

Board of Finance Public Hearing 4-7-14
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TOWN OF AVON
BOARD OF FINANCE PUBLIC HEARING
MONDAY, APRIL 7, 2014 7:00 P.M.
AVON SENIOR CENTER, COMMUNITY ROOM
635 WEST AVON ROAD
MINUTES

I. CHAIR BOARD OF FINANCE: Thomas Harrison

Board of Finance Chairman Thomas Harrison called to order the Public Hearing at 7:05 p.m. He thanked the audience for attending. He introduced the members of the Board of Finance; Vice Chairman Tom Gugliotti, Cathy Durdan, Margaret Bratton, Brian Stoll and Dean Hamilton. Jim Speich was absent. Mr. Harrison led the audience in Pledge of Allegiance to the Flag.

Mr. Harrison stated that state law requires towns and cities to do a revaluation every five years. Avon does this in years ending in 3 and 8 and began the revaluation process this past summer. In November, 2013, statements of the new valuations were mailed to property owners. The custom at this hearing is to make the year to year comparison between the spending requests and the revenue projections. Slide 2 is straight forward showing the 13/14 approved budgets, the 14/15 requested budgets and the percent change between the two. The revaluation creates a distortion in the percentage column. Slide 3 provides several key definitions that you will need to be familiar with so that you understand the process and how it affects the tax comparisons. The Grand List is the sum total of the value of all properties in the town of Avon. This was readjusted over the summer of 2013. For the first time since 1998, the Grand List declined. In your handouts there is a chart showing year-to-year since the referendum vote started what the changes were each year. If you look at that comparison for 2004 you'll see the Mill Rate is lower than in 2003. Similarly you'll see in 2009 the starting Mill Rate is lower because the Grand List grew in those years and when you have more money in it you don't need as high a tax rate to raise the same dollar amount. But as I said, this hasn't happened since 1998, this time we had a decline in the Grand List. So to raise the Grand List last year we had a Mill Rate of 26.32. The Mill Rate to refresh your recollection, the properties are taxed at their assessed value and the tax is applied to each \$1000 chunk of the assessed value. For example, if your house is assessed at \$400,000 you would have 400, \$1000 chunks and to each of those chunks the mill rate is applied. In the current fiscal year including last spring that Mill Rate, tax rate, is \$26.32. For each chunk of \$1000 you would be writing out a tax check for 26.32 multiplied by the number of chunks. That rate raised a certain dollar amount for us last year. Looking at slide 4, you see the formula. You take the Net Grand List and multiply it by the Mill Rate and we get the Levy. Most people call it the property tax but the technical term is the Levy. The old Grand List of \$2,688,826,620 times the current Mill Rate of 26.32 raised a Levy of \$70,769,917. That wasn't the total amount of money needed to support the budget because we had non-property tax revenues. We needed 26.32 on the old Grand List to raise that amount of money. Now since revaluation produced a decline in the Grand List it means we won't raise enough money if we use the old Mill Rate. The new Net Grand List has come down by about \$162,000,000 to \$2,562,714,510. To raise this same amount of money, \$70,769,917, we have to rebalance the Mill Rate. We would now have, if we're making a year to year comparison, 27.62 per \$1000 chunk of your assessed value. So higher Grand List: lower Mill Rate, lower Grand List: higher Mill Rate, we come out with the same amount of money. Going forward tonight as for the number that we will be using to make the year to year comparison, when we get into the presentations a little bit later in the evening to raise the initial money that we will need to support those spending increase requests we will start from the Mill Rate of 27.62 and then see what we would need to get there. I will give you a sneak preview, it's going to be 28.32.

