

**BOARD OF FINANCE
PUBLIC HEARING MINUTES
APRIL 3, 2017**

I. CHAIR BOARD OF FINANCE: Thomas Harrison

A. Preside and convenes meeting

Board of Finance Chairman Thomas Harrison called to order the Public Hearing at 7:05 p.m.

Mr. Harrison commented that everybody knows why we are here. His hope is to keep this meeting with the same tone that we had a few weeks ago when the three board met which had a nice turnout, was a wonderful meeting, there was respect; it was an Avon kind of meeting, everyone listened politely, and he hopes that will carryover every year. He introduced himself as the Chair for the Board of Finance. Under the Town Charter it is our Board that has the responsibility of figuring out how we assess taxes and all of that kind of stuff.

Mr. Harrison introduced members of the Board of Finance as Michael Oleyer, Cathy Durdan, Vice-Chairman/Secretary Tom Gugliotti, Margaret Bratton, Dean Hamilton, Jeff Bernetich, and our Clerk, Jennifer Worsman.

B. Advises the audience of the order of presentation tonight

Mr. Harrison stated that he usually gives a financial report on how we are doing up to this point in the year before we start. As of March 28th revenues are just about 100% on budget, meeting expectations and there is a page in the handout available at the door listing the revenue collections. He noted that on the spending side, budgets have generally been on target within the minor variations that occur through the year. He reported that we are, as every other town in the State, required to have an independent audit every year. Blum Shapiro is our auditor and were in last week to give us a report for the fiscal year that ended June 30, 2016 and it was a smashing positive report, a clean audit, no disqualifications, no significant deficiencies and no instances of non-compliance. It is reassuring to have somebody from outside the Town confirm what all of you know over the years, that we take very careful attention of your funds. The audit reported that as of June 30, 2016 our Fund Balance or surplus was \$10,782,000 which is on target and good to finish the year with a little leftover rather than be in a deficit. He noted that the State had a \$1.6 billion shortfall. There is a lot of talk these days about funding governmental pensions and one of the problems with the shortfall is that the State has grossly underfunded the pension program. Here in Avon, the audit confirmed that the balance in the Town's pension obligations is in the middle level; for funding analysis they talk about fully funded pensions, adequately funding pensions, and underfunded pensions which is the State's problem; the Town's pensions are funded at about \$4 million which is in the adequate range and are very pleased with that and another problem that we do not share with the State. The teacher pensions are a source of the big problem as they are being paid by the State and the Governor is trying to lay off about a third of those pension costs to the towns; the best information we are getting from the legislators that represent Avon, Senator Witkos and Representatives LeGeyt and Slap are that the Governor's pension plan is not going to happen in the fiscal year we are about to go into on July 1st but may come back next year when we will have more time to deal with it, plan for it, and factor it into the budget; there is a realization that his announcement to these adjustments in February when towns are beginning their budget process and it is too late in the game. As a result of that we are not going to put any funds in the budget that we ultimately propose to you to deal with that pension liability on the expectation that it is not going to happen in the fiscal year beginning July 1st. The biggest problem with the State is to significantly reduce and redistribute a lot of the State educational funding grants that we and other towns/cities receive; the purpose of these changes is called "wealth transfer," funds from the "wealthy towns" to towns that need it and Avon is one of 130+ that is a "wealthy town" and will have a direct impact on

our budget process this year. By cutting grants that we won't receive, we will have a funding shortfall of about \$737,000 and would be money placed into the General Fund, Town's principal account for paying its bills and services. The required mill rate if we don't do anything else in between would be 3.62% which is significantly higher than anything we have had in recent years and a direct result of the shortfall with the wealth transfer from wealthy towns to less wealthy ones; it is real and happening and legislators have told us to expect that. The Town Council will make its presentation first followed by the Board of Education. We will have a short presentation on the funding and how we expect as a Town to pay for these things.

He honored one of our Board of Finance members, Tom Gugliotti – Vice Chairman, the longest serving member on the Board, also become a good friend, and has announced that he will not be seeking re-election this November. On behalf of our Board we are going to miss Tom and his wisdom and patience and moved as the Chair at this meeting that we give Tom a standing ovation to thank him for his service (applause). Mr. Gugliotti thanked everyone.

- C. Leads Audience in Pledge of Allegiance to the Flag
Mr. Harrison led the audience in the Pledge of Allegiance to the Flag.

- II. CHAIR, BOARD OF FINANCE: Thomas Harrison
Calls on Chair, Town Council to present proposed Town Council, Sewer, Debt Service and Capital Improvement Budget for FY 2017/2018

Mr. Harrison called on the Town Council Chairman Mark Zacchio to come forward to make his presentation.

- III. CHAIR, TOWN COUNCIL: Mark Zacchio
Presents the Town Council, Sewer, Debt Service and Capital Improvement Budget for FY 2017/2018

Chairman Zacchio guided the audience through a Power Point Presentation. The slides are attached to these minutes. He introduced the other Council members in attendance: Bill Stokesbury, Heather Maguire, David Pena and noted that Jim Speich is not present tonight as he is traveling on business and sends his regrets. He stated the Town's mission statement. That is a balance and have spoken about that for the last fifteen years up here between our willingness and ability to pay and the services and the cost of those services to run the Town of Avon and Education Department. Tonight's meeting is a lot about what the two Boards that you elect have decided as they work through the budget process which starts back in November and brings us to this point. You will hear a lot about the inconsistencies in what we have seen from the State this year; generally revenues from the State are pretty predictable and the Town begins to base the General Fund budget based off those revenues that come out of the Governor's budget. Since the Governor's budget was so different this year and called for such a drastic change in terms of how distribution of State dollars happen and Avon only received about 3 cents back on a dollar for every tax dollar sent to the State in the first place, it sent the Boards into a bit deeper discussion on how we would provide those services next year and it has been tough for both Boards. We struggled with the 2.5% cap that the legislature gave us last year. Then with the Governor's budget changing the revenue picture so drastically we went through a different process this year than normal to come to this year and there is a lot of risk in this budget as it assumes revenues that may not be there in October when the State finally has a budget. We take that gamble every year as we are preparing this budget and going to referendum far before the State gives us final numbers. Because of the confusion this year with the budget and the inconsistencies we are concerned about what it looks like and will deal with whatever comes our way but it represents our forecast for what might happen and our ability to react to that. Activities funded by the operating budget include a broad look at the Town and

services we provide for our seniors, our general citizens and kids through our recreational programs. Public Safety includes the police, the Fire Department which is all volunteers and operates on a grant and equipment provided by the Town. Another big expense is charges for hydrant rentals to Avon Water Company/CT Water Company as we do not own them. Public Safety accounts for about 43% of the Town's operating budget. Public Works includes administration, roadways, machinery and equipment, buildings and grounds, all of the fields and upkeep, plowing our roads, taking tree branches down that fall in the roads, fields and maintenance and they do a great job with the number of folks working there and accounts for about 25% of the Town's operating budget. General Government includes the Town Manager and his administrative staff, Finance, Assessment, Revenue Collection, IT Department, etc. and accounts for about 14% of our Town's operating budget.

Chairman Zacchio noted that the infrastructure needs in Avon continue to be difficult to keep up with every year; the worse the winters are, the worse the rains we have, the worse the roads get, it depends on what oil prices are; it is very important for us to keep up with the infrastructure. Mike Monts, former Board of Finance member, used to say that those infrastructure needs are going to be there for you next year whether you fund them or not and they just get worse as time goes on. OPEB is the healthcare for retirees. The State is facing a pension liability problem with the teachers and part of that comes from not keeping up with the funding necessary in order to pay out what the actuarial benefits are going to be for the teachers across the State. Avon does not have a DB Plan for employees any longer; if you were not an employee before 1997 you are in a 401K Plan like the private sector; we only have about 9 members still active employees of the Town in the DB Plan and about 86 retirees. We continue to fund that at an adequate level and the audit looks at where that funding is and we can project out how long that will take for that to become self-sufficient in terms of actuarial numbers and number of employees that are collecting and we think that number is in around 2025-2026 it will become self-sufficient and is bigger number than our combined salaries altogether. Our core services focus on Public Safety (Police, Fire, and Public Works) as well as integrate private vendor contracts for grounds maintenance, janitorial services, IT services, catch basin cleaning, snow removal for some of the Town facilities, field irrigation maintenance that make us more efficient and does not cost us more full time employees that have full-time benefits and provide a more competitive bid process for us to get those services at the best level possible.

Chairman Zacchio highlighted the "big rocks" in the operating budget. We have a number of bargaining units. We went to arbitration with the Police Department this year over a 0.25% and the Council was willing to take that gamble as it set a precedent for us to say that when we negotiate a fair contract if there is more that needs to be talked about we will do that in the future but we are not going to budge on a 0.25%; we went to arbitration and won which is a rarity for us, it keeps our salaries and wages in check versus the private sector. The biggest part of our budget is the increase in DB and OPEB.

Chairman Zacchio noted that we have been able to maintain a pretty even level ratio between Town employees and the number of people who live in Town that we service; in 1970 that was 0.5% of the population and today is 0.57%. We are able to do that by using vendors for some services and finding contractual services where it makes sense to do so. The capital budget projects for FY 17/18 include road improvement dollars, paving between six to ten road miles depending on oil prices, the weather and how quickly we can get contractors. We don't own the equipment that can pave the roads. We own equipment that can do skimming and fill potholes for short-term fixes. The Avon Police Department building renovations is a big part of the capital budget. The squad room and some of the officers' room including forensic laboratory for internet crimes is on its way to being rebuilt as it is an inadequate space as it operates today. Fisher Meadows Field Expansion is using \$250,000 with a matching approximate \$250,000 from two other accounts. This was recognized in the 2007 Master Recreation Plan and has become important for us to expand for the number of programs that we offer and number of sports continually that use those facilities. Phase

II of the PGS Air Handling/RTU Replacement pays for us to be able to replace those in groups instead of one. As those are running out of useful lifetime we are replacing them ahead of time. Sewer projects are not funded by the taxes and only those have sewers. We have a potential reconstruction of Old Farms/Thompson Road and has been going on for quite some time; the bridges are too narrow for today's cars. We are working on planning for that for the future. He noted that it is super important to keep up with capital improvements as time goes on.

Chairman Zacchio highlighted Debt Service. We have about \$2.8 million in debt service that we pay each year. Our capacity is up to about \$4 million so the remaining dollars are being shifted into capital so we can use those dollars to pave more, make sure our infrastructure is solid. There are anticipated borrowing events that have not gone to referendum yet, may not have projects for them, but we plan out over these number of years as to where the borrowing might happen and what it will do to our debt service. Money gets pulled out of capital and would shift to pay for the mortgage or borrowing that we have. He highlighted the Projected Debt Financing. The Public Safety Radio System would incorporate Fire, Police, Public Works, and the Schools with a system that is much more expansive with the coverage. We have a lot of blackout sections with Town where Police and Fire cannot communicate with Dispatch. The system is due for upgrade and just now getting some hard numbers together. We are not sure what the Old Farms Road will look like at this point. We continue to work with the Fire Department on their potential need for a fire station on the west side of Town.

