

**BOARD OF FINANCE  
REGULAR MEETING MINUTES  
February 23, 2015**

**I. CALL TO ORDER**

The meeting was called to order at 7:05 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**

There was none. Ms. Zirolli, liaison for the Board of Education was not present.

**IV. MINUTES OF PRECEDING MEETING:**

**December 22, 2015 Regular Meeting**

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

**RESOLVED:** That the Board of Finance approve the minutes of the December 22, 2015 Meeting as submitted.

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

**V. OLD BUSINESS**

**13/14-22** Synthetic Field Project at Avon High School: Adoption of Revised Resolution to Appropriate Funds from the Recreation Activities Fund Unassigned Fund Balance

Mr. Robertson gave a summary of the history and the current status of the project. He stated that at the December Town Council meeting given that there was capacity in the project budget and considering past history, he recommended that the high school property be looked at again and the Town Council authorized it. He provided the architect with a recommended scope to pursue. The motion this evening authorizes the balance of previously authorized funds to be used for the high school location.

On a motion made by Tom Gugliotti, seconded by Dean Hamilton, 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, Recreation Activities, Consulting and Technical Services, Account #09-5107-52184, for the Final Schematic Plan and Preliminary Budget for the Athletic Field Complex at the Thompson Road Recreation Area, and the development of schematic plans and a preliminary budget for fields at Avon High School.

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

**14/15-07** Review and Discussion: FY 15/16 Budget Process

Mr. Harrison directed the Board to look at the slide presentation included in the monthly meeting packet. He requested that the Board review them over the next 30 days and prepare any desired changes in preparation for the public hearing.

In Response to a question from Mr. Stoll, Mr. Harrison stated that the presentation from Mr. Dix may occur in March. In addition he asked Mr. Robertson to prepare a report on the status of the pension plan.

## **VI. NEW BUSINESS**

### **14/15-10** CAFR Presentation by Blum, Shapiro & Company, P.C.

Ms. Colligan introduced Vanessa Rossitto and Emily Fournier of Blum Shapiro & Company P.C. and Laurie Dorn our Town Accountant. Ms. Rossitto highlighted the required communication letter. There were two new accounting standards adopted this year, GASB 65 (entitled items previously recognized as assets and liabilities) and GASB 67 (the reporting for pension plans). She stated that in the financial statement there are a number of estimates used and listed them. She stated they did not encounter any difficulties in preparing the audit. They will be requiring the Town and the Board of Education to sign a representation letter stating that all requested services have been provided. Ms. Rossitto called everyone's attention to the CAFR (Comprehensive Annual Financial Report) booklet for the fiscal year ended June 30, 2014. She reported that Blum Shapiro has given a clean opinion, the highest form of an opinion you can receive. She stated that the Management's Discussion and Analysis tells the story behind the numbers and encouraged the board to read this along with the financial statements. She reviewed the financial statements. In addition to assets, liabilities & net position, there is a new category called deferred inflows of resources. The General Fund experienced an increase of 2.1 million dollars which leaves an ending fund balance of 12.8 million dollars. Of that balance, 8.6 million dollars is unassigned or 10.45% of the budget. The CIFA (Capital Improvement Fund Account) has an ending balance of 4.8 million dollars. The new pension disclosures begin on page 47. There was a discussion of the standard percentage for funding the pension benefit. Chairman Harrison stated this would be a good topic for a future meeting. He added that our independent financial advisor has described our pensions as funded adequately. Mr. Stoll questioned the 7.5% rate used. Ms. Rossitto agreed and suggested the actuary be consulted. Chairman Harrison stated this number has been trending down and Mr. Robertson stated for fiscal year 2016 it is dropping to 7.125. Mr. Stoll wanted to know if anywhere in the report it shows our actual allocation of assets and compare it to the target. Ms. Colligan stated it is not required for the CAFR, but it is included in the Pension Committee reports. Ms. Rossitto informed the Board that next year GASB 68 will be implemented. This is not new information for the rating agencies; it is only displayed in a different area. GASB will eventually require similar changes to the OPEB accounts. Ms. Fournier reviewed the Federal Single Audit. There was an unmodified opinion. There was nothing of note to report. The Federal Grants tested produced no findings. She also reviewed the State Single Audit report. There was an unmodified report on the financial statements. There was nothing of note to report.

Mr. Gugliotti requested that the Board of Education provide some detail on the existing controls for the student activities account.

### **14/15-11** Response to Audit comments and recommendations to Management

Ms. Rossito stated this is letter contains suggestions for improvements and best practices. A memo dated February 17, 2015 from Margaret Colligan to Brandon Robertson addressed the auditor's comments. Ms. Colligan added she is close to finalizing the Accounting Policy and Procedures manual. Clean up of aged encumbrances is in process. Tax collectors procedures have been documents and the auditors will be asked to review them.