Its increase over the rebalanced Mill Rate is just over 2.66%, which is about the same increase we had last year of 2.60%. Remember it is 2.66% higher than the rebalanced Mill Rate to account for the decline in the Grand List. The bottom of slide 4 shows the new Grand list \$2,562,714,510 times the new Mill Rate 28.32 producing a new Levy of \$72,576,075 that as we go through the presentations later we will see is the needed tax if we want to support those spending limits. There were some changes in the impact for different segments of the Grand List. The Grand List taxes real property, land, developed or undeveloped land. It taxes motor vehicles. It taxes personal property in commercial structures that would be furniture, computers, printers, things of that sort. You can see looking at slide 5 the residential real estate portion went down a little bit, not a lot, 78.70% to 76.49%. The commercial part of it went up a little bit, motor vehicles went up a little bit. Interesting historically during the economic downturn most people were keeping their cars, now that the economy is improving, people are starting to replace their cars and newer cars are taxed at a higher rate, they haven't depreciated as much, so motor vehicles are up slightly. So real estate is lower, commercial and motor vehicle is higher, that is how the revaluation last summer changed things around. Harry DerAsadourian, the assessor, put together the chart on slide 6 breaking down the balance by ranges. 592 out of a total of 7490 accounts will have an increase in their assessed value of more than 10%. The middle of the slide shows a break between those accounts that will pay a slightly bigger check versus those that will pay a smaller check. You can see your individual numbers on the form that was mailed in November as well as on the assessor's website at www.avonassessor.com. Generally speaking, more than half the accounts will pay a smaller check, not counting cars. The Grand List did have some growth and that will be shown later in the evening. There were properties that were taxed as undeveloped and over the course of the last year, new houses were built. I wanted to get this out front because as you will listen now to the Town Council and the Board of Education make their budget requests, you will see that spending requests have increased, the Mill Rate increase need to support this will not be from the 26.32 rate of last year, but from the rebalanced rate of 27.62.

The order of our presentations changes each year, this year the Town Council goes first. I will call on Mark Zacchio, chairperson of the Town Council, to present the proposed Town Council, Sewer, Debt Service and Capital Improvement Budget for FY 2014/2015

II. CHAIR, TOWN COUNCIL: Mark Zacchio

Good evening everybody, I'll be brief. As in other years, our mission statement is to provide quality town services at a reasonable cost to all citizens and taxpayers. That becomes a balance. It becomes an exercise that the Council struggles with each year in terms of what we fund and how we fund it. This year we focused on public safety, social services and last, the infrastructure. This includes both our buildings and our roads that were hit pretty hard this winter.

What is the budget made up of? First is General Government, which is your town office services and funds mostly salaries. Public Safety which includes the police, the fire and ambulance services. Public works includes the roads, buildings, the grounds and drainage projects around town. Health and Social Services is Alan Rosenberg's department, Recreation and Parks with Glenn Marston, Education-Culture and Conservation and Development. This year the Council is particularly happy with how we have been able to fund several aspects of our mission statement in terms of what was important to us. One, the Senior Center in Avon has long been open for four days a week. We choose this year to increase staffing from a part-time to a full-time position in order to have this facility open five days a week. Both demographics as well as program needs are driving this change. Our senior's requested this last year late in the budget process through a petition. This year it is in the proposed budget and we feel that it is important to the community. Second, we are increasing both the capital needs and the operating needs of the Fire Department. The Fire Department has waited patiently for some of their capital needs. The last piece of fire apparatus was in 2001. There is a growing need for the types of engines needed to service our community, especially in some of the growth areas and hills. The Fire Department has full funding for the replacement of a truck this year and we propose another amount for

