

Board of Finance 2-24-2014 Minutes
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BOARD OF FINANCE
REGULAR MEETING MINUTES
FEBRUARY 24, 2014

I. CALL TO ORDER

The meeting was called to order at 7:03 p.m. at the Avon Town Hall by Chairman Thomas Harrison. Members present: Chairman Thomas Harrison, Vice Chairman/Secretary Thomas Gugliotti, Margaret Bratton, Catherine Durdan, Dean Hamilton, James Speich and Brian Stoll. A quorum was present.

II. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Dean Hamilton.

III. COMMUNICATION FROM THE AUDIENCE

Peggy Roell representing Ms. Zirolli, liaison for the Board of Education, read a memo from Ms. Zirolli into the record stating the Board of Ed continues to seek mitigation for the unplanned SPED expenses. She notes that there are upcoming solar panel discussions and looks forward to the three Board meeting to discuss the PA 13-60 as stated in the minutes included in the packet. There is no financial update due to the school vacation schedule.

IV. MINUTES OF PRECEDING MEETING: January 27, 2014 Regular Meeting

Page 1 Sec. II change "voted" to "vote", "stated" to "moved", and delete "must also".

Page 2 Sec. VI change "seconded by Ms. Bratton" to "seconded by Ms. Durdan".

Page 3 Sec. IX-C insert Town Council's before stated goal.

On a motion made by Mr. Gugliotti, seconded by Ms. Durdan, it was voted:

RESOLVED: That the Board of Finance approve the minutes of the January 27, 2014 Meeting as amended.

Messrs: Harrison, Gugliotti, Hamilton, Speich, Stoll and Mmes: Bratton and Durdan voted in favor.

Note: Order of agenda will be temporarily suspended to accommodate speakers.

V. OLD BUSINESS

13/14-07 Review and Discussion: FY 14/15 Budget Process

Mr. Harrison confirmed with Mr. Robertson that the combined proposed budget represents a spending increase of about 2.6%. This increase will require an increase in the mill rate of 2.66%, very similar to last year. The difference this year, and it is the first time since 1998, is the decline in the grand list. To make up for the reduction in the levy of 3.3 million, it requires an adjustment of the mill rate of 4.94% to get from 26.32 mills to 27.65 mills. The total effect on the mill rate required for the proposed 2.66% increase is 7.75% of which 4.94% is not additional funds, just a mathematical function of the revaluation. Ms. Bratton expressed a desire to be proactive to low turnout at the budget informational meetings, Mr. Harrison suggested use of the town newsletter and website. Several people offered multiple formats for widely disseminating the information. Mr. Harrison requested that the slides used for last year's presentation be reviewed would like comments and suggestions within the next week.

13/14-12 Update on Revaluation Impact

An analysis of the revaluation process on commercial properties was forwarded by e-mail on 2/17/14 from Harry DerAsadourian and Brandon Robertson to the board members, a copy is included in the meeting packet. A copy of a memorandum dated 2/24/14 from Harry DerAsadourian to Brandon Robertson was distributed in response to questions asked in the January meeting. Mr. DerAsadourian reviewed these documents with the Board. In response to a question by Mr. Gugliotti, Mr. DerAsadourian stated that although there are some out of state cars housed in Avon, the issue is not rampant. It was agreed that the property card with comparative tax information will be on

www.avonassessor.com during the budget season in the same format as has been provided in previous years. To normalize the current Grand List for the impact of the revaluation the mill rate should be adjusted from 26.32 to 27.65 mills under the current budget. There was 1.4 % growth in the Grand List in the last year.

VI. NEW BUSINESS

13/14-14CAFR Presentation by Blum, Shapiro & Company, P.C.

Vanessa E. Rossitto, BlumShapiro, highlighted items in the CAFR (Comprehensive Annual Financial Report) for the fiscal year ended 6/30/13. It is only required that financial statements are submitted to the State of Connecticut, however, Avon submits a CAFR which also includes an introductory and statistical section and submits this report to the GFOA in Chicago for award consideration. The 2012 report received an award that is included in the 2013 report. It has been submitted for 2013 consideration.

Ms. Rossitto reported that there are terminology changes included in the report. Avon has received a clean opinion, this used to be called an unqualified opinion. The term “unqualified” has been changed to “unmodified” which indicates everything is stated correctly in accordance with government accounting standards. Management is responsible for the financial statements. BlumShapiro audits the financial statements and renders an opinion.

Next year there will be significant changes in the pension notes due to the implementation of GASB 67. Disclosures will change 2014 and in 2015 net pension liability will be recorded on the full accrual financial statements. Mr. Harrison noted that this will cause the reporting to be more labor intensive.

Ms. Rossitto agreed and stated these more stringent rules were imposed in recognition that all municipalities were not using the same actuarial methods nor a consistent method of calculating the discount rate. In the future, it will be easier to compare municipalities across the board. In response to Mr. Harrison, Ms. Rossitto stated that she does not anticipate a change in the required funding level, however, there will be discussions to discuss funding policies. Mr. Harrison requested that if any substantial changes in funding are recommended, the Board would like to know as soon as possible. In response to Mr. Stoll it was affirmed that the values in the pension report are the actuarial values of how funded the plans are as of 7/1/2011. Very few plans in the industry target for 100%.

