

**BOARD OF FINANCE
PUBLIC HEARING MINUTES
APRIL 1, 2019**

I. CHAIR BOARD OF FINANCE: Thomas Harrison

A. Preside and convenes meeting

Board of Finance Chairman Thomas Harrison called to order the Public Hearing at 7:00 p.m.

Mr. Harrison introduced himself as the Chair for the Board of Finance. He commented that this is the annual budget presentation; there are a few odd ball things happening at the State including the teachers' pension which he will speak to later.

B. Advises the audience of the order of presentation tonight

The Town Council will go first with their presentation followed by the Board of Education and then Board of Finance. Following presentations we will open the meeting to questions, comments, observations from the audience; if you wish to speak, you must meet one of two requirements: either be a registered voter in the Town of Avon or the owner of property in the Town of Avon having a value of at least \$1,000; we generally have a three to four minute block of time that we ask you to observe, once you approach the podium please state your name and address for the record. He is looking forward to a very productive meeting; these sessions are always interesting and entertaining and expect everybody to treat everybody with dignity and courtesy.

C. Leads Audience in Pledge of Allegiance to the Flag

Mr. Harrison led the audience in the Pledge of Allegiance to the Flag.

II. CHAIR, BOARD OF FINANCE: Thomas Harrison

Calls on Chair, Town Council to present proposed Town Council, Sewer, Debt Service and Capital Improvement Budget for FY 2019/2020.

Mr. Harrison called on the Town Council Chairperson Heather Maguire to come forward to make her presentation.

III. CHAIR, TOWN COUNCIL: Heather Maguire

Presents the Town Council, Sewer, Debt Service and Capital Improvement Budget for FY 2019/2020

Chairperson Maguire guided the audience through a Power Point Presentation. The slides are attached to these minutes. She introduced the other Council members in attendance: Bill Stokesbury, David Pena, Jeff Bernetich, and Jim Speich. Other people you should know are Brandon Robertson, Grace Tiezzi, the Assistant to the Town Manager, and Peg Colligan, Director of Finance. The first slide shows the total proposed budget for FY 20; the Board of Education will speak to their funding request later this evening. Not including the operating budget of the BOE- the Town, Sewer Capital and Debt Service Budgets total 34.8 million dollars (\$34,864,805). This equates to an increase of \$1.3 million dollars (\$1,328,226) or 3.96% increase over the current year budget of 33.5 million dollars (\$33,536,579). The increase to the Town operating budget, not including sewers, capital and debt service budgets is 3.45% or 864,000 thousand dollars (\$863,986). Costs related to the sewers are funded by separate fees or assessments. We will break this down over the next few slides.

At the very base of our process, the mission remains the same...to provide quality town services at a reasonable cost to all citizens and taxpayers. Evidence of the success of our mission is the recently released Niche 2019 Best places to live in Connecticut. Avon was ranked number 2 following West Hartford.

Chairperson Maguire encouraged all to review the budget document on line. Hard copies are available in the Town Manager's Office and at the Library; as a side note our budget document continues to be recognized by (GFOA) Government Finance Officers Association. This is an organization that is committed to promoting professionalism and excellence in governmental financial management. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. We are one of only 9 towns in CT that receive this recognition and we have received it for 34 consecutive years, the longest in the State of Connecticut. Not including the Board of Education's operating budget, the top three activities funded by the Town's operating budget are: Public Safety, this includes Police, Avon Volunteer Fire Department, and Water Company charges for fire hydrant rentals, these services encompass 43% of the operating budget; Public Works which includes Administration, Roadways, Machinery and Equipment, and Buildings and Grounds, this comprises 25% of the operating budget; and General Government, including our Town Manager, Finance, Assessment, Revenue Collection, and Information Technology which is roughly 13% of the Town operating budget.