next year which helps to get the Fire Department where they need to be and on the right track. We are also increasing funding for the Police Department. We traditionally have one or two openings within the patrol division. We have compensated for that through either overtime, especially overtime on the C-shift, the late night shift, where there is a lot less activity happening within town. We have lost two police officers within a fairly short period of time. That leaves us with three vacancies, that's just too much to handle from an overtime perspective. We did some changing in our operating budget during our Saturday work session in order to fully fund those positions previously funded for only six months of the year. We did a little work on how we run the recruitment process to get those folks hired as soon as possible. The fourth thing is we are doing some additional funding for roads this year. We all know that the roads have taken a toll this winter. We have a large amount set aside for Country Club Road. That's really a major project for us, that's from West Avon Road to Lovely Street. A lot of the cost comes into play with the drainage in that area. The drains in this area have not been rebuilt since 1988 or 1989. There's a significant cost for paving, but there is a significant cost for drainage as well. With our focus on retaining core services (slide 4), it's an objective we have each year, again, public safety and social services is a priority for us. Maintaining and reducing non-core services where possible, no non-core services were reduced this year. Occasionally we opt to outsource some of those services, but we didn't this year. That goes to the third point in the slide. Some examples of where we outsource today include our street sweeping, grounds maintenance around the town hall, our emergency service generators that are in several different locations around town to be able to power our communication system or emergency services if we have major power outages as we did several years ago during the snow storm with all the trees coming down. Those generators are police, fire and ambulance lifelines across town without power. We outsource the maintenance of those generators. IT services, catch basin cleaning, field irrigation maintenance and the list goes on in terms of how we source differently around town. We also need to fund our long term liabilities, that's our pension liabilities for both our current employees who are still in the pension plan that would have been hired prior to 1996 when we closed that plans, and also our retirees collecting a benefit today both in terms of their pension and their other post-employment benefits, that's mostly the health insurance cost. We actively manage our personnel resources. We fill only essential vacancies. I've talked already about enhancing our Senior Center services with a full time position and enhancing our police services with 3 additional patrol officers. Lastly we are focusing on the road maintenance program. From a numbers perspective (slide 5) we are asking for a blended increase of 2.51%. Town operations is an increase of \$642,757 or 3.08%. Sewers show an increase of 6.44%, but this is paid for through the sewer use fund, it is not an item that comes out of the mill rate taxed to the entire community. Our debt service is scheduled to be reduced by 5.48%. This means we continue to pay off long term debt, and we haven't issued any new debt. We have chosen to shift that this year into the C.I.P. line which is going up by 7.35%. That's where we are going to be doing a lot more road maintenance, purchasing some equipment that is over-due for the Public Works department. Major drivers this year (slide 6), Tom talked a bit about the economic climate, so I won't go into that. Tom will cover the Grand List growth later. The good news is the Grand List did grow by about 1.4%. To give you an idea of how that sets up, in the last five years our average increase was .31%. Over the last five years we haven't done well from a Grand List perspective and this year, clearly with the building going on in town, our Grand List has gone up. Don't get too excited about that because our ten year average is 2.28% so we are still pretty far off what our pace was on the ten year average but we are moving in the right direction. The 2.51%, to give you some perspective on the \$725,110 in new spending, pension contributions account for \$363,766 – our biggest line item. Other post-employment benefits account for \$251,347, so that's a big chunk of the increase. Those are funding commitments that we have already made and need to fund from an actuarial standpoint to make sure we keep pace with what the demand will be for our retirees. The Capital Improvement Program is a \$177,340 increase bringing it to \$2.6 million. It wasn't long ago, maybe three years, that the number was in the \$1.2 - \$1.3 million range. We had to pull back on capital