Chairman Zacchio highlighted Town-Board of Education Cooperative Ventures. We have had a rich history of cooperation with the Board of Education that continues today with a number of venues that we work together. The Council and Board of Education have always worked as one team and kept our budgets together; we are one Town and always felt that is how we should move forward. We have a number of sharing opportunities with other towns, i.e. North Central Municipal accident reconstruction team, SWAT, dive, traffic and narcotics task forces, internet task forces; Farmington Valley Health District. We share some equipment with other towns by taking care of Rails to Trails, a paving machine that does pothole repair in the winter; some of the equipment is housed in Avon which is to our benefit. We are always looking for new ways to share services and regionalize with the towns around us wherever it makes sense for us to do so.

Chairman Zacchio highlighted the Town Council Proposed Budget for FY 17/18. He recognized some of the good work that the Town has done over the last year; both the Council and Board of Education has been involved with as well as the Recreation and Parks Department. Public Works maintains 112 miles of road and approximately 100,000 square feet of interior building space, over 1,000 acres of recreational zoned property which includes 28 miles of trails, Sycamore Pools and 172 units of equipment/apparatus. We have used that crew and have done a great job of helping us accomplish some projects at a much lesser cost than it would have been if we had gone out to bid. They helped with some of the wiring on the sidewalks that were installed on the east side of Hopmeadow Street up to the Town line and the lighting that goes with it. We purchased two new fire trucks over the last couple of years. The Police Department is accredited with CALEA which gives us an advantage from an insurance perspective but also from a protection and liability perspective for the way they operate; they are active in the community and schools; they have special training for Bear Awareness, Au Pair; our Police Chief is accredited with the Police Chiefs Association; congratulations to Lieutenant Kelly Walsh who just graduated from the FBI Academy in Administration and Professional Police Work and she also teaches at University of New Haven. The Avon Free Public Library has expanded over the last few years; what a fantastic job Glenn Grube has done there as our Director; he is also the VP of the Library Directors' Association. A lot of folks that work for us are doing some really good work around the State of Connecticut and we should be proud of that. Our Senior Center where we sit tonight offers a lot of programming for every age group; the seniors enjoy many of the programs that happen here each week, a number of activities are very helpful to our senior population. We did a cooperative building with the Farmington and Avon Volunteer Fire Departments that gives our members an opportunity to train

in a live fire situation, burning the building from the inside out operating in training mode. Every time a call goes off they go out to save one of our lives and participating in this and building this facility for them gave us a chance to maybe save one of their lives. They are volunteers and we want to put our best foot forward so we helped them build this fire training center and it is quite impressive if you ever have a chance to watch them in operation. A lot of this is driven by the Town Manager, Brandon Robertson, who runs the day to day operation for us. He is looked to by veterans in the business as well as new folks coming in for advice. He puts on a budget workshop in Southington that is attended by folks across the State in terms of how to budget properly and work within the audit scope. We should be very glad to have Brandon as our day to day leader. Hopefully most of you are on the internet and are receiving e-mails already from the Town. If you have an opportunity, go to the web site and sign up if you haven't already done so. You are able to choose what you want to receive. It is a great way to get information about meetings, our happenings, and staying in touch and notified of what we are doing; it is a great service. He highlighted next steps in the budget process. We hope the budget referendum will turn out enough people to have it decided by the people of Avon and not by Charter default at less than 9% of the voters.

IV. CHAIR, BOARD OF FINANCE: Thomas Harrison

Calls upon Chair, Board of Education to present the proposed Board of Education Budget for FY 2017/2018

Mr. Harrison called on the Chairman of the Board of Education, Houston Putnam-Lowry to come forward.

V. CHAIR, BOARD OF EDUCATION: Houston Putnam-Lowry

The proposed budget is approved by the Board of Education. He called upon Gary Mala, Superintendent of Schools, to present the proposed Board of Education Budget for FY 2017/2018

Mr. Mala thanked the community for their outpouring support for their fallen bus driver, Steve. He invited everyone in a moment of silence to remember his tremendous service to the children (silence); and thank you very much on behalf of the family. He thanked Tom Gugliotti and it has been his distinct pleasure, both personally and professionally, and appreciates his public service. He introduced Heather Michaud, Director of Fiscal Operations for the Avon Public Schools. He guided the audience through a Power Point Presentation. The slides are attached to these minutes. The school district has the single largest department of the Town and has a mission statement and beliefs which is multiple pages and hopes you have an opportunity to review that periodically. It is very student centered. Our decisions are made on what is best for the students and the families we serve. This is the 6th budget hearing that he has had the pleasure of presenting at. Each year has its own challenges and this year has some that are really unknown at this time. He reviews everything that is proposed to him to formulate a Superintendent's budget and then present in November to the Board of Education at which point they make decisions and becomes their budget that he is presenting now. Re-appropriation is using money that has been approved in an operating budget in a different way to meet some strategic goals that we have set. There was a modest approval of some new items totaling approximately \$75,000 for transition services that we are required to provide for students who were identified as needing additional services. If a student is classified under a special education law we are required to provide services for them up until age 22. There are special devices that students who have a variety of different disabilities who benefit by using assistive technology. Public education, schools, school districts are labor intensive. Transportation is a significant cost. If there were not enough copies of this presentation it is easily accessible on the district web site under the budget tab. Accounts with requested funding increases were highlighted. Contracted services includes transportation. Current expenditures per pupil were highlighted. There is great variance between school districts. Non-local property tax revenue was highlighted. Special Education Tuition Reimbursement is associated with any additional services that a non-resident student who is enrolled here under the Hartford Choice Program may require.

A number of years ago a person made a suggestion to have us present a slide and show where the dollar amounts being received by having a non-resident enrolled in Avon where that money is being spent and is illustrated here. Grant revenues were highlighted. Amount of grant funds is beginning to decline. All are federal grants except Adult Education Cooperative. We have to offer adult education and do so as part of a cooperative with Farmington and Region 10 (Harwinton/Burlington). We sign our funds over to Farmington who coordinates a very comprehensive program. Adult education includes ESL, adult basic education, preparation for GED exam, and some courses for fun. Most grant funds are used to fund positions in our budget as well as professional development. August 2014 he added four teachers because our enrollment exceeded what was projected. In August 2015 he added five teachers. The pattern for the last three years is we have more people come in than projected to go out. Enrollment will be updated as the weeks goes on. Kindergarten registration is currently going on. It is a people driven profession and what students need to be successful. In order to achieve this budget we are reducing 22.5 positions. We created stipend roles that people will perform above and beyond their regular position in lieu of hiring a full-time position to do those services. He clarified something that he said at a previous public meeting when there was discussion about people freezing their pay. He read the note on slide 21. \$200,000 is a lot of money but in the aggregate you would have expected something much larger. He echoed Mr. Zacchio's comments that we have the good fortune to have three elected bodies that work extremely well together. He appreciates the Town Manager's assistance and partnership as we continue to navigate each year and face the challenges in the most responsible way. We continue to promise to be transparent, open as we have been during my tenure. He appreciated the opportunity to present the Board of Education's budget.

VI. CHAIR, BOARD OF FINANCE: Thomas Harrison
Presents Board of Finance Overview

Now we get into the nitty gritty, where does our money from, how do we get it, how does it affect you, and what do you want us to do when we get to the question and answer session.

Mr. Harrison guided the audience through a Power Point Presentation. The slides are attached to these minutes. He began with the summary comparisons for year to year. All budgets combined almost \$91 million, about \$1.8 million increase over the current fiscal year which is 2.09%. The 2.5% soft cap has somewhat gotten lost in all of the discussion about revenue cuts and pension being laid to the Town. Last year legislature passed a soft cap to limit municipal spending increases to no more than 2.5% with certain costs excluded from that but the cap is still out there; there is a penalty if you don't meet it. We did meet it and we budgeted with that cap in mind. We have heard the Council and the Board of Education talk about what they would like to spend this year. We have to now figure out how to match the revenues with that. He noted we are very fortunate to have Brandon Robertson. He gives an annual budget presentation that he attended this year along with Ms. Bratton and said something that to people here in Avon makes a lot of sense. There were elected/appointed officials from other towns throughout the State who were wide eyed to hear him say that when you are developing your town's budget the first thing you should look at is your revenue estimate. You would be surprised at how many towns add up the things they want to spend and then figure out where the money will come from to pay for it. In Avon we work on revenues first and then see what we can back into that and why we have a pretty good reputation for being very fiscally responsible. He noted that the 3.62% tax increase is high. The practice in Avon is that a mill rate increase over 3% is troublesome. This is an extraordinary year and never really had a year where the Governor budgets the money around from wealthy towns to less wealthy towns. He highlighted Avon revenue options being limited and stuck with what we can do to raise our own revenue. He highlighted Revenue Raised by Source. He noted that the mill rate would go up from 29.52 to 30.59. If the budget is approved as recommended without changes you take your assessed value and multiply it by 30.59. You can also go to the Assessor's web site and punch in your numbers for your property address and how much more you will pay if the mill rate is \$30.59 per \$1,000 of assessed value. He highlighted the calculation for the 3.62% tax increase. We are going

to talk tonight and will probably come up with some of your questions or comments, fund balance, a fancy word for saying how much surplus do you have? How much balance do you have leftover in your accounts that could possibly be used to provide an additional revenue stream? There are two categories: assigned-put in reserve for a specific purpose and unassigned-used for very unusual and serious conditions. Unassigned fund balance would be the one to look at and there is a policy in place that restricts and put some conditions on how often you can dip into surplus. An example of a non-restricted use would be a piece of open space that would be at the Town's advantage to purchase it. It came in very handy about four or five years ago during the Halloween storm for outside crews to come in and clean up. It is one of the uses we would have for totally unexpected and extraordinarily complex issues that are unbudgeted. We are not projecting what the fund balance will be for next year, just carrying over the current number.