Chairperson Maguire highlighted Strategic Objectives. The plan for allocating for scarce resources were structured around the Town Council's three key objectives as we reviewed the proposed FY 20 operating and capital budgets: first off, we want to maintain capital budget funding levels. The emphasis would be on road improvements, as well as municipal buildings and grounds and school facilities. This includes a General Fund capital budget decrease of about \$918,928 year over year. There is roughly \$395,000 budgeted for road improvements this year. The capital budget for education facilities is \$475,000 and includes funding for projects requested by the Board of Education including Phase I of the roof replacement at Roaring Brook School, the replacement of the hydraulic cylinders in the elevators at Avon Middle School and Avon High School, and funding to replace the fire alarm at Avon High School, and Phase II of District Wide Security upgrades. This year's decrease in the capital budget is due to a roughly equal increase of \$990,000 in our debt service payments. When considered as a single category, debt service and General Fund capital is stable at \$5.5 million which will equal about 2.16 mills. The increase in the debt service budget covers the anticipated cost of long-term borrowing associated with the turf field and the communication system projects which were recently approved at the referendum in December. We have also shifted payment on the Severni purchase which was finalized in July 2018 from the capital budget to debt service. Our next objective is to sufficiently fund our long-term liabilities. Our defined benefit plan(s) were closed to new employees in 1997. This budget provides 100% of the annual required contribution for these plans to be funded. The investment return assumption was reduced as recommended by the plan actuary. Funding for the Other Post-Employment Benefits (OPEB) is budgeted at the level recommended by the plan actuary. Our final strategic objective is ensuring we properly fund our core services. We continue to focus on delivering high quality core government services with a focus on public safety. We continue to contract with private vendors where efficient and effective. Some of these services include street sweeping, grounds maintenance, janitorial services, IT Services, catch basin cleaning, snow removal for various town properties, and field irrigation maintenance.

Chairperson Maguire highlighted the "Big Rocks." The Town, Sewer, Capital, and Debt Service budgets have a proposed total increase of \$1.3 million or 3.96%. The Operating Budget consists of three categories: Personal Services, Services and Supplies and Capital Outlay. Personal Services and Wages comprise about 74% of the Town's operating budget. The Town of Avon is a service organization, so it should be no surprise that the primary budget driver is people. Approximately \$149,000 of the increase goes to salaries and wages is due to: full-year funding a Public Works Maintainer position that was only 1/4-year funded in FY 19 and comes out to \$55,000, full-year funding for an additional Public Works Maintainer for \$55,900, funding for a part-time Recreation Program Specialist at \$23,000 to provide services currently provided by a long time private contractor who is planning to retire, funding for a part-time Social Services Assistant at \$14,800 and cost is being offset by making a reduction to funding for the Social Services Director position

which is currently filled by an individual that only works part-time. Full-time employees remain constant at 106 as these positions are offset by eliminating 3/4 of the funding available for the currently vacant Director of Human Resources position and the full-time Assistant Assessor position being reduced to part-time. \$163,753 for retiree health includes \$242,000 toward the post-retirement medical benefit trust fund which pre-funds future obligations- this is offset by a decrease of \$78,247 in the amount required to support active retirees. Our third driver, the Defined Benefit plan of \$157,507 - the plan closed in 1997 and we currently have nine active employees. This contribution is determined by the plan's actuarial valuation. Lastly there is an increase of \$138,446 in workers' compensation premiums due to industry wide increase in risk assigned to various functions performed by Town employees. Our workers' compensation costs remain comparatively low due to proactive risk management administration and employee safety programs that are coordinated with our carrier and independent consultant.

Chairperson Maguire highlighted Employment and Population Growth since 1970. She noted that the purpose of this slide is to illustrate the growth of the population and the growth of the full time workforce since 1970. Since that time, the Town has maintained a very consistent ratio of employees to population, approximately .5%. The population of Avon has increased about 40% since 1990. During that time, five new full-time employees have been added. In 1970, the ratio of employees to population was .5%. Currently, the ratio is about .57%. Rather than add employees the Town has developed better working methods and has entered into agreements with private service providers as appropriate. This provides the Town with more flexible methods of service delivery and cost savings. Population isn't the only thing that's grown in Avon since 1970. Did you know the Town maintains approximately 100,000 additional square feet of buildings? Single family housing units have increased by 66 % and miles of Town roads have increased by about 50%.

Chairperson Maguire highlighted Capital Budget Projects for FY 2019/2020. She noted that the capital budget for all funds has decreased by \$911,000 when compared to FY 19. The total capital budget is \$2.8 million. Items with a minimum value of \$20,000 and a useful life of more than 5 years are included in the capital budget. Highlights include \$395,000 for road improvements, \$435,000 for the replacement of the Cider Brook Bridge, \$307,000 for the continued design work associated with Old Farms/Thompson Road Project, roof replacement phase I at Roaring Brook School, the replacement of the elevator hydraulics at Avon High School and Avon Middle School, and the replacement of the fire alarm at Avon High School, as well as facility improvements at the fire stations. A couple of other notes: the capital budget includes funding in the amount of \$760,000 for various sewer infrastructure projects which is funded by user fees. The sewer fees affect roughly 50% of Avon residents. The AWPCA has been planning for Avon's share of the cost of Farmington's Treatment Plant Expansion Project. There will be a presentation on the Avon sanitary sewers by the Town Engineer at this Thursday's Town Council meeting. I encourage you to attend. This year our Debt Service budget is \$3.7 million, a \$990,000 increase from FY19. When considered as a single category, debt service and general fund capital is stable at \$5.5 million which is equal to about 2.16 mills. The increase in the debt service budget cover the anticipated cost of long term borrowing associated with the turf field and the communication system projects. We have also shifted payments on the Severni Purchase from the capital budget to debt service.