improvements, so we have been very aggressive over the last three years to get that capital item back up into an area that is sufficient for us. We have shifted long term debt spending into capital improvements, it doesn't hurt us from a budget perspective, it's a wash from a tax perspective, but it certainly goes a long way in funding the capital needs of our infrastructure in town. Since 1970, (Slide 7) this graph shows as population has grown, the amount of staff we have to support that growth has remained constant at .5% from a ratio perspective. This is important to note because the calls for service have increased pretty significantly. Although we have gone up a little bit in the staffing, the calls for service have outpaced that ratio by quite a bit. In just the last three years our roads have increased about 4.5%, more roads to plow, more roads to maintain, more curbs to fix and more salt to put down. Our parks and recreation registrations have gone up 8%. Along with the grand list growth comes building. Building inspections have gone up 22% in the last three years while still maintaining the same number of building inspectors. So we are really asking people to do more with less, work smarter and they have really answered that call to keep pace with the service needs of the community. (Slide 8) This slide shows the debt service over time, the debt service is falling off that curve which means we are retiring old debt and we don't anticipate issuing new debt. We do have two projects anticipated that are not approved yet, and have no solid plans they are a fire station on the west side of town and an expansion of Fisher Meadows. These projects would fall into the 2017 number. (Slide 9) I wanted to take you through the largest capital improvement items, roadway improvements of \$790,000 of which about \$450,000 is associated with Country Club Road including the drainage work discussed earlier. The Department of Public Works equipment replacement is \$520,000, this includes a backhoe to replace our current 1970's apparatus used for construction and drainage, a large plow truck replacing one that is twenty one years old and two fleet trucks replacing ones that are eighteen years old. The Volunteer Fire Department has a \$400,000 line item. We are allowing the Fire Department to decide how they want to use that across different equipment needs, most will be applied to a reserve for their next fire engine replacement. Roaring Brook School classroom flooring and ceiling tile replacement, as some of you may know my wife is a teacher at Roaring Brook and every time I visit I think that is the same flooring that was there when I attended Roaring Brook School in the early 70's. It is definitely worn out and in need of replacement. The underground fuel storage tank, this is at the Department of Public Works, the State of Connecticut is requiring that the underground fuel storage tanks be removed. We abandoned use of them a while ago, we have an above ground system in operation now, this is the last installment to completely remove the old tanks and remediate the pavement above it. The Roaring Brook fire alarm systems also represents the last installment to replace a system that was aging. Avon High School track resurfacing, for those of you that use the track, you notice that it is starting to show wear and crack. Resurfacing is the process we do to keep it maintained. Other items of note are municipal parking lot improvements, the Department of Public Works has a number of painting projects, the last installment of \$50,000 for the revaluation, paving of roads in the Secret Lake area, improvements to the patrol building and some other miscellaneous projects within the Board of Education. We continue to be working with the Board of Education on cooperative engagements (Slide 10). For years we have been sharing our vehicle maintenance program. We maintain our vehicles through the Department of Public Works. We do purchasing together. We use the athletic fields, Schools and town buildings in a cooperative way. Information services, financial services, legal services, the one I want to focus on is number 9, the comprehensive energy plan. This is something that was adopted by both of the boards and put together and engineered by the Clean Energy Commission. It has a number of items in it that are tactical. The Board of Education and the Town have taken note of and have been working to become more energy efficient. We also have a project in front of us where we are considering doing something with solar energy that offset some of our costs and takes us a step in the right direction to lowering our carbon footprint and meeting our energy efficiency goal of using 20% renewable energy by the year 2020 is what the Council signed up for. In summary, (Slide 11) 2.51% combined budget increase is what we are asking for, the Town Operating Budget is 3.08% and

I've talked about how that combines through the process. I would like to say we are particularly happy with the number of items we are able to fund with this small amount. We think the Senior Center really does need to be opened five days a week. We definitely would like to get those police officers hired faster than our original budget had anticipated. We clearly need some help within the infrastructure and equipment budget that will go a long way in setting us up for the future. Thank you.

III. CHAIR BOARD OF FINANCE: Thomas Harrison

Calls upon Chair, Board of Education to present the proposed Board of Education Budget for FY 2014/2015

NOTE: There was a technical error and the following presentations were not recorded.

CHAIR, BOARD OF EDUCATION: Presents Board of Education Budget for FY 2014/2015

Peggy Roell introduced the Board of Education members Wendy Howard, Ken Birk, Ames Shea and Superintendent Gary Mala who has been here 1100 days.

Gary Mala: Nice to be here I will provide a summary BOE budget. Our Mission Statement is to define the purpose and direction of our schools. The presentation is available on the back table and has been on our website since December. This budget supports significant reforms to our curriculum representing a realignment to the Common Core State Standards in English, Language Arts and Mathematics in Pre-K to 12. It supports revision of curriculum in Science and Social Studies in Pre-K to 12. It maintains our commitment to professional development of our staff, not only to those that require it, but to all. This budget supports our goals of maintaining class size, our commitment to Open Choice program, incorporates recommendations of third party reviews of major district operations and supports 3rd party reviews as identified. It advances a shared services model at both the local and regional level. This budget allows us to meet our contractual obligations while non-adversely affecting programs. We are able to increase World Language offerings, maintain support for Department Coordinators in grades 7-12 and add to program of studies at Avon High School. It allows us to support activities associated with further developing and maintaining respectful school cultures. We have incorporated budget development strategies which continue to build off an energy conservation program that has realized a cost avoidance savings of well over \$1,000,000. We have secured competitive pricing on transportation.