He highlighted Property Tax and Assessments. This is where we are in terms of what comes in and us as residents are paying over $\frac{3}{4}$ of the property taxes in the Town. He highlighted Non-Property Tax Revenue. When you pay your property taxes in the month of July you are paying half of your property tax and all of your automobile and/or sewer fees and is more than half our budgeted revenue. We don't spend it all in one lump over the summer so we can invest that and earn some interest on it. In past years when interest rates were a lot higher it was a very significant revenue source for us but since the economic downturn and almost 0% interest rates it has not been particularly productive for us. We have some cell towers in Town placed on Town land and we charge rent for that and would be another Other Local Revenue source. He highlighted the Board of Education, Town & Sewers requested spending for FY 17/18. These three things are gathered together because they are things that the Board of Finance can change during the budget adjustment process. We cannot change the debt service and sewer tax. He highlighted the Avon Grand List changes. It is not the big source of money that we used to have. The Grand List is the total value of all property in the Town. In the late 90s/early 2000s it grew 4-5% per year because of construction and provided a huge bonus for year to year changes in the budget. Over the last several years we have been at less than 1.0% growth with the Grand List. He noted the revaluation year when the Grand List declined. He highlighted the Mill Rate Change Comparison. If this budget goes through without any changes the new mill rate will be 30.59. He highlighted the Town-by-Town Mill Rate Comparison if you put your house in another town. We are the second best among our peer towns; this is a State formula. Farmington has a huge slice of the Westfarms Mall and the complex along Route 84 with the Marriott and office buildings and have a much bigger chunk of non-residential property that they can tax that we do not have here and gives them the lowest effective tax rate. He highlighted the Requested Budget Summary. We have to find some way to raise \$90,913,236 and to do that we have options. Property taxes are about 88% of our revenue, the rest of the sources are not quite the same in terms of volume. If we are going to make changes if that is what you would like us to do we do not have many places to turn to. If we could find additional revenue sources that would help us reduce the mill rate but there are not many options. One potential revenue source that the Town Manager has assured us might be available is some use of surplus. We have no other grants to look to. We are locked into the revenue estimates that are on the table tonight with the possibility of losing some small amount of surplus; another option is to reduce expenditures or some combination of the two. In your comments tonight, for us we are interested in knowing what is your sense? Should we put it out to you for the 3.62%, reduce it. We would like to get some thought on what you would like to see happen.

CHAIR, BOARD OF FINANCE: Thomas Harrison

Calls upon the audience for questions and comments on the Town Council, Board of Education, and Board of Finance budget presentations.

The procedure we have is the same as every year. If you would like to speak please line up behind the lectern. We need your name and property address because to qualify to speak you have to be a resident of Avon or property owner of Avon. We would like you to limit your talk to about three minutes. Ask questions about the budget, not just too high or too low but why the Town did not

pave my street this year or why the Board of Education did not like certain new pencils or something.

Scott Glenney, 352 Northington Drive – In looking at the general formula for raising revenue, by increasing the mill rate alone is not obviously the only part of the equation. How much does the Town look at? What goes into effective property values? Do we look at areas around the country that seem to have a strong real estate market and look at modeling after that? There are a number of areas in the real estate sector that when a reassessment comes, a 3.5% increase on a mill rate when you are looking at some homes that may have seen a 10% decrease in value when the reassessment comes around. We are not going to make up the ground doing that. Everything that the Town does to make it a better town, the schools, the services, but does the Town actively look at those factors. Mr. Harrison commented that he can give a partial answer but asked the Town Manager to give his take as he is closer to the day to day picture who oversees the assessment office and explain some of the things we have looked at or can look at which may help you. Mr. Robertson, Town Manager, responded that as he heard it, the question is do we look at the Town from a best practices perspective, do we look at other communities nationwide as we think about services and what we are offering. The answer to that is yes. The staff person that would be most responsible for that would be the Director of Community Planning and Development, our Town Planner. The Town Planner and Planning and Zoning Commission just completed the 10-year update to the Plan of Conservation and Development (POCD). If you are going to look at one document about a town look at the POCD which explains all of the various land use policies and includes a zoning map. The best example he can think of right now on how we integrated best practices into our most recent Plan is the concept of sustainability. The Town Planner did a lot of national research and incorporated language from the Capitol Region Council of Government's POCD into our local Plan to try to bake in some of those concepts.

Linda Merlin, 48 High Gate Drive – We used to pack this room and is disappointed that there aren't more people in here especially during such a complicated year. Her question is for the Board of Education. You gave a lot of numbers and talk about cutting a bunch of teachers and if her kids were still in the schools she would probably know what the real impact but I don't and it is not here. I see 22.5 positions cut, 13 look like they are actual teachers in the elementary and secondary schools. Are classes sizes smaller, what teachers are you cutting. She wants to know the quality of cut actually is. Mr. Lowry, Board of Education Chair, responded that there was a slide that showed class sizes are going to go up somewhat. I think the highest was 22 in the high school area. They are going up but not going up catastrophically. Ms. Merlin commented that five teachers from the elementary schools are being cut, just general teachers. Mr. Lowry referred to Mr. Mala, Superintendent of Schools, who might be able to tell a little more but he does not think the final decisions have been made as to which particular teachers are going to be cut. He yielded to the Superintendent for more guidance on that. Mr. Mala responded that the 5 elementary teachers are very easy to see if you look at slide 16 and see where we are dropping sections because of the movement of students. We have another 8 certified positions that are slated to be eliminated at the secondary level which includes high school and middle school. They have yet to be identified because the students are currently picking classes for next year and that is not done in the Middle School until April 23rd. The other positions have been vacated due to retirement. Given the uncertainty of the year it was nothing beyond what you can see identified because we have to wait and see what the Board of Finance does and is ultimately going to drive all of our decisions. As you know, when you take one position out in a school district it has a ripple effect being does it eliminate a service, that person then has bumping rights and all of that detail has not even been discussed with the Board yet. We were looking at a number to present and the confines of the number were based on the directive we were given. Ms. Merlin commented that it is hard to vote when you don't know what is being cut. She thanked Tom Gugliotti for his service. Mr. Lowry added that the objective of the budget was trying to preserve services, not to cut anything; there was pressure to cut this or that, one example was Chinese but we are in the process of growing the program, we only pay for one-third of the three teachers we have because the rest are supported by

grants; we didn't want to cut the strings program so we did the best we could to try and preserve all of the services. If we cut any more we are going to lose some services. At the moment we are very proud of the fact, even though we have fewer people we think we can provide the same level of services. Sometimes classrooms are going to be bigger, we do apologize for that but we only can spend what we have a pocketbook for.

Kent Jamison, 3 Alder Lane – Most of his questions go to the Board of Education. In general he is trying to follow the different towns and how they are dealing with this unprecedented sort of unknowns that we are all facing. West Hartford had to give notice to their non-certified personnel to resign in case they had to let some of them go during the summer. Are there other kinds of constraints that you are operating under? Back at the March 4th meeting you all were concerned that maybe the City of Hartford might not come through this spring with some money that was due to the Town and are you still worried about that? A big chunk of your increase comes from contractual services and can you explain that in a little more detail. His observation in general is that you are asking for this 30.59 percent mill rate increase but there is still worry that we might get a nasty surprise from the State in which case we would have some kind of assessment this summer. Mr. Harrison responded that in politics there is nothing that is absolutely certain. We are being told consistently by the legislators from both parties is that the pension draw down to the towns will not happen in time for this July 1st fiscal year; it may come back the following year. On the reductions in the grants and transferring of some of the education dollars from towns like Avon to towns like Hartford we are being told will happen and we are budgeting for that. If for some surprise from everybody a majority of both parties of the legislature adopted to take effect July 1st the pension for Avon that would be about \$2.8 million dropped in our lap. We would have to have a supplemental process and most likely because of the dollar amount involved require another Town Meeting and another Referendum but he does not think that is going to happen. As certain as anybody can give us assurances that won't happen this year and will not need to go out for a special assessment but cannot give you a guarantee. Mr. Jamison commented that we may not get the big one but we still might get a nasty surprise. Mr. Harrison responded that the State is wrestling with a \$173 million deficit and may suddenly look out away from Hartford and see wealthy towns again and again. We are locked in our budgets and the second Wednesday in May is when we vote on the budget. The legislature may still be in session in August or September. If they do something like that after all of the towns and cities have adopted their budgets and come down with something that would be retroactive to July 1st we will have to wrestle with it and have to go through the supplemental process and could involve a Town Meeting and Referendum depending on the dollars involved. Mr. Jamison commented that at which point we have already given you the 30.59. Mr. Harrison noted that it is an election year at the Town level and if you are unhappy you can do things that way too but we have the deal with the cards that we are dealt and right now the State does not look like it is going to deal us an unexpected card. Mr. Lowry responded that Boards of Education are the only elected boards where we have personal liability if we overrun the budget so we are very careful to make sure that we do not over run the budget because they can come back to us and say split it up. In terms of non-renewals it is May 1st when we have to give those, that is for certified staff. If there are contractual services for non-certified staff (teachers, nurses, and so on) then we will follow those contractual requirements. Depending upon what the kindergarten enrollment is we may go a little deeper on the non-renewal and let people know that we will have talk to them at the end of the season when we have a better idea on enrollment. We don't like to give massive non-renewals like West Hartford. They built-in the entire pension layoff into the Board of Education budget so they have 248 layoffs that they sent out notices which we have not done that clearly. We may have to go a little deeper than we expect, particularly in the kindergarten area, and we may have to rehire so there is some level of uncertainty. In terms of contracted services we have mainly substitute teachers and transportation. Transportation we have done relatively well, extended our contract by another year to four years and negotiated overall a one point something increase over the time period. In terms of the line items, the substitute teachers, those have gone up because we get them through Kelly Services now. Mr. Jamison is a little confused about the Contractual and the Transportation; you have a certain number of school buses. Why would it go

up so much from the current year to the next? Mr. Mala responded that we had to add buses to the number of runs we had. He clarified Mr. Lowry's explanation about the substitute teachers. We used to have our internal calling system to do that. Almost every school district in CT went to a contracted vendor to do their substitute teaching assignments because of Obamacare. We may have an individual that substitutes in a combination of our schools every day of every school week and puts them beyond the threshold where Obamacare requires us to offer medical benefits to them. Had we not made that move our potential liability was over \$4 million. That is why there is no longer a substitute teacher line item in our operating budget. Mr. Jamison asked if that is a change from the prior year. Mr. Mala responded yes and Kelly Services as that contracted provider covers the unemployment cost, FICA, Medicare, and any worker's comp. Mr. Jamison expressed thanks. Mr. Lowry commented that in terms of the city of Hartford while he understands that they have gotten an infusion from several corporate citizens it will cover them for this year; last estimate he saw for next year is that they will have a \$55 million shortfall. The suggestion he has made to the office as Hartford owes us money for various things and we owe them money for various things send a net bill so we do not give the money if we might not be paid back.

