes: Bratton, Durdan, and Marin voted in favor.

17/18-17 Supplemental Appropriation: Youth Services Bureau Grant, \$19,798

On a motion made by Margaret Bratton, seconded by Katrina Marin, it was voted:

RESOLVED: That the Board of Finance hereby amends the FY 17/18 Budget by increasing:

REVENUES

General Fund, Intergovernmental, Youth Services Bureau Grant, Account #01-0330-43383 in the amount of \$19,798.00 and increasing

APPROPRIATIONS

General Fund, Human Services, Service & Consultant, Account #01-4203-52184 in the amount of \$19,798.00 for the purpose of funding expenditures, which will be reimbursed through approved State of Connecticut Department of Education Youth Services Bureau Grants.

Messrs: Harrison, Hamilton, Birk, Oleyer and Mmes: Bratton, Durdan, and Marin voted in favor.

VII. TOWN MANAGER'S REPORT

A. Monthly Financial Summary Report

Details were included in the packet report dated period ended 1/31/18 prepared and reported by Margaret Colligan. Ms. Colligan noted the following items: residual activity due to high collections, permit activity is doing better versus prior year; Recording & Conveyances are slightly behind; still have lapses and

holdbacks with the State under Intergovernmental Revenues; Charges for Services are running in line; Other Local Revenues are doing well and we increased it for FY 18/19 to \$300,000. In response to a question from Mr. Harrison, Ms. Colligan responded that we have been collecting at a rate of about 2% through a short-term investment pool. She noted that overtime with storm activity is going well.

B. Miscellaneous - Mr. Robertson noted that the new Superintendent of Schools is starting March 6th and there will be an overlap with the Interim Superintendent of Schools.

VIII. OTHER BUSINESS

Mr. Birk attended the CCM Municipal Budget Workshop in Milford presented by Mr. Robertson. Mr. Harrison noted that Ms. Marin and Ms. Durdan attended the same workshop in Southington.

IX. ADJOURN

On a motion made by Dean Hamilton, seconded by Cathy Durdan, it was voted:

RESOLVED: That the Board of Finance adjourn the meeting at 8:50 p.m.

Messrs: Harrison, Birk, Hamilton, Oleyer and Mmes: Bratton, Durdan, and Marin voted in favor.

Respectfully Submitted,
Cathy Durdan, Vice Chair/Secretary

Attest: Jennifer Worsman, Clerk

All referenced material is available to the public in the Town Manager's Office.