We look to determine & develop regional based programs, we have two special education programs beginning in the fall of 2014. Finally we are committed to exploring & securing alternative resources to offset operating costs. In developing this budget we have utilized a three pronged approach by incorporating strategic reductions to proposed requests, re-appropriating existing funding to achieve goals and have increased requests where necessary in order to advance strategic actions of the District Strategic Plan. Overall, class size at is projecting a slight reduction. We are recommending a current staff net reduction of 6.7 staff as a result of fluctuation in class size. The Board of Education has added two .5 FTE Chinese teacher positions through a partnership with the newly formed Confucius Institute at CCSU. The institute will contribute 50% for transportation & monthly costs of the visiting professors. The proposed budget utilizes a combination of tax and non-tax revenue. The proposed increase impact is 2.77%. Avon's net per pupil expenditure, from State Department of Education, is among the lowest in our region. Our position has not changed for the last 3 budgets. The drivers of this budget are comprised of non-discretionary costs such as salaries & benefits, transportation, utilities, contract services, special education & magnet school tuition which make up 95% of the requested increase.

So what does this budget achieve? The increase allows us to meet additional out-of-district tuition obligations and to respond to each goal that continues to serve at the foundation of this budget. We remain committed to maintain clear communication and clear transparent processes. We are committed to using all resources efficiently and to continue with an incremental approach to reductions and additions. We will continue to strategically & systematically look to others when appropriate. The Board of Education appreciates the cooperative work among all boards as we move forward. Thank

you.

IV. CHAIR BOARD OF FINANCE: Thomas Harrison

Let's begin by talking about how did we do with the budget last year. We ended the year in excellent financial shape. The audit is completed; it was a clean audit. We finished the year with unspent money that has been returned to surplus through prudent management. We have a surplus of \$8,000,000. This is the 1st time we have achieved the Town Council's guideline of surplus of 10% of the budget. It represents the Town's rainy day fund. I would like to commend the Town Council and the Board of Education for their fiscal management. In our current budget year the 4th fiscal quarter, the revenues & spending are running at budgeted amounts. Going forward we will examine the tax impact of the budget requests for fiscal year 2014-2015. We have limited options to raise funds (Slide 8). State law is very restrictive. We don't have a local income tax or sales tax as some of our neighboring states do. (Slide 9) We are left with two sources: non-property tax, this includes such things as fees, permits, and Federal and State grants. This is about 11% of our revenue. Property taxes & assessments is our main source. In the year to year comparison the percentage we get from the property tax has remained the same. The combine requests produce a 2.66 % tax rate increase. As we examine the breakdown the bulk of the revenue is produced from residential assessments or 77%. Commercial & Industrial assessments are up a little as well as non-property revenue. As we examine the percentage of the requests and how the requests are broken down, the biggest single portion is for schools not only directly, but also in the CIP request. 69% of the total requested budget is school related; \$54,230,554 operating budget, \$2,796,925 debt service and \$555,637 CIP. The Town is requesting \$21,494,682 operating budget, \$850,565 debt service and \$2,035,000 for CIP or 31% of the total request. The total combined budget request is \$83,887,095. If we look at the 6 year Grand list history (Slide 16) we can see some increase in the residential of 1.4% which helped offset the decline from the revaluation. The decline we see is related to the market. The housing market has not fully recovered. The new assessments will be in place for 5 years. Slide 17 shows the history of the Consumer Price Index and the Social Security COLA. The Town unemployment rate is declining (Slide 18). The comparative data, the State puts together, shows the equalized mill rate. We do pretty well, the only town that does better is Farmington. We compare more favorably than any other town in the Valley. This confirms that we do manage our money very carefully. To summarize the requested budgets, the overall spending level is up 2.60%.

V. CHAIR BOARD OF FINANCE: Thomas Harrison

The way the process works, after tonight's hearing, on Wednesday we will meet with all three Boards according to the Town Charter to confer about what we heard tonight and what we feel is going on. Then the Board of Finance, under the Charter, has the power then to recommend the budget for your consideration. In doing that we can make adjustments, we can decrease it, we can increase it, we can leave it where it is. We have the authority to make any adjustments we feel are appropriate. Then we vote to set what the recommended budget is. That then will be put out for approval by the voters through the Referendum. Wednesday's meeting will be held in this room, but it is not public in the sense that the public can attend and observe but there is no public speaking or questions. The discussions are limited to the three Boards.

Mr. Zacchio stated that in his effort to be brief, be brilliant and be gone, he forgot to introduce the Council. He introduced Doug Evans, Heather McGuire, Bill Stokesbury and David Pena.