Dick Burkett, 40 School Street – Been there over 40 years now, so far my taxes my taxes have been going up for 40 years and my benefits have been going down. When we first moved here the Landfill was open all week and now it's only open two and a half days, we used to get the brush pick up and now you have to take the Landfill and pay to do that. Today in the paper the Town of Simsbury only asked for about a \$640,000 increase in their budget and we are asking for \$1.9 million in our budget and the Town of Simsbury is larger than the Town of Avon so why is our budget so much more. It seems like we have lost our identity on who is the employer and who is the employee when it comes to teacher salaries. Last year or year before they were making \$125,000 a year. Two years ago the average income in the State of Connecticut was \$68,000; teachers are getting paid twice as much as the average income in the State of Connecticut. Why was that? Why is our budget so much higher than the other towns? Mr. Harrison responded the quick answer is different levels of population, different size of grand lists, different levels of services or non-services, some towns have fire department with full time professionals and some don't, some have more children in school systems so you cannot compare apples to apples. Yes, our budgets have been going up, everybody else's have as well. We still have a significant lower tax rate than Simsbury who is at 38 and change, we are at 29 and change. He has lived here for about 28 years and have seen the same increases that you have and affects us too. The differences between the towns contribute to why there are different tax rates and different budgets and so forth. It is the best answer he can give. Mr. Burkett commented that school enrollment has gone down. Up where he lives School Street runs into Huckleberry Hill with a lot of big houses that sell for \$840,000 on up and paying a lot of taxes and before there were a lot of trees there which don't pay taxes. We didn't have the income that we had the year before. Mr. Harrison commented that the grand list growth this year is not even 1%, it is about 0.6%. Mr. Burkett commented that we functioned on not having that money the year before and still paid our taxes. The State is so much in debt. You see the nice stripes on the stop signs and yellow ones on the other but we don't have the money. Mr. Harrison wished he could give a more satisfactory answer but he can't but thank you very much for your time.

Joe Bartosiewicz, 5 Colby Way – I am here every year, it's that time of year. I am a CFP and manages hundreds of millions of dollars for businesses, personal wealth management, and corporate structure. When the transfer of teacher pension liability from the State to the Town can be as high as \$2.8 million what is the incremental tax increase because of this. Mr. Harrison responded that he does not have those numbers worked out. The Town Manager responded that it would be about one mill. Mr. Bartosiewicz commented that the private sector has to pay a mill for somebody else's pension that we don't get. Mr. Harrison commented that we are paying some of that through the State taxes. Mr. Bartosiewicz commented that we have to pay double. Mr. Harrison responded yes. Mr. Bartosiewicz stated that average private sector teacher, all out, he went to 27 schools, makes \$0.42 on the dollar compared to the Avon public school teacher when

you count salary, cost of living, pension that they don't get, pay much greater percentage of insurance. Average teacher private sector from 1982 to 2017 makes about \$2.6 million, the average teacher in Avon makes \$7 to 7.5 million over the lifetime divided by 35 years, so \$200,000+ per year from day one, making \$100 an hour from 1982, that is severe and why 39% of his clients are moving south. The average property tax anywhere from Indiana down to the Carolinas where the school systems are just as good for the most part are \$3,000 for the same house that I have at \$750,000. That is why everybody is moving out. The financial model left unmanaged does not work. What are you doing to bring the situation under control over the next ten years so taxes won't double? Mr. Harrison could not answer that question. Can Avon control the cost or increase the pension contribution since we could be paying for it, increase the insurance payment, his insurance costs went up 57% and another 40% for prescriptions. His health insurance almost doubled. He pays \$33,000 for three people. Mr. Harrison stated that these statistics are interesting but they do not do anything to help us as the Board of Finance with this budget. He appreciates the information. Mr. Bartosiewicz commented that if the pension responsibility is turned to the town and taxpayer you will see a 5 to 7% increase per year over the next ten years. How is that going to attract businesses and people to this town? Avon will go bankrupt.

Kathleen Randall, 135 Northington Drive – Said thank you to all of the people who serve on these boards as it is a lot of time and effort and personal sacrifice away from your families. In regards to this number of the salary freeze how was it calculated, page 21 of the BOE presentation, a savings of \$200,000. If she goes back to the salaries and benefits it is \$45 million and trying to figure out if the teachers were to take 2% it would be \$900,000. What is the numerator and denominator on that? Mr. Lowry would defer to our Business Manager but the short answer is that people are at the top of the step and do not go beyond. Analogize it to a ladder, if you have a bachelor degree you start at the bottom rung and go all the way up the steps, usually in yearly increments and then stop. A lot of people like teaching in Avon and even though they jump ladders because they get an extra degree they still max out. Ms. Michaud, Business Manager, stated that when she did the analysis on the positions on the salaries for Avon Public Schools it wasn't done just on teachers but on every single FTE that we are currently budgeting for. They could be anywhere on the salary scale or not on a salary scale depending on if they are affiliated or non-affiliated so the net effect of everyone where they were positionally budgeted minus what we actually reduced at that \$1.6 million and what was remaining between the year prior and what we are asking for we are looking at \$200,000 in new money that would be realized if we were asked for freezing everyone that we would positionally budget for. Does that make sense? Ms. Randall responded no. She referred to page 8 of the BOE presentation and you added up the salaries and benefits, about \$1,050,000 give or take, you can see from one year to the next you had over a \$1 million increase. If we said we were going to cut the salaries by 1 or 2% it would come out to be a much larger number. Mr. Lowry responded that we have also reduced the number of people. In column A where you have last year there are more people, column B has a smaller number of people and we said pretend we freeze salaries for the surviving people that is a \$200,000 savings. Yes we are losing 22.5 people between this current year and next year. Ms. Michaud stated that it is not a reduction, we are not cutting salaries we were just going to freeze the salaries. Mr. Mala commented that tomorrow morning we will post on our web site the actual report that we used to generate that fact of \$200,000 and will be very clear when you see it. Ms. Randall commented that Choice is listed at \$1,056,000 coming in as revenue on two other pages you had \$720,000. Is that a typo? Mr. Mala responded no; it is what we projected versus what we actually realized. The issue is we declare 12 students each year in preschool, the 132 includes the 12 but the other students are in our continuum from kindergarten through grade 12 and depending on what percentage that enrolled number of non-resident students reflects and drives the reimbursement that we would get under the attendance grant. There is also an early beginnings grant that is for preschool and kindergarten. There are three different pools of money. The biggest pool of money is the SHEFF grant that we have to physically write and be awarded and anticipate losing \$100,000. The numbers that you see as projected numbers are what we have calculated using the information provided to us from the CREC Open Choice office and they changed. Ms. Randall questioned the timing of when this is paid. Mr. Mala questioned the

Hartford Board of Education or State Department of Education? Ms. Randall responded whoever pays you this \$720,000. Ms. Michaud responded that is through the State Department of Education and essentially the Open Choice tuition and they give us two payments, a progress payment which was a little late in mid-January, early February and final payment in April. Ms. Randall stated that you must have to have an account receivable on the books from the Town to the Hartford Board of Education and would it be \$720,000 or \$1,056,000. Ms. Michaud responded that it would be the budgeted \$720,000. Ms. Randall questioned teacher turnover in Avon and how that might compare to other towns and when teachers do leave where do they go? Mr. Mala responded that there is not much turnover at all and part of that was structurally created a number of years ago. Mr. Bartosiewicz asked a number of questions that we responded to. If you look at what the average Avon teacher is earning just at their step and degree lane and compare that to other districts we are on the high end of the average range which tends to retain people. Ms. Randall questioned if it is 5%. Mr. Mala responded that is almost less than that. He can provide the number for the last six years. A lot of our exits have to do with job relocations.

Bruce Corbett, 171 Huckleberry Hill Road – His question is did you vote? His concern last year was to get the vote out for people. His question is the high salary schedules. The Avon teachers are paid \$5,000 to \$10,000 more than the touching towns and that was something that could have been last year. We might have been able to challenge that. We have one more year of those payments because it is a three-year contract. He thinks the fact that we now have a contribution for pensions is going to be a double whammy, not only do we have higher salary schedules but higher increase in payment for the State teacher retirement board. He is hoping people will turn out to vote. The last time it was only 6% of the people that turned out to vote. I want to thank the boards for their work in trying to get a very good budget. If you have some very serious thoughts on this go to meetings and turn out to vote. We need more than 6% of the people to turn out to vote.

Marion Bartosiewicz, 5 Colby Way – I have three different questions. The first one is in capital equipment did you look at leasing options versus purchasing equipment, part of that is buying equipment because we are getting rid of obsolete and outdated equipment and seems more conducive to lease equipment rather than to purchase it and let it age. Mr. Zacchio responded that we have leased equipment in the past. There is not a lot of options to lease trucks that are for snowplowing or fire apparatus. We had a leasing program for a period of time for police cars that was offered but because the residual value of the lease is gone at the end we don't have a lot of lease companies stepping forward for big equipment like that. Mr. Lowry stated that for the Board of Education we do that for computers. Regularly we replace one-third of our computer storage/equipment/inventory every year and usually on a three-year lease and then after that we end up owning it because there is a residual value of \$1 but we did that for just the purposes that you raise. There is in fact an imputed interest behind that and why our capital budget is lower than it might otherwise be. Ms. Bartosiewicz stated that her second question speaks to the gentleman who was concerned about sustainability and property values. We now live in a state that is 49th in cost of living and worst places to retire we are 47th in cost of living in terms of (inaudible) businesses. The issues that I am really concerned about is that you have a state that has run away costs with pensions and how do we budget sustainability with keeping this Town attractive to attract new buyers when our taxes are going to be going up, our mill rate is going to go up and what are you doing to actually build into a contingency clause for what is going on today because there is that unknown factor of what the State might do in July. Mr. Lowry responded for the Board of Education and stated that we do not have defined benefit plan retirements for non-certified staff. We have sort of (inaudible) our contributions. Teachers, we can't have that. So we have gotten rid of the defined benefit plans and gone to 403b which means people contribute. They are like 401ks so it is a defined contribution plan. We have also moved all of our people to high deductible HSA accounts and done that for the reasons of cost containment. Regrettably we cannot solve the State's problems because we are not the State. I think the State certainly needs to restructure the way they fund education, the way they allocate education. As part of that they are probably going to say we