#### **14/15-12** Appointment of Auditor

A memo from Margaret Colligan to Brandon Robertson dated February 19, 2015 was included in the meeting packet. Mr. Harrison stated the Board approved several months ago inviting Blum, Shapiro & Company, P.C. to continue for one additional year. The Board needs to formalize the appointment.

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

**RESOLVED:** That the Board of Finance appoint Blum, Shapiro & Company, P.C. as the auditor for the coming fiscal year.

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

#### **14/15-13** Technology Lease/Purchase Approval

A memo dated December 24, 2014 from John Spang to Brandon Robertson is included in the meeting packets. Mr. Robertson indicated that Mr. Spang was present to speak to any details. The request represents a lease-purchase agreement that the Town Council approved in January. He stated technically he, as Town Manager, is required to sign the agreement because the Board of Education doesn't have the ability to exercise the Town's borrowing authority. Mr. Spang stated that all of the computers are going into the classrooms. The bulk of the 312 notebook computers will be housed in thirteen rolling carts to be utilized in the classroom. In response to a question from Mr. Stoll, Mr. Spang stated all five schools will receive carts, two at each elementary school, three at the middle school and four at the high school.

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

**RESOLVED:** That the Board of Finance approve a 48-month lease agreement between Dell Financial Services, LLC and Town of Avon for the Board of Education to secure 50 desktop computers for two world language labs – 25 each at the high school and middle school and 13 mobile carts with 25 Chromebooks on each cart at all five schools.

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 1/21/15 and 2/23/15 prepared and reported by Ms. Colligan. Ms. Colligan stated all areas are doing well. There are no variances to note on the revenue side. The Manufacturing Transition/Property Tax Relief Grant was repealed and replaced with a new one, however at the current time we have not revived any portion of it in the current fiscal year. Next month there will be an appropriation for sand/salt but the funds are available within Town

funds. There are no negative expenditure variances. Mr. Stoll commented that due to the severe winter he is concerned with the sufficiency of the roads budget. Mr. Robertson agreed it was a difficult winter but we will be on top of it.

**B. Miscellaneous Updates**

Mr. Robertson stated the Governor did release his proposed budget. The initial review is positive. In fiscal 2015 there was increased funding for town aid roads this was continued in the proposed budget for 2016. This will help with our paving management plan. There may be significant reductions to the youth services grant, we're not sure how much at this point. In response to a question from Mr. Stoll, Mr. Robertson stated there is no movement on the car tax reform. Mr. Gugliotti distributed an article from the law journal.

In response to a request from Mr. Harrison, Mr. Robertson stated the Town Council conducted their budget workshop two weeks ago. In the end they made a couple of small adjustments but with one exception they will probably approve the budget as presented. The one exception is that the large increase in the town Capital side is driven by the increase in the Capital Budget for 2016. Part of that increase is supported by a draw down from an assignment on fund balance for Capital projects. There was a lot of discussion at the Council about dealing with that draw down as a supplemental appropriation rather than going through the budget process. The thinking is that the amount would be used to support the paving management program. There is an advantage to being first in line, having the funding available as soon as the paving plan is open. We can be paving in April or May as opposed to waiting until July.

In terms of the budget, it is a 3.76% overall increase including the Board of Education. The town only which includes the Capital Budget, debt service and sewers represent a 7.6% increase. 70% of this number is due to increases in capital spending. Between the time the budget went to Council and after the workshop, the assessor finalized the Grand List. We went into the workshop using a Grand List as of 10/1/14 with a 4.5% increase. The Grand list ended up being an increase of 7.7%; that has the impact on the mill rate of bringing the proposed increase from 2% down to 1.7 %. It fully funds all of our liabilities, continues to fund OPEB and funds 2 additional patrol positions (bringing current half time positions to full time and 1 additional position).

In response to a question from Mr. Stoll, Mr. Robertson stated the supplemental appropriation number for paving will be around 605.

**VIII. OTHER BUSINESS**

There was none

**IX. EXECUTIVE SESSION:** Pending Claims and Litigation

**14/15-14** Supplemental Appropriation from Unassigned Fund Balance for Heart and Hypertension Claims, \$54,270.01

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

**RESOLVED:** That the Board of Finance move into executive session at 8:21 pm.

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

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

**RESOLVED:** That the Board of Finance exit executive session at 8:27 pm.

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

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

**RESOLVED:** That the Board of Finance hereby appropriates a sum not to exceed \$54,270.01 from General Fund, Other Financing sources, Unassigned Fund Balance, Account #01-0390-43913, to General Fund, Claims & Losses, Services-Other, Account #01-8101-52189 for the purpose of paying disability benefits under the State's Heart & Hypertension Laws.

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

## **X. ADJOURN**

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

**RESOLVED:** That the Board of Finance adjourn the meeting at 8:28 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 Clerk's office.