Mr. Harrison calls upon the audience for questions and comments on the Town Council, Board of Education, and Board of Finance budget presentations. Speakers are limited to registered voters and property owners. We ask that as you come up to speak, you state your name and address. You will have a three minute time limit.

Joe Bartosiewicz, 5 Colby Way

I am a CFP and in the financial services business for almost 35 years. I manage hundreds of millions of dollars for middle, upper middle and high net worth clients including major corporations. I belong to a

group of other financial planning friends who get together and speak about trends and solutions. Together we manage well over a billion and a half dollars mostly from people who live or lived in Connecticut. All of us are extremely concerned about the solvency of the State of Connecticut over the next five to ten years. All of my friends agree with me and since I am the one who lives in Avon, I am speaking for them just like they are speaking to their towns. Here is the problem, it is based on demographics and trends in taxes and population shifts. There are 78 million baby-boomers who were born in the USA and 95 million who were born here or immigrated to. Now we all know that baby boomers have changed everything in this country from McDonalds to movies to everything. The problem is that out of all our clients, 32% - 38% of our upper middle and rich are moving out of Connecticut. Connecticut is rated one of the worst places in which to retire. We have one of the highest taxes in the United States. Connecticut is the only state that lost business last year. The top 2% of all the people in this country pay 65% of all the taxes. The 32% - 38% who are my clients are in the top 1% and they are moving to Florida, Georgia, and everywhere else. 55% - 65% of the children of these baby boomers that are graduating college are not staying in the state. We are not only losing the retirees, but also the graduates of the retirees. They are leaving and are not coming back. We are losing the next generation that will pay the high taxes and pensions in this state. The pensions are one of the highest if not the highest in the nation, higher than New York. There are more than 350,000 houses or condo in the State of Connecticut owned by people over 75 years old. Over the next 10 years most will die. Who will buy their houses? The State of Connecticut said we will lose more than 300,000 - 400,000 people over the next 10 years. Most will be the upper middle to high net worth people, the ones who are paying the taxes and replaced by lower class people looking to Connecticut to pay one of the highest benefit packages in the USA for welfare benefits. My house was bought for \$650,000 in 1989 when baby boomers were all buying their homes and establishing their families. Interest rates were high and going lower. Avon and Connecticut were doing better economically than it is doing now. As interest rates fall and the economy gets stronger house values go up. Now, about a third or more of the wealthy baby boomers are leaving the state and Avon and taking their taxes with them. My house just appraised for \$650,000 twenty five years later, so it has not moved at all. In the biggest baby boom of our lives and the house is still the same price. The only thing that has gone up is the taxes, and they have gone up dramatically. The median age in Avon as of 2013 is 47, the median age in Connecticut is 38. The median age in Avon is getting older. This means more people are in a position to move out. The question is, what is going to happen when interest rates start to rise, real estate purchases slow to a very low rate and the baby boomers are gone but the taxes still go up dramatically? What will happen? A major reduction in real estate values by at least 20% - 40%. The more you raise taxes, the more people are voting with their feet and it will be monumental over the next ten years when most of the baby boomers are in their 60's and 70's. I spoke with John Ryan of the Office of Policy and Management for 45 minutes and I went through all of this, and he agreed with me that we have a big problem. I asked him to tell me why Connecticut will not be another Detroit over the next 10 years and he said I can't. What are you doing over the next five to ten years to look at the demographic shift knowing this will happen? A third of the rich baby boomers are moving out now, not being replaced by their children, and the boomers parents are dying leaving all these empty houses all over the state. What are you going to do when the taxes continue to rise and more people move out?

Mr. Harrison replied that he cannot answer that. If he knew that he would be the best [interrupted]

Mr. Bartosiewicz: I urge you to look at demographics because over the next 5-10 years even the Office of Policy and Management agrees with me. Thank you.

Sue Henneberry, 488 Huckleberry Hill Road

I just want to thank all the Boards for their work and care for Avon and their use of capital resources. I want to especially commend the Town Council & the Board of Education for their responsible fiscal management last year. I want the Board of Finance to consider the lack of attendance here tonight to be seen as a high level of trust in our Boards. With that in mind, I ask the Board of Finance if you see

the need to cut the requested budget that at the meeting on May 5th, each Board of Finance member provide a public rational for their cuts. Thank you.