are going to make you regionalize. I am not sure I am looking forward to being combined with Hartford with all due respect because people come to Avon because we have a great school system and pardon the French, we kick butt with our students and they really outperform the surrounding towns, I think, and depending on where you look we are the only surrounding town in the top 10 on one of the things so we do quite well. Obviously that needs to be done, that needs to be fixed but it is not something that we can do and we try to be fiscally responsible by having a rainy day fund set aside in the Town of roughly 10% which keeps our bond interest rates low so when we go to build a new school, an addition, or something else our interest rates are lower and not bankrupt like the City of Hartford. Ms. Bartosiewicz's last question, and this is no disrespect to the Board of Education but obviously from the way that I look at it is that we do have a great school system but I think that we should applaud the parents who are so involved with our children. Mr. Lowry commented absolutely. Ms. Bartosiewicz added that it is just as much the effort of the parent that cares about their children in the school systems but have you looked at the salaries with the teachers that are seniority. The State of Connecticut has done early retirement to buy out clauses of contracts quicker. Have you looked at that model? Mr. Lowry responded we have and we have done that a couple of times to buy out people but we do not want to get into a position where we do that every year because then we don't actually reap the savings but we have done that a couple of times and we have in fact reduced our costs and the spread gets bigger as we go further our so the answer is yes, we have done that and have done that several times. Ms. Bartosiewicz asked about adding more automation which is a capital cost or lease cost but with the way schools are moving in the direction of automation today and online learning and so many other programs it seems to me that you can bring in a number less than seniority teacher to replace a more seniority teacher that is going to have far more ability to teach with the new technology that is coming out and allows us to become more competitive in the future. Mr. Lowry state first of all, to give you an example of things that we have done that we didn't do before is we have smart boards in every classroom. It used to be rationed them and fundraised for each one. A number of years ago we put in the virtual high school system. As a practical matter that has been done for credit recovery. One of his big things is pushing for enhancement and enrichment for gifted students because all of a sudden we have a huge catalogue that has nothing to do with our limited course offerings. So if you wanted to ancient Green archeology, advanced economics, it's all there so one of the things I say is let's tell the parents and tell them all the time at meetings, go in, ask what special courses are available online that your child can sign up for. The high school says we don't want to cannibalize our school system, well we don't want to have everybody taking online classes so that we get rid of staff members. He understands that argument but he also understands that we can have and do have an extremely wider variety of courses and curriculums that we need people to understand are available to you and your children. It is not just credit recovery, it is enrichment are we are going to end up getting more towards an effect of individualized learning because that is the way the process is going. Instead of standing in front of a room and saying lecture to a whole bunch of people we are going to get away from the drill and kill of homework where the kids actually go home and watch something online, they learn it, they get individual instruction in the classroom and the other students are working on different issues and instead of taking a large class and splitting it in half so we have two teachers, we say if it is a little difficult to handle we put in a pair of educators so they are assisting the teacher so we are trying to be flexible. He is not saying we are perfect. He understands it is a growing process, we are trying to do better but yes we have thought about those things and more. One of the things we have raised at a Board of Education meeting is if we can go to an academy model which allows you to have smaller classes with very intensive hands on experiences that have a particular thematic result. We don't have the money to do that. There are amazingly wonderful things, some of which can be done by automation, some of which can't but you are absolutely right parents help make the deal. The parents who help their kids, who drive their kids, who care about the final result, great job, we couldn't do it without you. Mr. Zacchio commented on the sustainability segment from the Town, as he mentioned in the presentation we no longer offer the DB Plan so 1997 the folks who sat in our seats had the good foresight to get rid of our DB Plan and put us into a 401k. More than two-thirds of our operating increase is to take care of just those 96 people in that DB Plan so it is a huge expenditure. From a sustainability

perspective 20-25 becomes completely self-sustained and all of those dollars are then captured to be able to handle smaller budgets. From an outward look the Town is in good shape. What it hasn't afforded us is good recruitment and retention. It is difficult as one of the only towns in the State of Connecticut that doesn't offer a DB Plan it is a little more difficult to recruit and retain people because they will come in, be in an officer's position, jump on the police department and be here a year and then they're off to Rocky Hill, Cromwell, Wethersfield because there are DB pension plans in those areas. We try to capture them with good match for 401k and a little bit longer of a vesting period so that they are here five years and then vested and hope they are in our community to stay. That has been a difficult process for us as well.

Jane Ellen Peregrin, 67 Cotswold Way – I have been in education for over 30 years. I lived in Town over 33 years. I have worked in the school system for about 17 years and I am going to respectfully disagree with the turnover rate. I think in particular what disturbs me as an educator, a parent is the number of educational leaders or administrators that we have lost in this district. They are the ones that set the tone for what is going on in our schools from K right up through the 12th grade. And so I think that does (inaudible). I also don't feel pleased with the fact that your high school has not had a principal for two years. That is unacceptable in my book and you can come up with factors as to why that is, perhaps the pool isn't strong enough, perhaps we just would rather go with people we know for now and feel like we are a bit stable for the time being, let's not rock the boat. Whatever the reasons are I'm sure you can take a look at this from several different angles. I just think you need stability at the top so that the teachers feel comfortable, supported, that the students know people care, that there is some faces that they will see every day when they are going to school of people they know. And I know that people move on for different reasons. And we can say that people move because they are going for a higher level job. We already acknowledged that yes, Avon pays very well and teachers will stay sometimes because of that. But I think people will also leave regardless of the pay for other reasons and it is not always to climb the ladder as some people have mentioned. So if we are going to do some reflection I hope we take a look at some of those things because you are right, this is a great town, people move here for the education and I want to see that hold. I don't want to see that start to deteriorate. At my age I have kids who have gone through the school system. I have friends who are looking at retiring and they are telling me that the school system has changed. So food for thought, something to take a look at when we are looking at the questions that we have. Perhaps the fact that nobody even came tonight is disturbing to me. Are people beginning to feel like voices aren't heard and things won't change? As somebody who is very committed to living and staying not only in Avon but in Connecticut, and my friends call me crazy, but I have been here long enough that is home for me. Mr. Lowry commented that while we pay teachers extraordinarily well we don't pay administrators extraordinarily well. The administrators are roughly in comparison to other administrators at the 40% level. They aren't at the 90-100% level. We have had an interim principal at the high school only for so far this year. There is an active search underway. We are very pleased with Noam Sturm at Roaring Brook who has done a great job, a recent hire and David Kimball at the Middle School has done yeoman's work. He is very excited. So we are actually getting some great committed candidates. The people who have left have all gone onto bigger and better things and if you are only paying on the 40% range of the scale, understand life isn't perfect and everybody moves on for their own individual reasons. It is going to be harder to keep administrators unless you raise our budget substantially then it will be to keep teachers because we have dropped consistently over twenty-five years more money on the teachers and less on the administrators.

Mr. Harrison called for final comments. There were none. He reminded everyone the next budget meeting is the Budget Workshop on Wednesday night at the Senior Center.

VII. CHAIR, BOARD OF FINANCE: Thomas Harrison

Advises audience that there being no further discussion, the Budget, in its final format, will be presented to the Annual Budget Meeting on Monday May 1, 2017, at the Avon Senior Center Community Room, 635 West Avon Road, Avon, CT at 7:00 p.m. and will be submitted to vote at

Referendum on May 10, 2017, at the Avon Senior Center Community Room, 635 West Avon Road, Avon, Ct, between the hours of 6:00 a.m. and 8:00 p.m. He thanked all for coming and all who spoke; we had some very thoughtful and good perspectives.

VIII. ADJOURN

The meeting adjourned at 9:19 p.m.

Respectfully Submitted,
Thomas A. Gugliotti, Secretary

Attest: Jennifer Worsman, Clerk

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



Mission Statement

It is the mission of the Town of Avon to provide quality town services at a reasonable cost to all citizens and taxpayers.



Activities Funded by the Operating Budget

- General Government
- Public Safety
- Public Works
- Health & Social Services
- Recreation & Parks
- Education—Culture
- Conservation & Development



Strategic Objectives

- **Maintain Capital Budget funding levels with Emphasis on:**
 - Road Improvement
 - Municipal & School Facilities
- **Continue to Adequately Fund Long-Term Liabilities**
 - 100% of the Annual Required Contribution for Pension funds
 - Other Post-Employment Benefits (OPEB) Obligation
- **Continue to Focus on Core Services**
 - Public Safety
 - Integrate Private Vendor Contracts where Efficient & Effective



Operating Budget Increases at a Glance The “Big Rocks”

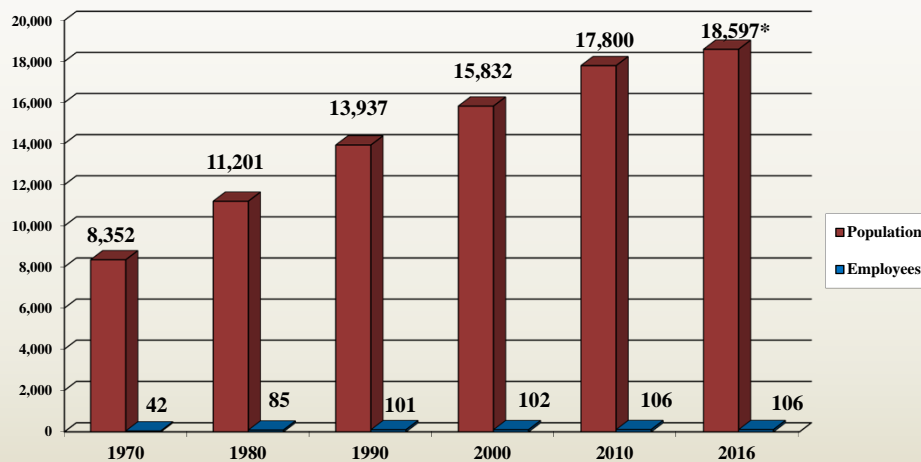
2.09% Overall Spending Increase



Major Drivers:

- Increases in Wages and Salaries + \$ 212,508
- Increase in DB “ARC” + \$ 166,298
(Plan closed to new Employees 1997)
- Increase in OPEB/Ret. Cont. + \$ 158,985

Employment and Population Growth Since 1970



Population to FTE ratio in 1970 = 0.5%, in 2016 = 0.57% * Population/2014 US Census Estimate

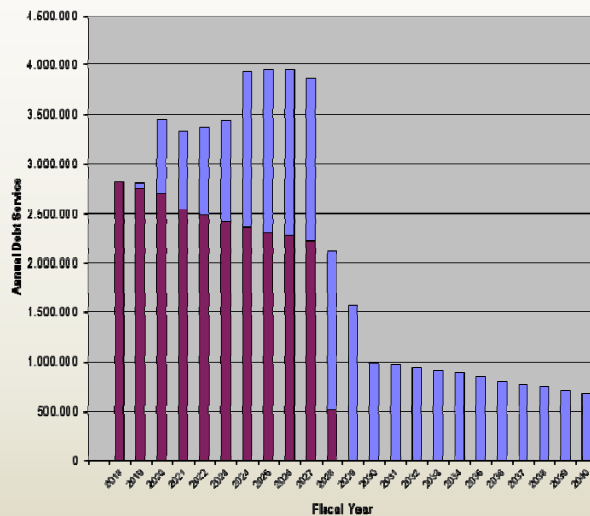
Capital Budget Projects FY 2017/2018

Road Improvements	\$624,506
APD Building Improvements	\$250,000
Fisher Meadows Field Expansion	\$250,000
PGS Air Handling/RTU Replacement (Phase II)	\$340,000
Sewer Projects	\$765,000
Reconstruction of Old Farms/Thompson Road	\$125,000
Equipment Replacements	\$913,000
Other Capital Projects	\$322,000



TOTAL Capital Program **\$3,689,506**

Existing & Projected Net Debt Service*



*Note: This graph reflects Existing and Projected Debt Financing including:

- \$2,500,000-Athletic Fields/Facilities
- \$3,000,000-Public Safety Radio System
- \$6,000,000-Old Farms Road
- \$5,000,000- Fire Station/Training

Projected debt is an estimate, has not been approved and is subject to revision.