Avon receives federal and State grants, as a requirement the town is required to produce single audits for the Federal and State agencies. An unmodified opinion on compliance and internal controls has been issued on both Federal and State single audits. The Special Education cluster has been tested for the Federal Audit according to the rules mandated by OMB, there were no findings. Open Choice program and the Town Aid Road program were tested for the State Audit, there were no findings.

Ms. Rossitto highlighted recommendations for improvements detailed in a letter from BlumShapiro dated December 17, 2013.

13/14-15Response to Audit comments & recommendations to Management

In the memo dated February 19, 2014 from Margaret Colligan to Brandon Robertson Management responded to all audit recommendations. As a result of the audit findings in June, 2012, The Town engaged BlumShapiro Business Consulting to prepare an accounting procedures and policy manual. This is roughly 90% completed. Management has also pursued expanding the scope of this contract to include reconciliation internally, reconciliation between the Town and the Board of Education and working with the Board of Education on the encumbrance process. Ms. Rossitto stated that the proposed closing process checklist produced by her firm would help tremendously in preparation for future audits. In response to a question from Mr. Stoll, Ms. Colligan stated that the Town does not currently have access to the Board of Education financial system. She needs to get the technical specs on access. The Board of Education does have rights to access the town's system.

13/14-16Appointment of Auditor

In the memo dated February 19, 2014 from Margaret Colligan to Brandon Robertson recommendations are made for the appointment of BlumShapiro as independent auditor for the fiscal year 2013-2014.

On a motion made by Mr. Gugliotti, seconded by Mr. Stoll, it was voted:

RESOLVED: That the Board of Finance appoint BlumShapiro as independent auditor for the fiscal year 2013-2014.

Messrs: Harrison, Gugliotti, Hamilton, Speich, Stoll and Mmes: Bratton and Durdan voted in favor.
13/14-17Supplemental Appropriation: Avon Education Foundation Grant to the Avon High School, \$13,050

Details are provided in memos dated 12/3/13 from the AEF Grant Committee to Jim Buys and 1/9/14 from John H. Spang to Brandon Robertson.

On a motion made by Mr. Hamilton, seconded by Mr. Gugliotti, it was voted:

RESOLVED: That the Board of Finance hereby amends the FY 13/14 Budget by increasing:

REVENUES

General Fund, Other Local Revenues, Donations & Grants, Private Sources, Account #01-0360-43651 in the amount of \$13,050.00 and increasing:

APPROPRIATIONS

General Fund, Board of Education, General Service, Account #01-9401-52185 in the amount of \$13,050.00, for the purpose of recording grants received from the Avon Education Foundation for Avon High School Teacher Mr. James Buys to purchase hydraulic control equipment.

Messrs: Harrison, Gugliotti, Hamilton, Speich, Stoll and Mmes: Bratton and Durdan voted in favor.

13/14-18Supplemental Appropriation: Board of Education, \$18,787.64

Details are provided in the memo dated 1/15/14 from John H. Spang to Brandon Robertson. In response to a question from Ms. Bratton, it was stated that this reimbursement is for personnel related costs, custodial services, for the February storm.

On a motion made by Ms. Bratton, seconded by Mr. Hamilton, it was voted:

RESOLVED: That the Board of Finance hereby amends the FY13/14 Budget by increasing:

REVENUES

General Fund, Intergovernmental, FEMA Storm Charlotte, Account #01-0330-43398 in the amount of \$18,787.64 and increasing:

APPROPRIATIONS

General Fund, Board of Education, General Service, Account #01-9401-52185 in the amount of \$18,787.64, for the purpose of 100% reimbursement of FEMA Storm Charlotte related expenditures.

Messrs: Harrison, Gugliotti, Hamilton, Speich, Stoll and Mmes: Bratton and Durdan voted in favor.

13/14-19Supplemental Appropriation: Avon Police Department, \$3,702

Details are provided in the memo dated 1/29/14 from Mark Rinaldo to Brandon Robertson. Mr. Robertson noted that in December the radar speed sign was stolen when in use on Deercliff Drive. Our insurance carrier reimbursed the town, less a small deductible.

On a motion made by Ms. Durdan, seconded by Mr. Harrison, it was voted:

RESOLVED: That the Board of Finance hereby amends the FY 13/14 Budget by increasing:

REVENUES

General Fund, Other Local Revenues, Refunds and Reimbursements, Account #01-0360-43612 in the amount of \$3702.00 and increasing:

APPROPRIATIONS

General Fund, Patrol Services, Equip Maint-Other, Account #01-2107-52209 in the amount of \$3702.00 for the purpose of purchasing a replacement radar speed sign for the Avon Police Department.

