

**BOARD OF FINANCE BUDGET WORKSHOP  
REGULAR MEETING MINUTES  
APRIL 15, 2015**

**I. CALL TO ORDER**

The meeting was called to order at 7:00 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 Thomas Harrison.

**III. OLD BUSINESS**

**14/15-07**      FY 15/16 Budget: All Three Boards

Mr. Harrison commented that this is continuing our streak of records; The Public Hearing had only one speaker and there are no non-town representative citizens in the audience this evening. Mr. Harrison stated that the Town Charter requires for the Board of Finance to do two things; Conduct a Public Hearing which was held Monday night and to consult with the Town Council and Board of Education concerning anything that was heard at the hearing or feedback from the public. Following the consultation the Board of Finance does what is called the show and tell; each of the board members will offer his/her ideas on what we should do with this budget and following that a motion will be made to adopt as their formal recommendation whatever the consensus shows at the end of this meeting.

Mr. Harrison called on the Town Council Chairman Mark Zacchio to discuss his comments. Mr. Zacchio stated there was only one speaker whose comments were not on the budget, the individual spoke more on what makes up the budget and the process of negotiating contracts. He said he believes we have a good budget it is responsive to the needs of the community. It provides an opportunity to do a lot of infrastructure work both across the schools and the town. The CIP budget has been increased for this and he anticipates continuing this trend. He stated that he is not aware of anything, short term, which will disrupt our budget. State aid is always an estimate, however we have been fairly close with our forecasts. Negotiations are currently underway with the police department. In response to a question from Mr. Harrison, Mr. Zacchio stated he is not aware of anything that might distort the budget patterns that we have been experiencing. The only item may be any bonding we choose to put before the town. One year from now we may be talking about a bond for the Old Farms Road project which may include the purchase of some land to connect the farm land to Thompson and the MH Rhodes property. If the project is not a go in 10 – 12 months we will be talking about reconstruction of the road where it sits. Initial estimates for this are \$3,500,000 if it is reconstructed to the south, the cost estimate is \$7,500,000.

Mr. Gugliotti asked Mr. Robertson if he had anything to add. Mr. Robertson stated there may be some things in the Governor's proposed budget that may be helpful to us. One is a municipal aid grant that we did not anticipate in the fiscal year 2016 budget, we are receiving it in 2015. When revenue estimates were prepared for the 2016 budget, it was not included and due to the status of the Governor's budget we are still not sure if we will receive these funds; if we do, it will go to unassigned fund balance or be appropriated towards a purpose that may come up at that time. He

stated we may get bump in town aid road funding in the amount of \$196,000, but he doesn't want to count on it. On the revenue side there is a slight increase in the supplemental motor vehicle tax line item. He is recommending that it be increased by \$31,276. The reason for the increase is that the Board of Assessment Appeals have completed their hearings for the 2014 Grand List and they did approve a couple of adjustments that resulted in reductions. The 2014 list has been reduced by \$1,000,000 since the budget was put together with a recommended Mill Rate of 28.80. In summary he recommends increasing the supplemental line item to prevent the mill rate from a .1 increase. In response to a question from Mr. Stoll, Mr. Robertson & Ms. Colligan stated the Municipal Aid Grant is approximately \$200,000. This is the Grant that has replaced the original manufacturing grant. It has been in the range of \$210,000 - \$213,000.

Mr. Harrison turned to the Board of Education and asked Chairman, Peggy Roell if she was aware of anything that might impact the budget. She stated that she was not and did want to remind the Board that the Board of Education is starting negotiations with teachers that will take affect 1 year from now. In response to a question from Mr. Stoll, Mr. Mala stated we are among the first in the State to the negotiating table. We use Shipman & Goodman and they have provided us with some data. Some of the settlements & decisions have been in the 3-3.5 range. One of the significant things that has been negotiated is the high deductible HSA across the state. This is in the Administrators contract, and the 21 unaffiliated, those not attached to organized labor will go to that. In response to a follow up question from Mr. Stoll, Mr. Mala stated the 3-3.5 is for GWI (general wage increase) and does not include the step. Negotiations start in July. Dates are set in stone. Our arbitration date is in October. In response to a question from Mr. Gugliotti, Mr. Mala stated starting first is not good because there is no precedent. Ms. Roell stated the date is determined by counting back from the date the budget is due. In response to a question from Mr. Harrison, Mr. Mala stated the length of the contract is negotiable. The Board can appoint an observer. In response to a question from Mr. Stoll, Mr. Mala stated that there was \$1,600,000 reduced from the original requests to produce the final budget request. The line item reductions are listed on pages 281-283 of the packet provided the Board. On pages 284-285 are items that were added. There were some staff reductions due to how we are delivering services and the expected slow enrollment decline.

