

**BOARD OF FINANCE
REGULAR MEETING MINUTES
October 24, 2022**

I. CALL TO ORDER

The meeting was opened at 7:02 p.m. hybrid: in person/GoToMeeting by Cathy Salchert, Chair, present: Margaret Bratton, Charles Harvell, Houston Putnam Lowry, Ellen Retelle (remotely) and Cathy Salchert. A quorum was present.

II. MINUTES OF PRECEDING MEETING

September 19, 2022, Meeting –

On a motion made by Houston Putnam Lowry, seconded by Charles Harvell it was voted: **RESOLVED:** That the Board of Finance approves the minutes of the September 19, 2022, meeting as drafted.

Bratton, Harvell, Lowry, Retelle and Salchert voted in favor.
Motion carried 5-0-0.

III. TOWN MANAGER’S REPORT/MISC.

A. Monthly Financial Report Summary

Details of the Monthly Financial Report Summary were included in the packet report dated period ended 9/30/22 prepared and reported by Tom DiStasio, who discussed in detail:

1. Defined benefits pension funding (which is getting close be being fully funded in accordance with actuarial forecasts)
2. Other post-employment benefits (OPEB) funding when current employees leave (which is currently underfunded, but will be better funded once the defined benefit plan is fully funded and that revenue stream can be used),
3. Budgetary encumbrances.

IV. OLD BUSINESS

21/22-21 American Rescue Plan Act.

Town Council Updates as of October 11,2022: www.avonct.gov/arpa

The Board discussed the road paving projects, fiber optic cable/broadband projects, and the Senior Center projects. Appropriations previously made may have to be modified in light of possible grants and changes in the scope of work.

V. NEW BUSINESS**22/23-06 Supplemental Appropriation: Avon Senior Center – Monday Meals and Minds Program (ARPA), \$10,125**

On a motion made by Houston Putnam Lowry, seconded by Margaret Bratton it was voted:

RESOLVED: That the Board of Finance hereby amends the FY 22/23 Budget by increasing:

REVENUES

American Rescue Plan Act Grant, Intergovernmental, American Rescue Plan Act Grant Revenue, Account #50-0330-44037 in the amount of \$10,125.00 and increasing:

APPROPRIATIONS

American Rescue Plan Act Grant, Senior Citizens, Monday Meals & Minds-ARPA. Account #50-5301-53475 in the amount of \$10,125.00 for the purpose of allocating funding received through the American Rescue Plan Act towards the establishment of a weekly Monday meal program at the Avon Senior Center.

Bratton, Harvell, Lowry, Retelle and Salchert voted in favor.

Motion carried 5-0-0.

22/23-07 Transfer of Appropriation: Sycamore Hills Recreation Area (ARPA), \$83,949.74

The Board discussed the reappropriation of a portion of the previously approved \$100,000.00 in ARPA funds for Sycamore Hills Recreation Center for the pool repair project to other projects at the recreation area because the final cost of the pool repair was lower than expected.

On a motion made by Houston Putnam Lowry, seconded by Margaret Bratton it was voted:

RESOLVED: That the Board of Finance hereby amends the FY 22/23 budget by transferring, \$83,949.74 from American Rescue Plan Act Grant, Town-CIP Facilities, Sycamore Hills Pool Repairs-ARPA, Account #50-4829-53329; to American Rescue Plan Act Grant, Town-CIP Facilities, Sycamore Hills Pools & Facilities Improvements-ARPA, Account #50-4829-53746; for various pool and facilities improvements to be made to the Sycamore Hills Recreation Area. Bratton, Lowry, and Salchert voted in favor, Harvell and Retelle opposed. Motion carried 3-2-0.

22/23-08 Supplemental Appropriation: Absentee Ballot Processing Grant, \$8,532.59

On a motion made by Houston Putnam Lowry, seconded by Margaret Bratton it was voted:

RESOLVED: That the Board of Finance hereby amends the FY 22/23 Budget by increasing:

REVENUES

General Fund, Intergovernmental, Absentee Ballot Processing Grant, Account #01-0330-43425 in the amount of \$8,532.59 and increasing:

APPROPRIATIONS

General Fund, Records and Vital, Temporary Part Time, Account #01-1601-51014, in the amount of \$5,532.59, to cover the cost of the hiring staff to process absentee ballots for the 2022 election; and General Fund, Records and Vital, Other Equipment, Account #01-1601-53319, in the amount of \$3,000 for the purpose of purchasing and installing security equipment to monitor absentee ballot drop-off.

Bratton, Harvell, Lowry, Retelle and Salchert voted in favor.
Motion carried 5-0-0.

22/23-09 Discussion of General Fund Unassigned Fund Balance Policy and Policy Regarding Use of Surplus.

Brandon Robertson, Town Manager explained that unassigned general fund balance is cash that is available for prompt appropriation, sort of like an emergency fund.

A reasonable cash reserve is essential to ensuring the strong financial condition of the Town. The Government Finance Officers of America (GFOA) recommends a cash reserve equal to two months of expenditures be kept liquid to ensure the Town can meet its needs, most triple AAA communities have an amount of unassigned fund balance equal to between 10-15% of expenditures.

Bond rating agencies also look at this reserve closely. This reserve is critical to ensuring the Town's continued good credit rating, which translates into lower borrowing costs. It provides a buffer against contingencies such as uninsured natural disasters, unexpected revenue shortfalls, or unavoidable budgetary expenditures. Unassigned fund balance is also needed to provide working capital to meet cash flow needs and can be used to stabilize fluctuations from year to year in property taxes.

In 2001, the Town Council adopted policy goal statement of achieving an unassigned fund balance equal to 10% of expenditures. As of FY 21, the Town's unassigned fund balance was \$12,871,912 or approximately 13.68% of general fund expenditures and transfers out for that year. Finance is now working through finalizing year end closing entries to year end recommendations for the Town Council in December and subsequently the Board of Finance.

During the year-end review process, there will be recommendations to the Town Council that will likely result in an increased percentage of unassigned fund balance and will also result in recommendations to place assignments on fund balance for future use. The use of assignments on fund balance is a best practice in budgeting and financial management and they are used to avoid potential shocks in the operating budget. The assignments generally approved include funding for pension, Other post-employment benefits (OPEB), compensated absence and 27th payroll.

The policy statement on unassigned general fund balance, can also be found on page S.28 of the adopted budget book and page B.12 gives a brief overview of unassigned fund balance.

22/23-10 Approve Board of Finance 2023 Meeting Schedule.

On a motion made by Houston Putnam Lowry, seconded by Ellen Retelle it was voted:

RESOLVED: That the Board of Finance hereby approves the Board of Finance 2023 Meeting Schedule as presented.

Bratton, Harvell, Lowry, Retelle and Salchert voted in favor.
Motion carried 5-0-0.

VI. ADJOURN

On a motion made by Houston Putnam Lowry, seconded by Cathy Salchert it was voted:

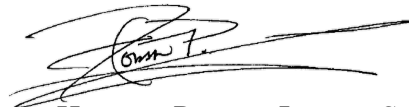
RESOLVED: That the Board of Finance adjourn the meeting at 9:10 p.m.

Bratton, Harvell, Lowry, Retelle and Salchert voted in favor.

Motion carried 5-0-0.

Minutes are official only after approval by the Board of Finance, usually at its next meeting.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "H. Putnam Lowry", written over a horizontal line.

Houston Putnam Lowry, Secretary

Attest: Christine Pescatore, Clerk

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