Chairperson Maguire highlighted Existing & Projected Net Debt Service. This graph depicts existing and projected, unapproved and subject to change debt service. The Debt Service budget for FY 20 reflects an increase of \$990,000 or 35.94%. As I just mentioned, the increase in the debt service budget covers the anticipated cost of long term borrowing. As you know, both Moody's Investors Service and Standard and Poor's have reviewed and reaffirmed Avon's AAA credit rating. This rating ensures that the Town continues to receive the most competitive rates possible. Based on currently approved projects, all outstanding General Obligation debt is retired by 2029.

Chairperson Maguire highlighted Town-Board of Education Cooperative Ventures. The Town Council and Board of Education continue to encourage “intra local” cooperation. As a recent example, the SRO program has been reinstated at the Board of Education. This slide illustrates just a few of the areas where Town and School Department staff work closely together. The Town also has access to Board of Education electrician/HVAC staff. In addition to cooperative ventures between the Town and the Board of Education, both organizations also participate in a host of regional cooperative programs. Avon continues to partner with Canton to share equipment and facilities related to Animal Control Services. In addition, Avon partnered with Farmington to build a shared fire training facility for the use of our fire personnel. Additional Town examples include the North Central Municipal (accident reconstruction, SWAT, dive, traffic and narcotics task force), the Farmington Valley Health District, CRCOG Purchasing Programs which we use to purchase our road salt, State grant to offset equipment cost and share with neighboring communities – items such as a tool cat with attachments for trail maintenance, a genie lift, mini excavator, gator and paving box. Education examples include the Capitol Region Choice Program and the Hartford Region Choice Transportation as well as a number of initiatives with the Educational Resource Collaborative, such as copier and printer management programs, environmental services, fixed asset audits, the Farmington Valley Diagnostic Center, job fairs, and substitute teacher pools. We are actively seeking out areas of potential cooperation with our neighboring towns.

Chairperson Maguire noted that tonight she presented a very brief overview of the FY 20 budget. As mentioned, please take some time to review online. Before I turn the mic over to Mr. Harrison she thought we should take a look at what’s happening in Avon.

Chairperson Maguire highlighted Public Safety. She noted that from the Town perspective we focus on three core service delivery objectives: Public Safety, Public Works, and Social Services. Did you know that the Police Department has been nationally accredited by the Commission on Accreditation for Law Enforcement Agencies (CALEA) since 1993? The Department is very active in our schools with students and staff. 6th grade students participate in the DARE program each year. Recently, the SRO program has been revitalized in all schools. The Department partners with our community through outreach programs such as special trainings, and routine contacts. Programs include Coffee with a Cop, Bear Awareness Training, Au Pair Training, community liaisons with larger home associations such as Pond Place, Secret Lake, Farmington Woods, and Whispering Pines. Our officers are also leaders in regional initiatives and programs including North Central Municipal Emergency Services Team, Accident Reconstruction, Hostage Negotiation, and Narcotics Teams. She noted the photo of the Police Department’s Honor Guard. Currently working on a project to upgrade the Town’s public safety communication system approved at referendum in December 2018 – town wide project to include the Police Department, Avon Volunteer Fire Department, Board of Education, and Public Works and anticipate completion in summer 2020. The Avon Volunteer Fire Department is also active in our schools and community providing Stop, Drop and Roll and countless educational visits to our schools that they teach our children how to be safe in an emergency situation. The Avon Volunteer Fire Department recently celebrated their 75th anniversary culminating in September 2018 with the 135th Connecticut State Firefighters Association Convention and Parade weekend, a three-day carnival and food truck festival along with parade and fireworks. They also recently received national recognition for their comprehensive health and wellness program for members when they were awarded the 2018 Illness and Injury Prevention Program Award for Excellence in Risk Management by their insurance carrier, VFIS. Both the Avon Volunteer Fire Department and Avon Police Department were recently at the Avon High School Career Day talking with young students about careers in public safety.

