

BOARD OF FINANCE
REGULAR MEETING MINUTES
January 25, 2016

I. OATH OF OFFICE

Ann Dearstyne, Town Clerk, administered the Oath of Office to the new Board of Finance members: Jeff Bernetich, Dean Hamilton, Thomas Harrison and Michael Oleyer. Ms. Dearstyne requested nominations from the Board for a Chairman.

On a motion by Mr. Gugliotti and seconded by Dean Hamilton it was voted:

RESOLVED: The Board of Finance vote to elect Mr. Harrison as the Chairman of the Board of Finance.

Messrs: Harrison, Gugliotti, Bernetich, Hamilton and Oleyer and Mme: Bratton and Durdan voted in favor.

Mr. Harrison moved that the Board nominate and elect a Board Vice Chairman and Secretary.

On a motion by Mr. Harrison and seconded by Cathy Durdan it was voted:

RESOLVED: The Board of Finance vote to elect Mr. Gugliotti as Vice Chairman and Secretary of the Board of Finance.

Messrs: Harrison, Gugliotti, Bernetich, Hamilton and Oleyer and Mme: Bratton and Durdan voted in favor.

II. CALL TO ORDER

The meeting was opened at 7:04 p.m. in the Avon Town Hall by Ann Dearstyne, Town Clerk. Members present: Chairman Thomas Harrison, Vice Chairman/Secretary Thomas Gugliotti, Jeff Bernetich, Margaret Bratton, Catherine Durdan and Dean Hamilton and Michael Oleyer. A quorum was present.

III. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Michael Oleyer.

IV. COMMUNICATION FROM THE AUDIENCE

(Including Board of Education Liaison Report)

Ken Birk, liaison for the Board of Education, reported on the Financial Summary Report dated 11/30/15 which was included in the meeting packet. He stated that outstanding balances have remained fairly flat and the estimated unspent EOY balance increased slightly. At the January meeting the Board of Education approved the Superintendent's proposed budget. It reflects a 4.27% net spending increase. As of January's meeting an agreement was made with Nutmeg to broadcast the Board of Education meetings. It is also viewable On Demand. At the request of Mr. Gugliotti, Mr. Birk will forward the link. In response to a question from Mr. Harrison, Mr. Birk stated the Choice students are included in the reported 3,300 student enrollment.

V. MINUTES OF PRECEDING MEETING:

December 21, 2015 Regular Meeting

On a motion made by Tom Gugliotti, seconded by Dean Hamilton, it was voted:

RESOLVED: That the Board of Finance approves the minutes of the December 21, 2015 Meeting as drafted.

Messrs: Harrison, Gugliotti and Hamilton and Mme: Bratton and Durdan voted in favor. Messrs: Bernetich and Oleyer abstained.

VI. OLD BUSINESS**15/16-05** Review and Discussion: FY 16/17 Budget Process

The Board of Education only approved the budget request of \$54,852,864. There were two amendments the Board put forth: to substitute a Social Worker with a Psychologist and that the Open Choice Coordinator be reinstated. Mr. Robertson stated the Town budget is still in process. The budget books will be out by next week. The Council's budget workshop is February 6th. In response to a question from Mr. Harrison, Mr. Robertson & Ms. Colligan stated a .57% increase in the Grand list is expected. A discussion of the budget power point slides occurred. Mr. Hamilton liked the content but requested a review of the format of the presentation template. Mr. Gugliotti requested a copy of the other two Board's presentations for format comparison. Ms. Colligan will forward the Board the documents. Mr. Harrison reminded the Board that all budgets are reported in the gross, not net.

VII. NEW BUSINESS**15/16-11** Supplemental Appropriation: Board of Education, \$393,000

Mr. Robertson provided background information in the meeting packet. He stated Choice Grant funds are restricted and must be used for educational purposes. In response to a question from Mr. Oleyer, Ms. Colligan stated the language of the resolution was provided by the Board of Education. After a brief discussion it was determined that Ms. Colligan will notify Heather that the language of the Resolution can be broader. In response to a question from Ms. Durdan, Mr. Robertson would research if there is a report that compares our Choice numbers to other DRG Towns.

On a motion made by Tom Gugliotti, seconded by Margaret Bratton, it was voted:

RESOLVED: That the Board of Finance hereby amends the FY 15/16 Budget by increasing:

REVENUES

General Fund, Intergovernmental, Education Programs Grant, Account #01-0330-43343, in the amount of \$393,000 and increasing:

APPROPRIATIONS

General Fund, Board of Education, BOE Expenses, Account #01-9401-55000, in the amount of \$393,000, for the purpose of providing special education tuition, professional development and personal services for the District.

Messrs: Harrison, Gugliotti, Bernetich, Hamilton and Oleyer and Mme: Bratton and Durdan voted in favor.

VIII. TOWN MANAGER'S REPORT**A. Monthly Financial Report Summary**

Details were included in the packet report dated period ended 11/30/15 prepared and reported by Margaret Colligan. Collections for December versus November increased in several categories. The Fed increased interest rates in December and Avon should realize a slight uptick in interest income. The Unaudited Unassigned Fund Balance as a percentage of General Fund Budgeted Expenditures is tracking at 9.33% (10.25% once Capital Project advance payments are restored). There were no major expenditure variances reported. In response to a question from Mr. Gugliotti, Ms. Colligan reported that there is \$10,000 in the contingency account in the budget. It has not been used.

B. Bond Refunding

Mr. Robertson stated that according to Dennis Dix, Bond Refunding has not made sense in the past. A proposal was received two weeks ago from Piper Jaffray for a refinancing

of the outstanding GOB of 2009 for the Middle School Roof, Town Hall improvements and High School renovation. According to Mr. Robertson it would be wise to do a refinancing. The Board of Finance has a Debt Policy. Under this policy there is a net present value standard that must be met. As long as the net present value shows a savings of greater than 2%, a refinance is considered. The outstanding bonds have an average rate of 3.1%. We could get down to a true cost of 1.8% by doing the refinance, this translates to a savings of \$427,000 through 2027 on the debt service line item. Mr. Robertson stated this does not require any approval other than from the Town Council. He expects to go to market in March. The life of the debt will stay the same. All terms of the debt will remain the same other than the rate of interest. In response to a question from Mr. Bernetich, Mr. Robertson stated the expected issuance cost has multiple parts. He will distribute it in writing to the Board.

C. Auditor-Request for Proposals

Mr. Robertson stated the RFP for the external auditor is being finalized and it should be released to the public by the end of the week.

D. Miscellaneous Items

Mr. Robertson provided a legislative update on Senate Bill 1. Final language has not been released.

IX. OTHER BUSINESS

Mr. Gugliotti stated he sent an email to the Board informing them that he attended the Annual CCM Municipal Budget Workshop. He stated the presenters (Glenn Klocko and Brandon Robertson) were excellent. He hopes that others will attend in the future. Avon repeatedly was used as a positive example. All towns do not do things as done in Avon. Avon is the gold standard in the budgeting process.

X. EXECUTIVE SESSION

There was none.

XI. ADJOURN

On a motion made by Thomas Gugliotti, seconded by Cathy Durdan, it was voted:

RESOLVED: That the Board of Finance adjourn the meeting at 8:15 p.m.

Messrs: Harrison, Gugliotti, Bernetich, Hamilton and Oleyer and Mme: Bratton and Durdan voted in favor.

Respectfully Submitted,
Thomas A. Gugliotti, Secretary

Attest: Mary Marinello, Clerk

All referenced material will be available to the public in the Town Clerk's office.