Projected Debt Service indicated in blue.

Existing Debt Service indicated in purple.

Town-Board of Education Cooperative Ventures

- Vehicle & Equipment Maintenance
- Purchasing
- Capital Project Administration
- Use of Athletic Fields, Town Facilities & School Buildings
- Health, Liability, Auto, Property, & Worker's Compensation Insurance
- Financial Services (Audit, Banking)
- Legal Services
- Comprehensive Energy Plan
- Staff Sharing



Town Council Proposed Budget FY 2017/2018 *

	<u>FY 16/17</u>	<u>FY 17/18</u>	<u>\$ Inc/(Dec)</u>	<u>% Inc/(Dec)</u>
Town	\$ 23,295,518	\$ 24,096,598	\$ 801,080	3.44%
Sewers	1,947,682	2,015,307	67,625	3.47%
Debt Service	2,779,790	2,818,850	39,060	1.41%
Education	56,621,408	58,292,975	1,671,567	2.95%
C.I.P	4,410,037	3,689,506	(720,531)	-16.34%
TOTAL	\$ 89,054,435	\$ 90,913,236	\$ 1,858,801	2.09%

* As recommended to Board of Finance on March 28, 2017



Want to Know What's Happening in Avon?

Get the details sent directly to your inbox! Log on to the Avon Town Website:

www.avonct.gov

- Click on "Subscribe to News" under Quick Links
- Enter Your Email Address:
- Confirm Email:
- Check the box under "Urgent Alert" to receive Town-wide urgent/important news
- Check the boxes under "Meeting Agenda" for which Town Board/Commission(s) you would like to receive agendas
- Check the boxes under "Meeting Minutes" for which Town Board/Commission(s) you would like to receive minutes
- Check the boxes under "News or Announcement" for the following:
 - ☐ Avon Free Public Library (Friends Programs, alerts for new items, events)
 - ☐ Board of Education
 - ☐ Town News and Announcements (Town-wide news, events, community-wide fundraisers)
 - ☐ Human Resources (employment opportunities within the Town of Avon)
 - ☐ Recreation and Parks Department (activity announcements, schedule changes, weather cancellations)
- Verify and enter security code.
- Click on

Once you submit your email address, you will receive a confirmation email and notices for the categories you selected.

Next Steps in the Budget Process

Board of Finance Budget Workshop	Wednesday, April 5 @ 7:00 p.m. Senior Center
2nd Board of Finance Budget Workshop (if needed)	Thursday, April 6 @ 7:00 p.m. Avon Room
Town Meeting	Monday, May 1 @ 7:00 p.m. Senior Center
Budget Referendum	Wednesday, May 10



TOWN OF AVON
Town Council Proposed Budget
Board of Finance Public Hearing
April 3, 2017



***Board of Education Proposed Budget
2017-2018***

As of April 3, 2017

Mission Statement

Our mission is to inspire in each student a joy and passion for learning and a commitment to excellence, personal integrity, and social responsibility.

Statement of Beliefs

We educate students intellectually, socially, emotionally, and physically to acquire knowledge and skills, to develop creativity and character, and to pursue their interests, realize their potential, and meet the challenges in a constantly changing world.

Goals of Budget Request

1. Continue our mission as stated in District Strategic Plan.
2. Meet contractual obligations without adversely impacting programs.
- 3. Adhere to requested 2.5% soft cap (Bill No. 502).**
4. Create or strengthen programs to maintain our students in-district.
5. Create additional learning opportunities for **all** students.

3

Goals of Budget Request

6. Continue meaningful Professional Development opportunities for all staff.
7. Continue to integrate technology to support high quality, classroom instruction.
8. Continue with nationally recognized, curriculum revision process.
9. Maintain reasonable class sizes Pre-K through Grade 12.
10. Continue to operate in a fiscally responsible manner while advocating for the educational needs of all students.

4

Budget Development Approach

Three-Pronged

1. **Reductions** made from proposed requests = **\$2,207,796.67**
2. **Re-appropriation** of existing funding to achieve Strategic Actions of District Strategic Plan = **\$0.00**
3. **Requests** to continue to advance Strategic Actions of District Strategic Plan = **\$75,092.60**

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2017-2018 Board of Education's Proposed Budget Summary

2016-2017 Adopted Gross Budget	\$ 54,466,706	(A)
Non-tax Revenues	<u>-2,895,336</u>	(B)
Proposed Net Budget*	\$ 51,571,370	(C)
2017-2018 Gross Budget Request	\$ 56,306,408	(D)
Projected Non-tax Revenues	<u>-2,810,500</u>	(E)
Net Budget Request*	\$ 53,495,908	(F)
Difference in Dollars 2017-2018 (Net)	\$ 1,924,538	(F-C)
Difference in Percent 2017-2018	3.73%*	(F/C)*

***Used to determine tax rate**

6

Drivers of Total Proposed Budget

<u>Category</u>	<u>Budget</u>	<u>Percent</u>
Salaries and Benefits	\$ 44,958,703	79.85%
Transportation (Includes Sp.Ed.)	\$2,996,352	5.32%
Utilities	\$1,273,849	2.26%
Contracted Services	\$2,406,895	4.27%
SPED and Magnet Tuitions	\$3,161,089	5.61%
Supplies and Equipment	\$1,440,450	2.56%
All Other	\$69,070	0.12%
Total Gross Budget Request	\$56,306,408	3.38%
Non-tax Revenue	<u>-\$2,810,500</u>	
Total Net Budget Request	\$54,495,908	3.73%

Total Proposed Budget Increase Impacting Mill Rate = 3.73%

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What Accounts for Requested Funding Increase of \$1,839,702?

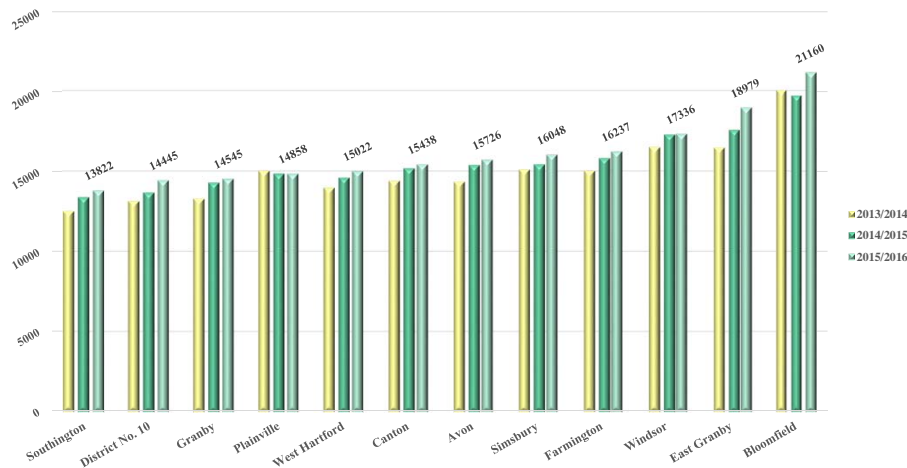
<u>Category</u>	<u>Increase</u>
Salaries	\$264,089.88
Benefits	\$787,956.75
Utilities	\$73,503.97
Contracted Services	\$679,518.20
Tuition	\$101,915.92
Supplies & Equipment	\$(47,816.91)
All Other	<u>\$(19,465.50)</u>
Total Gross Budget Increase	\$1,839,702.31

Total Proposed Budget Increase Impacting Mill Rate = 3.73%

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Net Current Expenditures Per Pupil **2015/2016 to 2017/2018**

Excludes Transportation and Debt Service



Data Source: Connecticut State Department of Education

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Non-Local Property Tax Revenue

<u>General Fund Revenues</u>	<u>2016/2017 Expected</u>	<u>2017/2018 Projected</u>	<u>Variance</u>
AHS Parking Fees	\$35,250.00	\$29,000.00	(\$6,250.00)
Athletic Gate Receipts	\$20,000.00	\$13,000.00	(\$7,000.00)
Athletic Pay to Play Receipts-AHS	\$162,000.00	\$156,000.00	(\$6,000.00)
Athletic Pay to Play Receipts-AMS	\$21,840.00	\$22,500.00	\$660.00
Early Beginnings Grant	\$45,000.00	\$45,000.00	\$0.00
Employee Dental Contributions	\$109,344.74	\$106,000.00	(\$3,344.74)
Employee Life Ins Contributions	\$14,030.97	\$23,000.00	\$8,969.03
Nutrition Services Indirect Costs	\$30,000.00	\$30,000.00	\$0.00
Open Choice Attendance	\$750,000.00	\$720,000.00	(\$30,000.00)
Pre-K Program Tuition	\$38,620.00	\$46,000.00	\$7,380.00
Special Education Excess Cost	\$1,190,000.00	\$1,190,000.00	\$0.00
Special Education Tuition Reimbursement**	\$475,000.00	\$430,000.00	(\$45,000.00)
TEAM Program	\$4,250.00	\$0.00	(\$4,250.00)
Total General Fund Revenues	\$2,895,335.71	\$2,810,500.00	(\$84,835.71)

** - Revenue goes directly to town and is not required to be spent on education

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Open Choice Attendance Revenue **Allocations**

Open Choice Attendance Projected Revenue **\$720,000.00**

- (01.3.1100.111) RBS Kindergarten Teachers (\$115,000.00)
- (01.3.1111.111) RBS World Language Teachers (\$115,000.00)
- (01.6.1100.111) PGS Kindergarten Teachers (\$115,000.00)
- (01.6.1111.111) PGS World Language Teachers (\$115,000.00)
- (01.8.1220.111) Pre-K Teachers (\$60,000.00)
- (01.8.1196.560) Tuition/Magnet Schools (\$200,000.00)

Early Beginnings Grant Projected Revenue **\$45,000.00**

- (01.8.1220.111) Pre-K Teachers (\$45,000.00)

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Non-Local Property Tax Revenue **Hartford Special Education** **Reimbursement Directly to Town**

<u>Year</u>	<u>Amount</u>
2012 – 2013	\$565,335
2013 2014	\$497,831
2014 -2015	\$635,070
2015 – 2016	\$430,054
2016 – 2017	\$475,000 (anticipated)
2017 – 2018	\$430,000 (projected)