Chairperson Maguire highlighted Public Works. She noted that Public Works maintains 112+ miles of road, 100,000+ square feet of interior building space and over 1,000 acres of Recreational Open Space zoned property, plus 28 miles of trails (including the rail trail), Sycamore Pool, and 172 units of equipment and apparatus. In summer 2018, DPW crews completed unscheduled

renovation work at the 99 Thompson Road property. Excess top soil from the Fisher Meadows Project was trucked to the site and grass was planted, that is where the carnival was. The site is now much more functional. Public Works has been so helpful in doing in-house projects as a way of reducing costs rather than using outside contractors. In FY 18, Public Works completed the replacement of the fencing along a section of the rail trails from the Farmington town line to just north of the intersection with Thompson Road. PVC fencing was selected for its durability and expected useful life. The Town will continue to replace sections of fencing heading north to Simsbury as funding allows.

Chairperson Maguire highlighted Recreation, Social Services and the Senior Center. She noted that Recreation offers programming for every age group, cooking, sewing, fishing, camping, swimming, and special trips. Last year there were over 14,000 participants in our aquatics programming, over 500 in our summer camps and over 400 in our sports leagues. Registration for summer 2019 activities will begin soon-look out for the summer brochure in the Valley Press and on the Town website. We're continuing our Fisher Meadows Expansion Project and anticipate seven new fields will be ready for play in fall 2019. Also gearing up to begin the installation of the synthetic turf field project at the High School – construction will begin in a few weeks and anticipate the project to be completed in late August. Social Services are always here to help with client/counseling assessment, Dial-A-Ride, and coordinate with area non-profits. Our Senior Center - last year the Senior Center held over 2,000 programs with 22,000 seniors in attendance. Weekly activities include the Community Renewal Team Meal Program on Tuesdays & Thursdays, shuffleboard, adult coloring, Zumba, Wii bowling and so much more. Be sure to check out the monthly Senior Center newsletter on the Town's website for more details and a calendar for all of the activities.

Chairperson Maguire highlighted our Avon Free Public Library is Avon's living room. She noted that almost 43% of Avon's population has a library card and the Library had over 156,000 visitors last year. Total circulation of over 258,000 items for adult, children, young adult, and downloadables. Last year the Library held almost 1,100 programs with over 39,000 attendees. These photos showcase some of the Library's popular events including the Farmers Market and AvonCon.

Chairperson Maguire highlighted the Next Steps in the Budget Process and how to get up-to-date information on our website, www.avonct.gov. Sign up to receive email alerts of upcoming meetings and all of the events in Avon. Thank you for your attention. Mr. Harrison thanked Chairperson Maguire and noted that the Town Council is doing an excellent job for the Town and these slides showed that.

- IV. CHAIR, BOARD OF FINANCE: Thomas Harrison
Calls upon Dr. Bridget Carnemolla, Superintendent of Schools, who will present the proposed Board of Education Budget for FY 2019/2020.
- V. CHAIR, BOARD OF EDUCATION: Debra Chute
Chairperson Chute introduced her fellow Board members: Secretary Jeffrey Fleischman, Vice Chair Jay Spivak, Laura Young, Jackie Blea, Jason Indomenico, Bogdan Oprica, David Cavanaugh, and Houston Putnam Lowry. She noted that their entire administrative staff is here tonight; it is nice to see the team that put this together be here to witness this and support the Superintendent. She noted that last year Dr. Carnemolla came in and presented a budget that she did not have her hand on and did a fabulous job presenting it to you so it was a pleasure to work with her from start to finish on this and thinks you will be impressed with the work that she has done. She acknowledged a couple of her most close working staff, our Assistant Superintendent of Teaching and Learning Donna Nestler-Rusack and our Director of Fiscal Affairs Heather Michaud. It is her pleasure to turn it over to Dr. Carnemolla, Superintendent of Schools, to present the proposed Board of Education Budget for FY 2019/2020.

Dr. Carnemolla thanked the Board of Education Chair, Debra Chute, and the Board members who are here to support us in delivering a Board of Education approved budget for the coming year and also to our administrators who she is deeply appreciative of taking another night out to be here to make sure we are on the same page moving forward.

Dr. Carnemolla guided the audience through a Power Point Presentation. The slides are attached to these minutes. She noted that one of the pieces that is necessary in budget development is to look at where we started, where we have come from. She noted that the Board of Education and the community went through a process to revitalize their mission and recommit to it; we had them looking at what our goals would be in strategic planning for the District and made a decision to stick with much of what we had in place already from a mission statement and some of our goals because we had worked hard on those three years and still relevant to carry forward.