Messrs: Harrison, Gugliotti, Hamilton, Speich, Stoll and Mmes: Bratton and Durdan voted in favor.

13/14-20Supplemental Appropriation: Neighborhood Assistance Act Grant Funds for Senior Center, \$1,958.85

Details are provided in the memo dated 1/23/14 from Alan Rosenberg and Glenn M. Marston to Brandon Robertson. In reponse to a question from Ms. Bratton, Mr. Robertson stated that the the Senior Center Activities Coordinator is currently a part time postion, but has been requested to be a full time position in the proposed budget.

On a motion made by Mr. Harrison, seconded by Ms. Bratton, it was voted:

RESOLVED: That the Board of Finance hereby amends the FY 13/14 Budget by increasing:

REVENUES

Recreation Activities Fund, Other Local Revenues, Donations & Grants, Private Sources, Account #09-0360-43651 in the amount of \$1,958.85 and increasing:

APPROPRIATIONS

Recreation Activities Fund, Senior Citizens, Equipment, Account #09-5301-52194 in the amount of \$1,958.85 for the purpose of funding computers, webcams, and a printer for the Senior Center Computer Room which will be reimbursed through an approved Neighborhood Assistance Act Grant from Connecticut.

Messrs: Harrison, Gugliotti, Hamilton, Speich, Stoll and Mmes: Bratton and Durdan voted in favor.

13/14-21 Supplemental Appropriation: Playground for All Kids, Inc. (Buckingham Road Recreation Area), \$1,975.92

Details are provided in the memo dated 1/27/14 from Glenn M. Marston to Brandon Robertson. On a motion made by Mr. Gugliotti, seconded by Mr. Stoll, it was voted:

RESOLVED: That the Board of Finance hereby amends the FY 13/14 Budget by increasing:

REVENUES

Recreation Activities Fund, Other Local Revenues, Donations & Grants, Private Sources, Account #09-0360-43651 in the amount of \$1,975.92 and increasing:

APPROPRIATIONS

Recreation Activities Fund, Facilities Maintenance, Repairs & Maintenance – Other, Account #09-5201-52219 in the amount of \$1,975.92 for the purpose of funding repairs and maintenance of the Buckingham Road Recreation Area Playground which will be funded by a donation from Playgrounds For All Kids (P.A.K.).

Messrs: Harrison, Gugliotti, Hamilton, Speich, Stoll and Mmes: Bratton and Durdan voted in favor.

13/14-21 Supplemental Appropriation: Thompson Road Recreation Complex, \$40,000

Details are provided in the memo dated 1/29/14 from Glenn M. Marston to Brandon Robertson. In response to a question, Mr. Robertson stated that the funds to be used are generated by the fees charged for activities by the recreation department.

On a motion made by Mr. Speich, seconded by Mr. Stoll, it was voted:

RESOLVED: That the Board of Finance hereby appropriates a sum not to exceed \$40,000 from Recreation Activities Fund, Other Financing Sources, Unassigned Fund Balance, Account #09-0390-43913 and to Recreation Activities Fund, Facility Maintenance, Consulting and Technical Services, Account #09-5201-52184, for the Final Schematic Plan and Preliminary Budget for the Athletic Field Complex at the Thompson Road Recreation Area.

Messrs: Harrison, Gugliotti, Hamilton, Speich, Stoll and Mmes: Bratton and Durdan voted in favor.

VII. TOWN MANAGER'S REPORT

A. Monthly Financial Report Summary

Details were included in the packet report dated period ended 12/31/13 prepared and reported by Margaret Colligan.

Ms. Colligan announced that for the 29th consecutive year the Town of Avon is the recipient of the Distinguished Budget Presentation Award for the current fiscal year from the Government Finance Officers Association.

Mr. Robertson stated the town has about 100 tons of salt on hand. The town typically uses 150 tons per storm. Other towns are in a similar position. We are out of the treated salt.

B. Miscellaneous Items

a. Solar System Request for Proposals

Mr. Robertson reported that the town advertised a RFP in December from firms to design, install, finance, own, operate and maintain one or more solar photovoltaic systems on Town facilities. There will be a joint meeting of the Town Council and the Board of Education on March 6th at 6:00 p.m. to review and discuss this item.

VIII. OTHER BUSINESS

In response to a question by Mr. Gugliotti, Mr. Robertson stated he is working with others to craft a position profile to use in the recruitment for the position of Director of Recreation and Parks. He would like to have the new candidate by June/July so that there will be some overlap with Mr. Marston prior to his retirement.

In response to a question by Ms. Durdan, Mr. Robertson stated that Ensign Bickford is cleaning up a burn pit.

IX. EXECUTIVE SESSION

There was none

X. ADJOURN

On a motion made by Mr. Gugliotti, seconded by Mr. Hamilton, it was voted:

RESOLVED: That the Board of Finance adjourn the meeting at 9:15 p.m.

Messrs: Harrison, Gugliotti, Hamilton, Speich, Stoll and Mmes: 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 Clerks office.