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Grant Revenue

<u>Grant Description</u>	<u>2016/2017 Expected</u>	<u>2017/2018 Projected</u>	<u>Variance</u>
Adult Education Cooperative	\$2,010	\$2,010	\$0.00
IDEA 611-Part B	\$523,000	\$563,000	\$40,000.00
IDEA 619 - Preschool	\$15,537	\$17,000	\$1,463.00
SHEFF Settlement	\$201,550	\$101,220	(\$100,325.00)
Immigrant Grant	\$0	\$0	\$0.00
Title I Improving Basic Programs	\$120,000	\$121,924	\$1,924.00
Title II Part A Teachers	\$32,000	\$32,000	\$0.00
Title III	\$7,175	\$7,175	\$0.00
Total Grants	\$901,272	\$844,334	(\$56,938.00)

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Enrollment Summary **October 1, 2015 to October 1, 2016**

Outside Enrollment Study (2015/2016)

Projected enrollment as of October 1, 2016 = 3,232

Projected decrease (3,274-3,232) = 42

2016/2017 Approved Board of Education Budget

Superintendent of Schools Projected Enrollment = 3,215

Projected decrease (3,280 – 3,215) = 65

Avon Public Schools Comparison of Seated Enrollment

Official Enrollment as of October 1, 2015 = 3,280

Official Enrollment as of October 1, 2016 = 3,275

Actual decrease = 5

2017/2018 Projected Enrollment: 3,220

Projected decrease = 101 as of March 2017

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PROJECTED 2012-2018 ENROLLMENT AND CLASS SIZE SUMMARY

- *Average class size for high school is calculated by using the enrollment and sections from four (4) required courses - English, Math, Science and Social Studies.
- **Teaching Assistants are maintained Grade K-3

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Grade	Average	Average	Average	Average	Average	Average	Average
K	17.40	17.40	19.00	18.29	21.68	16.50	**19.80
1	19.18	19.30	21.00	21.00	20.90	17.80	**18.00
2	21.42	20.33	19.30	21.90	22.50	19.77	**19.36
3	21.83	21.17	20.33	21.50	21.10	20.95	**21.41
4	23.50	21.25	21.17	23.08	21.40	22.00	20.90
5	22.00	21.54	19.62	23.00	22.75	21.90	22.00
6	21.93	20.85	21.54	23.00	23.17	23.17	21.90
7	24.08	21.07	18.07	22.92	22.33	23.58	23.17
8	23.67	19.73	26.17	22.75	23.08	22.82	23.58
9-12	23.66	19.04	19.38	18.60	18.98	18.83	*19.23

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Projected Enrollment 2017/2018

School	Grade	Actual 2016-2017	# Sect	Average Class Size	Projected 2017-2018	# Sect	Average Class Size
APS Pre-K	Pre-K	56			56		
PGS	K	99	6	16.50	99	5	19.80
PGS	1	123	7	17.57	99	5	19.80
PGS	2	155	8	19.38	123	7	17.57
PGS	3	123	6	20.50	155	7	22.14
PGS	4	124	6	20.67	123	6	20.50
Total in sch		624			599		
RBS	K	99	6	16.50	99	5	19.80
RBS	1	90	5	18.00	99	5	19.80
RBS	2	102	5	20.40	90	5	18.00
RBS	3	107	5	21.40	102	5	20.40
RBS	4	118	5	23.60	107	5	21.40
Total in sch		516			497		
TBS	5	219	10	21.90	242	11	22.00
TBS	6	278	12	23.17	219	10	21.90
Total in sch		497			461		
AMS	7	283			278		
AMS	8	275			283		
Total in sch		558			561		
AHS	9	251			275		
AHS	10	239			251		
AHS	11	281			239		
AHS	12	253			281		
Total in sch		1024			1046		16/17 - 17/18
GRAND TOTAL		3321	As of March 2017		3220	As of March 2017	(101)

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Open Choice Enrollment Information

<u>Year</u>	<u>Enrollment</u>	<u>Revenue</u>
2012 – 2013	93	\$ 428,000
2013 – 2014	135	\$ 720,000
2014 – 2015	135	\$1,183,500
2015 – 2016	111	\$1,188,000
2016 – 2017	132	\$1,056,000
2017 – 2018	134	Projected

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What Is The Impact of This Budget?

<u>Location</u>	<u>Description</u>	<u>Amount / FTE</u>
DW	Maintains all current instructional programs	
DW	Personnel Reductions	-\$1,646,343.28
	• <i>Cert Salaries / Elementary</i>	(5.0)
	• <i>Cert Salaries / Secondary</i>	(8.0)
	• <i>Cert Salaries / Support Staff</i>	(2.0)
	• <i>Non Cert Salaries / Non-Affiliated</i>	(3.5)
	• <i>Non Cert Salaries / Clerical</i>	(3.0)
	• <i>Non Cert Salaries / Custodial / Maintenance</i>	(1.0)
DW	Discretionary Line Item Reductions	-\$355,636.14
	<i>(Supplies, Equipment, Fees, Memberships)</i>	
DW	Non-Discretionary Line Item Reductions	-\$205,817.25
	<i>(Object Codes 300, 400 & 500 including Contracted Services)</i>	
AHS	Elimination of DV Football Team	

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What Is The Impact of This Budget on Staffing?

	<u>2016-2017</u>	<u>2017-2018</u>	<u>Difference</u>
<i>Certified:</i>	301.7*	286.7	-15.0
<i>Non-certified:</i>	188.5**	181.0	- 7.5

Notes:

* Includes 4.0 FTE unbudgeted certified staff in August 2016 due to enrollment increase from projections.

** Includes 5.0 FTE unbudgeted, non-certified staff in August 2016 due to enrollment increase from projections.

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What Is The Impact of This Budget?

ALL	DW	Addresses major Pupil Services Department issues (Details listed below)	
01.1.1100.151	DW	Transition Coordinator Stipend	4,438.00
01.8.1100.151	DW	Assistive Technology Coord. Stipend 7-12	4,438.00
01.8.1100.151	DW	Assistive Technology Coord. Stipend PK-6	4,438.00
01.8.1200.110	DW	ESY Coordinator (<i>Pupil Services</i>)	8,985.60
01.8.1200.111	DW	RBT Training –BCBA (<i>Pupil Services</i>)	8,000.00
01.8.1200.330	DW	Level I Wilson Training (<i>Pupil Services</i>)	8,578.00
01.8.2210.152	DW	RBT Training – 5 Paras (<i>Pupil Services</i>)	4,300.00
01.8.2510.650	DW	504 Direct Module (<i>Pupil Services</i>)	4,000.00
01.8.1100.151	DW	Unified Arts Stipend K-12	4,438.00
01.1.1102.641	AHS	Textbooks - AHS Honors Chemistry	5,477.00
01.1.1105.641	AHS	Textbooks - AHS Social Studies	<u>18,000.00</u>
Total Decision Packages			+ \$75,092.60

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Avon Education Association **Contractual Settlement Information**

<u>Year</u>	<u>GWI</u>	<u>STEP</u>	<u>Total</u>
2017-2018	2.25%	0.82%	3.07%
2018-2019	2.25%	0.71%	2.96%

NOTES:

If all school district employees agreed to a **salary freeze** for next year, the savings realized would be approximately **\$200,000**.

This smaller than presumed amount is due to the large reduction made to the personnel line items in the **2017 - 2018 Superintendent's Proposed Budget**. The total amount was equal to **\$1,646,343 (22.5 FTE certified and Non-certified positions)**.

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Budget Details

- ***Factors*** impacting proposed budget include:
 1. Contract obligations
 2. Compliance with Bill No. 502 (2.5% soft cap)
 3. Continued phase-in of HSA/HRA
 4. Absorb grant revenue losses
- **97.3%** (\$54,796,888) of proposed budget going to non-discretionary expenses (salaries, benefits, transportation, tuitions, utilities and contracted services).
- **79.85%** (\$44,958,703) of the total proposed budget is associated with meeting salary and benefit obligations to staff.

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We are committed to

- Maintaining clear, concise communication and transparent processes
- Providing rigorous, comprehensive, and innovative programming
- Meeting the needs of all students within local, state, and national requirements
- Continuously improving through systematically assessing actions and outcomes via use of third party reviews
- Using all resources efficiently and effectively to the greatest advantage of all students.
- Working collaboratively and cooperatively with all local Boards and Town officials

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*Questions regarding the 2017-2018
Board of Education's Proposed
Budget may be sent to
20172018budget@avon.k12.ct.us*

*All budget materials are available on
the school district website at
www.avon.k12.ct.us*

Town of Avon Board of Finance

Public Hearing

Requested Fiscal Year 17/18 Budget
April 3, 2017

Requested Budget Summary

	Adopted FY 16/17	Proposed FY 17/18	\$ Inc/ (Dec)	% Inc/ (Dec)
Town Operating	\$23,295,518	\$24,096,598	\$801,080	3.44%
Board of Education	56,621,408	58,292,975	1,671,567	2.95%
Debt Service	2,779,790	\$2,818,850	39,060	1.41%
Capital Improvement*	4,410,037	3,689,506	(720,531)	-16.34%
Sewers**	1,947,682	2,015,307	67,625	3.47%
TOTAL	\$89,054,435	\$90,913,236	\$1,858,801	2.09%

* Capital Improvement amount of \$3,689,506 funded in part (\$765,000) with Sewer User Fees.