Neil Livingston, 120 Craigemore Circle

A question for Gary, Gary our number of students are trending downward, are we going to see a budget trending downward as a result of that?

Gary Mala: I can't speak to what would happen in the out years Mr. Livingston, I can only provide rationale for this one. So I don't know that answer.

Mr. Livingston: So basically you're telling the number of students is trending downward by 300 students per year over the next ten years and the probability...

Peggy Roell: Excuse me, we are not trending down 300 students over each of the next ten years that would be our whole student body.

Gary Mala: As you know Mr. Livingston, there are other factors that need to be calculated in with any budget increase. It is not directly proportioned to the student enrollment at the time. You're asking me to project out ten years, which I can't do.

Mr. Livingston: Okay, let's move on, you have a group of people who are helping to write grants. Can you tell me how much over the next year, how much you hope to raise?

Gary Mala: About 52,000. It is called the Pecpedia Grant and there are six others applications in process.

Mr. Livingston: The next question is for the Town Manager, Brandon Robertson. Brandon, can you tell me the reserve that you had in your chart 9 for \$400,000 for the Fire Department. Is that pretty much in line with what we reserved for them over the previous years?

Brandon Robertson: No, it's higher than what we have reserved in previous years. The proposed budget for fiscal year 2015 includes an appropriation of \$400,000 for a fire truck and other apparatus.

Beginning back in 2010 we began it to fund it at \$200,000/yr and one year was \$225,000. So it is higher for 2015.

Mark Zacchio: Historically there are years it has been higher than \$400,000 based on the year and what the apparatus needs were. It can fluctuate based on the Fire Departments requests.

Mr. Livingston: Brandon, you're the business development person here, can you tell us in this latest budget year what you have been able to add to the grand list as a result of your business development effort?

Brandon Robertson: Speaking of the Grand List here, If we look back the Grand List as of October 1st 2013, which is the Grand List that is used to calculate the fiscal year 2015 budget, as you saw in the initial overview the Town provided, there is a reduction due to the revaluation. But for the revaluation, you would see is a year over year increase of about a 1.27%. So there is a lot of economic growth that is happening on both the business side and the residential side. Where if you look at residential activity in comparison to our neighbors, we have amongst the highest rates of building permits.

Mr. Livingston: This is just a comment, in the Hartford Courant not too long ago, Midland Texas is making over the highest per capita of Avon (not understandable).

Florence Stahl, 2 Sunset Trail

Tom, I has a question for you, on page 27 of your presentation, multi town comparative data, every year for quite a few years you've provided the equalized and the per capita mill rate which is quite different. When you're doing the per capita mill rate it with Avon it comes out one of the highest in the area. I like having both because it is both sides of the coin, so I don't think this gives a balanced view of the comparative mill rates. So I was wondering why this wasn't on here this year.

Tom Harrison: I know there was another column. I am not sure if it was the equalized per capita tax rate, it might have been per capita debt service, and in any event we decided to change most of the slides this year. We'll certainly consider putting that back next year.

Florence Stahl: Because you have done it year to year. I don't know why it was changed.

Tom Harrison: For anyone who would like to see it, we can probably get the numbers for you.

Florence Stahl: The only other thing I have to say is good job keeping increases to a moderate rate. However, with very few exceptions, most municipalities throughout Connecticut are raising their taxes primarily to accommodate salaries, pensions & benefits. So, powerful people have tried and failed to change public compensation systems. But these systems are on a trajectory that no municipality, however well-being, can sustain. Look, there is very little we can do year to year in Avon except to shine light on the subject, which we try to do. I again appeal to the negotiators, especially on the public education side, that negotiations are out of sight but certainly not out of mind. I hope that someday they have those negotiations open. As we all know that green booklet that we Taxpayers Association compiled represents 80% of budget. Tonight we are talking about very important things that are only 20% of the budget. We don't talk about the 80% because it is all signed, sealed and delivered by the time we get here tonight. We all know the problem. It's a huge problem that goes beyond Avon. Thank you.

VI. 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 Town Budget Meeting on Monday, May 5, 2014 at the Avon Senior Center Community Room, 635 West Avon Road, Avon, CT 7:00 p.m. and will be submitted to vote at Referendum on May 14, 2014 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.

The meeting adjourned at 8:25 p.m.