#### A. Board of Finance Workshop: Set Budget Goals and Objectives

Chairman Harrison called on the Board of Finance to express their thoughts on the proposed budgets. Ms. Bratton congratulated the Board of Education for one of the lowest increases she has seen. She liked that the Town Council is dedicating more funds to the roads. She supports the budget as submitted. Ms. Durdan stated it is a good budget. She thanked everyone for their hard work. She supports the 1.69 increase in the mill rate. Mr. Gugliotti expressed his appreciation & gratitude to the Boards for their openness & transparency. Avon continues to be the envy of many towns not only for what we do but how we do it. He stated the lack of comments at the Public Hearing he interprets as volume of comments; People happy with job the Boards are doing. He supports the budget as submitted. Mr. Hamilton stated that he felt it was stellar work that everyone did and he supports the budget as it stands. Mr. Speich thanked the Town Council for their concern over roads and Capital Improvement projects. He stated our infrastructure needs to be updated, maintained & improved. He thanked the Board of Finance for the funding for additional surplus to maintain the roads while keeping our surplus goal in mind. As a Volunteer Fireman, he appreciates the support the Town Council has shown to the Fire

Department. He thanked the Board of Education for the proposed reasonable budget. He acknowledged the hard work required to put it together and stated he is appreciative of the savings & new services. He was amazed at the \$1,700,000 utility savings over the past four years. He is in favor of the budget as presented with a 28.8 mill rate including the changes Mr. Robertson recommended this evening. Mr. Stoll echoed the favorable feedback to both boards. He is in support of the road work but would like to see more transparency for voters. He stated in terms of the Board of Education, he supports their budget and recognized that there has been tremendous work to generate alternative revenue. As a parent of four students the simple math worries him. Salaries are going up 3%, benefits are up 6.1% - that's 85% of the budget. There are unfunded mandates that seem to be growing, there's an increase in the volume of special needs students and there is a cost associated with that. When he looks at the gross budget of 1.7% increase versus a 1.3% increase for education, it makes him wonder what we are losing. He sincerely hopes it reflects the reinvestment and lower need versus a recognition of limited support for higher budgets. He supports budget as submitted.

Mr. Zacchio asked Mr. Stoll to elaborate on his transparency concerns in relations to the roads. Mr. Stoll stated from last year's budget we had excess revenue versus expenses. Theoretically that should pass to undesignated fund balance. We can then choose to spend it as part of the next year's budget. It would look different or we could formally state that we are going to transfer it from undesignated fund balance so that it isn't part of the mill rate increase. Mr. Zacchio stated what was done was instead of putting the funds into undesignated fund balance, because we had already hit our target, we set it up in a capital reserve at a regular meeting. The rating agencies tend not to like transfers out of undesignated fund balance. He stated it is transparent because it requires a supplemental appropriation to use the funds. He feels this is a good method to fund unknowns or strategic plans. Ms. Durdan stated there hasn't been a triple board meetings in a while, she recommends we restart them. Mr. Harrison and Mr. Zacchio agreed this is a good idea.

Mr. Harrison stated that he feels the proposed budget is responsive, rational and realistic. He is delighted that for last several years the budget submission that have come to us have passed the 3R test with flying colors. He join his colleagues in thanking the Board of Education and the Town Council for developing budgets that meet the criteria. He supports the budget as submitted.

On a motion made by Thomas Gugliotti, seconded by Margaret Bratton, it was voted: **RESOLVED:** That the Board of Finance adjust the supplemental motor vehicle budget, account #43112 by increasing revenues by \$31,276. Messrs: Harrison, Gugliotti, Hamilton, Speich, Stoll and Mmes: Bratton and Durdan voted in favor.

#### B. Adopt Final Recommended Budget

On a motion made by Thomas Harrison, seconded by Thomas Gugliotti, it was voted: **RESOLVED:** In accordance with Section 9.4.1(b) of the Town Charter of the Town of Avon, after a public hearing duly held on April 13, 2015 and after due consultation with the Town Council and the Board of Education on April 15, 2015, the Avon Board of Finance hereby takes the following actions:

1. It recommends to the Annual Budget Meeting a Budget in the amount of \$86,406,996 for Fiscal Year 2015-2016; and

2. It further recommends that the Town Manager and the Director of Finance shall have discretion to make such minor adjustments to the above recommended Budget as may be necessary to ensure that the Town Mill Rate for Fiscal Year 2015-2016 shall not exceed 28.80.

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

C. Sign Call of the May 4, 2015 Town and Budget Meeting

**IV. NEW BUSINESS**

There was none

**V. OTHER BUSINESS**

There was none

**VI. ADJOURN**

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

**RESOLVED:** That the Board of Finance adjourn the meeting at 7:36 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.