** Paid for by user fees

Board of Finance *Balances*

The
Requested
Amount of
Spending for
Services



The Level of
Revenues
Required to Pay
for these
Requests

*The proposed \$90,913,236 budget for
Fiscal Year 2017/2018 would require
a 3.62% tax increase.*

Board of Finance *Considers*

- The best interest of Avon as a whole
- Input from Town Council and Board of Education
- Interaction with residents
- Public hearing comments
- Economic conditions
- Tax demands of other levels of government
- Estimates of revenue sources and projections
- Future borrowing requirements
- Voting history

Avon Revenue Options *Limited*

- **Restrictive State Laws—**
 - No local income or sales taxes
 - No local tobacco, alcohol, gas, or hotel taxes
- **Avon Revenue Choices—**
 - Property taxes and assessments
 - Non-property tax sources
 - *Licenses, Permits, Fees, Grants*

Revenue Raised by Source

	Adopted FY 16/17	Requested FY 17/18	% Inc/ (Dec)
Taxes & Assessments	\$76,857,403	\$80,285,864	4.46%
<i>% of revenues</i>	<i>86%</i>	<i>88.31%</i>	
Non-property Tax Sources	\$12,197,032	\$10,627,372	(12.87)%
<i>% of revenues</i>	<i>13.70%</i>	<i>11.69%</i>	
TOTAL	\$89,054,435	\$90,913,236	2.09%
Net Grand List	\$2,592,702,830	\$2,611,868,210	0.74%
Mill Rate Required	29.52	30.59	3.62%

Calculating the 3.62% Tax Increase

1. Total Unified Budget Request	\$90,913,236
2. Apply Non-Property Tax Revenues (intergovernmental, fees, permits, etc.)	<u>-10,627,372</u>
3. Total Taxes & Assessments	\$80,285,864
4. Apply all other Assessments (supplemental real estate/motor vehicle, prior levies, sewer assessments, etc.)	<u>-\$ 388,815</u>
5. Balance Needed from Property Tax	\$79,897,049
6. Apply Grand List Growth at Current Mill Rate	<u>-77,102,349</u>
7. Additional Funding Needed	\$ 2,794,700
8. Tax Increase Required to Fund Balance	\$2,794,700 ÷ 77,102,349
	<u>= 3.62%</u>

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Unassigned Fund Balance

- **Unassigned Fund Balance** : General Fund balance that is available for appropriation.
- **Town Council Policy**: To maintain unassigned fund balance of 10% of general fund actual expenditures.
- **Board of Finance Use**: Restricted use. To meet an "extraordinary need or unusual opportunity which...must be timely met."
- Unassigned Fund Balance as of current FY17 budget:
 - \$8,443,716 or 10.19%
- Projected FY18:
 - \$8,443,716 or 9.91%

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Property Tax and Assessments

Property Tax & Assessments contributes <u>88.31%</u> of FY 17/18 Required Revenue	Adopted FY 16/17	Required FY 17/18	FY 17/18 % Property Tax & Assessments
a) Residential	\$59,051,344	\$61,600,624	76.7%
b) Commercial/Industrial	9,716,519	9,971,152	12.4%
c) Motor Vehicles	5,202,736	5,464,960	6.8%
d) Personal Property	2,548,622	2,732,480	3.4%
e) Other	17,367	127,833	0.16%
Subtotal	\$76,536,588	\$79,897,049	99.51%
f) Assessments – Various	320,815	388,815	0.49%
Total	\$76,857,403	\$80,285,864	100.00%

Source: Assessor's Office

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Non-Property Tax Revenue

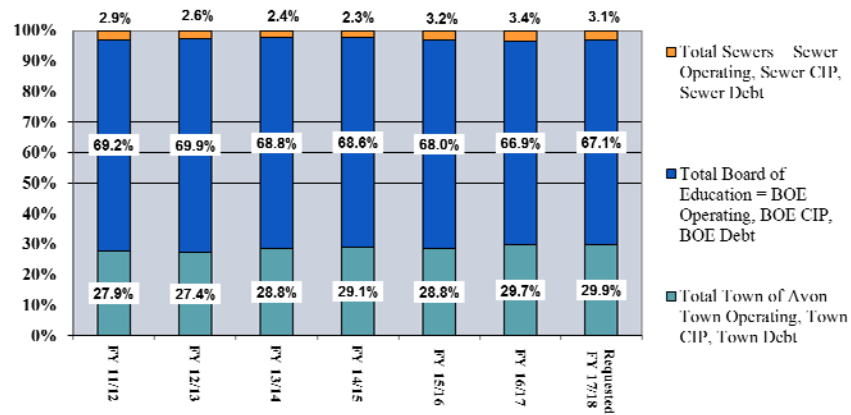
Non-Property Tax contributes <u>11.69%</u> of FY 17/18 Required Revenue	Adopted FY 16/17	Required FY 17/18	FY 17/18 % Non-Property Tax
Intergovernmental <i>i.e. grants</i>	\$4,741,745	\$3,859,329	36.3%
Licenses, Fees & Permits <i>i.e. building permits, recording & conveyance</i>	1,129,445	1,120,775	10.5%
Charges for Current Services <i>i.e. landfill, recreation fees</i>	4,489,393	4,258,827	40.0%
Other Local Revenues & Other Financing Sources <i>i.e. investment interest</i>	1,836,449	1,388,441	13.2%
TOTAL	\$12,197,032	\$10,627,372	100%

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Spending Trends



Note: CIP= Capital Improvement Program

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Board of Education Requested Spending FY17/18

	Requested FY 17/18	% of Total Budget
Board of Education Operating	\$58,292,975	64.12%
BOE Share of Debt Service	2,171,260	2.39%
BOE Share of Capital	520,000	0.57%
BOE Operating, Debt, and Capital TOTAL	\$ 60,984,235	67.08%

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Town & Sewers Requested Spending FY 17/18

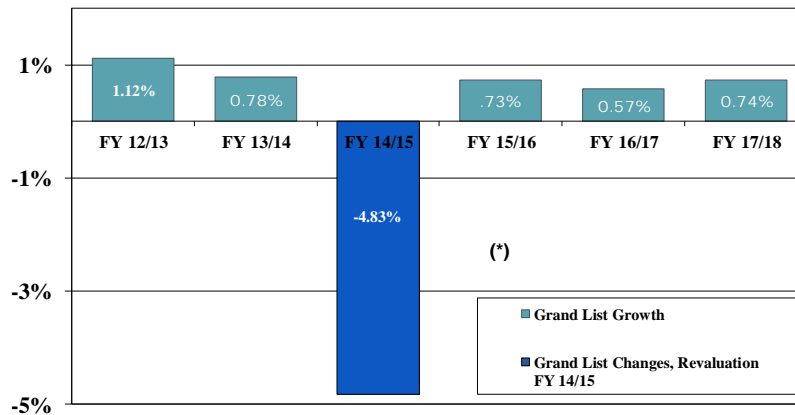
	Requested FY 17/18	% of Total Budget
Town of Avon Operating	\$24,096,598	26.51%
Town Share of Debt Service	647,590	0.71%
Town Share of Capital	2,404,506	2.64%
SUBTOTAL	\$27,148,694	29.86%
Sewers Operating, and Share of CIP	2,780,307	3.06%
TOTAL	\$ 29,929,001	32.92%

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Avon Grand List Changes

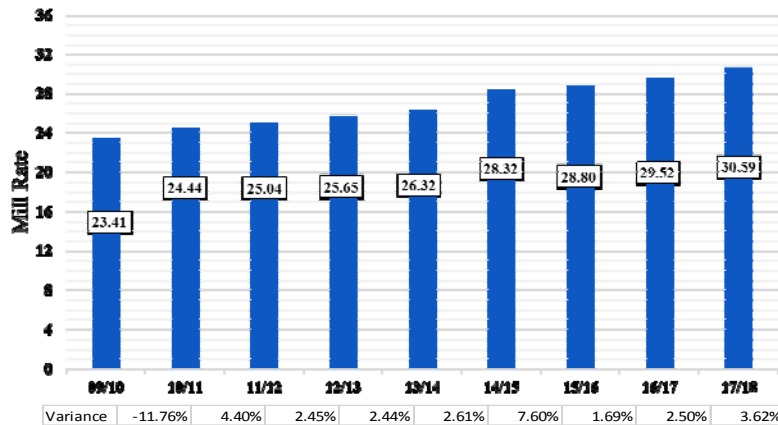


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Mill Rate Change Comparison

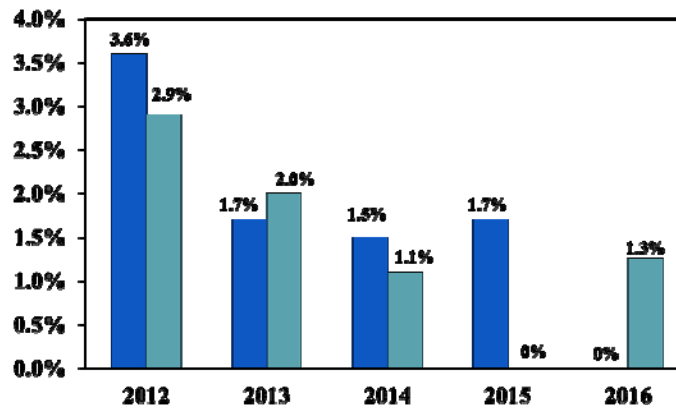


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Social Security COLA & Consumer Price Index (CPI)



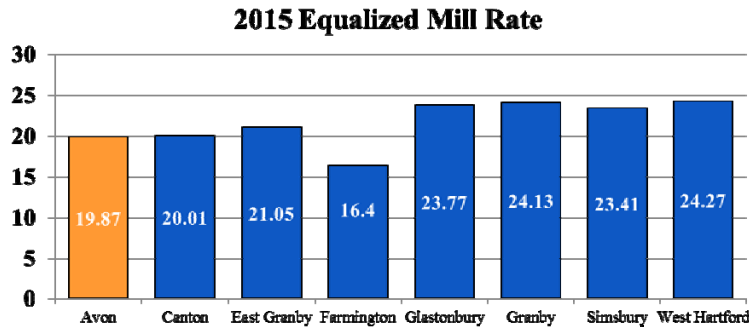
Sources: US Social Security Administration and Bureau of Labor Statistics

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Town-by-Town Mill Rate Comparison



* The Equalized Mill Rate is used so we may compare mill rates among towns, using this formula:

$$\frac{\text{Net Grand List} / \text{Assessment Sales Ratio} = \text{Adjusted Net Grand List}}{\text{Budget Needs (taxes to be raised to meet the budget)} / \text{Adjusted Net Grand List} = \text{Equalized Mill Rate}}$$

Source: Office of Policy and Management

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Requested Budget Summary

	Adopted FY 16/17	Proposed FY 17/18	\$ Inc/ (Dec)	% Inc/ (Dec)
Town Operating	\$23,295,518	\$24,096,598	\$801,080	3.44%
Board of Education	56,621,408	58,292,975	1,671,567	2.95%
Debt Service	2,779,790	2,818,850	39,060	1.41%
Capital Improvement*	4,410,037	3,689,506	(720,531)	-16.34%
Sewers**	1,947,682	2,015,307	67,625	3.47%
TOTAL	\$89,054,435	\$90,913,236	\$1,858,801	2.09%

* Capital Improvement amount of \$3,689,506 includes \$765,000 funded by Sewer Fund (Fund 5).

** Paid for by sewer fees

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Next Steps

Budget Workshop

Not a public hearing, but open to public to observe

Wednesday, April 5 @ 7:00 p.m.

Avon Senior Center Community Room

**Thursday, April 6 @ 7:00 p.m.
(if needed)**

Town Meeting

Monday, May 1 @ 7:00 p.m.

Avon Senior Center Community Room

Referendum

Wednesday, May 10 @ 6 a.m.-8:00 p.m.

Avon Senior Center Community Room

Wednesday, May 31 (if needed)

Wednesday, June 21 (if needed)

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Town of Avon Board of Finance

Public Hearing

Requested Fiscal Year 17/18 Budget

April 3, 2017