

**BOARD OF FINANCE
REGULAR MEETING MINUTES
MARCH 25, 2019**

I. CALL TO ORDER

The meeting was called to order at 7:03 p.m. in the Avon Town Hall by Chairman Thomas Harrison. Members present: Chairman Thomas Harrison, Vice Chairman/Secretary Cathy Durdan, Dean Hamilton, Ken Birk, Margaret Bratton, Catherine Salchert, and Katrina Marin. A quorum was present.

II. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Dean Hamilton.

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

David Cavanaugh, liaison for the Board of Education (BOE), reported that the BOE passed a resolution unanimously opposing all forms of proposed regionalization. In response to a question from Mr. Harrison, Mr. Cavanaugh responded that with regard to the shift in the teachers' pension to us, the extra cost is part of a union contract and to consider asking the union if they want the Town to make this payment as it could be considered part of their raises and the pension money could be in competition with members' salaries and benefits. Mr. Harrison noted that it is a BOE expenditure for its employees; it is not for Town employees. Ms. Bratton noted this would be a new expense to the residents. Mr. Robertson reported that towns have never been parties to the pensions and if this goes forward there is nothing changing that underlying structure; the return assumption continues to be 8%; and there are no fundamental changes to binding arbitration factors; the Town's FY 20 proposed budget does not include the teachers' pension item but there should be discussion about how to solve for it in FY 20. Mr. Hamilton noted that Avon is #7 in the State by median salary. In response to a question from Mr. Harrison, Mr. Robertson responded that the contribution increases over time as the unfunded liability goes up. In response to a question from Ms. Bratton, Mr. Robertson responded that Avon's formula percent is about 30-35%. In response to a question from Mr. Birk, Mr. Robertson responded that some of our neighbors are treating it more like a standalone expenditure in next year's budget and support it by the mill rate or some are hoping to cover it by being more hopeful on the intergovernmental revenue side which he would not advise the latter. Ms. Durdan commented that a standalone item would be the fairest way to do this. Mr. Harrison noted that he spoke to the Town Council Chair and BOE Chair and their discussion included budgeting for this item now and it is an educated related expenditure for BOE employees and to place it in their budget. In response to a question from Ms. Bratton, Mr. Robertson responded that if this component doesn't move forward, it becomes one of their expenditures whether they use it for the pension or for something else if you include it in their operating budget; if it is a standalone there is more control over it and put it on an assignment for the future. In response to a question from Mr. Hamilton, Ms. Colligan responded that the effect on the mill rate would be about 0.15 as about \$125,000 makes a 0.5 movement within the mill and not currently included in the present budget document. Mr. Birk recommended setting up a trust or invest the funds to get a return and manage the liability. The Board gave consensus that it should be a standalone and a slide added to the Budget Hearing presentation about this item.

IV. MINUTES OF PRECEDING MEETING:

February 25, 2019 Meeting

On a motion made by Katrina Marin, seconded by Cathy Durdan, it was voted:

RESOLVED: That the Board of Finance approves the minutes of the February 25, 2019 Meeting as drafted.

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

V. OLD BUSINESS**18/19-09 Review and Discussion: FY 19/20 Budget**

There was a general discussion regarding the Board's presentation at the Public Hearing, including adding slides regarding the revaluation and teachers' pension. In response to a question from Ms. Bratton, Mr. Harrison responded that over the next few weeks we should attempt to find a permanent place for the possible additional expense from the teachers' pension, however we should show a mill rate that assumes it will go through. Ms. Bratton commented on addressing what if it doesn't go through and our budget has already been voted to include it. Mr. Robertson noted that if it doesn't happen there are options for where to place those funds. Mr. Harrison asked that all presentation changes be submitted to Ms. Colligan by noon Thursday. In response to a question from Mr. Birk, Mr. Robertson responded that revaluation went up for houses \$500,000 and above, the more expensive, the more the value declined, and is a result of the economy.

VI. NEW BUSINESS – No new items were discussed.**VII. TOWN MANAGER'S REPORT****A. Monthly Financial Report Summary**

Details were included in the packet report dated period ended 2/28/19 prepared and reported by Margaret Colligan. In response to an inquiry from Ms. Durdan, Ms. Colligan responded that Public Works is within their budget appropriations for winter storm clean-up.

B. Miscellaneous

Mr. Robertson noted that with the State issues, this year we are in a very defensive position with the towns; any bills that have a fiscal impact, Avon is going to come up short. He provided a brief update regarding the AHS Synthetic Turf and Track Field Improvement Project, Old Farms Road Bridge Project, Nod Road, and Town Center Project. In response to a question from Ms. Bratton, Mr. Robertson responded that the capstones are at Public Works and the pillars will be saved and moved.

VIII. OTHER BUSINESS – No other items were discussed.**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 8:07 p.m.

Messrs: Harrison, Birk, Hamilton, and Mmes: Bratton, Durdan, Salchert, 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.