Dr. Carnemolla highlighted the Board of Education's FY 2018/2019 Budget. She noted that makerspaces are ways to incorporate 21st century skills for students in a hands-on way in our schools. She highlighted Academic Accomplishments for FY 2017/2018 at Avon High School. She noted that a DRG is a District Reference Group that the State divides all towns into for education. The AP District Honor Roll is a nationwide recognition and one of a few towns in the State to receive it. AP scores allows students to take courses, an examination and potentially receive college credit. She highlighted Academic Accomplishments for FY 2017/2018 for Grades 3 to 8. She highlighted Academic Accomplishments for the Class of 2018. She noted that graduates were awarded more than \$1.5 million in scholarships from colleges and local scholarship organizations and we had 7 National Merit Scholar Finalists and 1 National Merit Scholar. She highlighted Athletic Accomplishments for FY 2017/2018. She noted that our Girls Cross Country and Track Coach, Al Dadario, was inducted into the CT High School Coaches Association Hall of Fame; a senior last year, Rachel Spivak, earned the United States Women's Lacrosse Academic All American Award; and Boys' Ice Hockey Coach, Scott Percival, was named Coach of the Year in CT; and our Varsity Boys and Girls competed at the Head of the Charles Regatta in Boston with four boats. She gave thanks for the investment that you as a Town continue to make in our schools and our students.

Dr. Carnemolla highlighted FY 2019/2020 Budget Development Goals. She noted that culture includes maintaining a climate that has relational connections for students and adults, supports all students academically, socially, emotionally, and physically; an achievement goal which included re-imagining and redoing our library spaces, back to the makerspace idea and how they are library and technology spaces, be what our students need them to be to gain 21st century skills and to look over our literacy program from Pre-K to 12 because we are in a cycle of revision where we knew it was time to look at how we articulate curriculum and instruction from one grade to the next; to look at our communication structures and to streamline District and school communications so we could provide a user friendly experience with accurate information to all of our stakeholders including students, parents, guardians, or members of the community; under technology we are developing a five-year technology plan so we can ensure that the money we spend on technology is well spent and meeting our students needs and to continue maintaining a safe and secure environment.

Dr. Carnemolla highlighted FY 2019/2020 Needs. She noted that most of this is staffing as a whole and tends to drive the budget both for the Town and Board of Education side. She noted that an additional cross country coach is not a large expenditure, it is a stipend amount, but we knew for safety reasons we need another coach with more than 100 students involved in the cross country program and without the increased adult supervision we would not be able to allow as many students to participate; we have athletic equipment in our budget, which thankfully the Turf Project is moving forward and most of the equipment for that project are within it, but there are still pieces that we have maintained within District on our own budget to keep that moving forward; as part of our safety and security review, identified need for additional staff at Thompson Brook School to

monitor the cameras and entrances to the building; at Pine Grove School we do quite a bit of work with community partnerships and for students after school for example and looking for an additional community advisor stipend and has been requested several years in a row; the Roaring Brook School the coordinating teacher stipend is part of the teacher's contract for someone to be a lead teacher in planning for preschool and even more necessary this year than in other years; and Districtwide we already had to work at adding a kindergarten teacher for the year that we are in even though it was not in the budget because we had so many students register for kindergarten and over the number of students allowed by contract in some classrooms in Pine Grove and year over year this tends to be what happens, we try to forecast the number of kindergarten students that will come now but during the summer and school year starts there are more that register and a big part of that is when people close on their homes and move into town at the end of summer; the Occupational Therapist Assistant is governed by student needs, particularly special education.

Dr. Carnemolla highlighted the FY 2019/2020 Preliminary Budget Overview. She noted that the \$60,134,820 was the "out of the gate" number, rollover of expenditures, initial requests from schools/departments, and any salaries increases we were aware of including the teacher's contract. She highlighted the FY 2019/2020 Preliminary Budget Increase. She noted that was not a budget we were going to bring forward for Board approval never mind Town approval. She explained that our objective was to meet our students' needs and goals but we were trying to do that while we still ensured that we brought a fiscally responsible budget forward which required us working diligently and go back over the numbers and determine where we could reallocate funds/positions, where we could reduce money in certain lines or reduce staff if it was necessary so we brought forward a number that we were comfortable bringing for approval. She highlighted the FY 2019/2020 Preliminary Budget Drivers. She noted that we were making assumptions in the early budget development in November.

Dr. Carnemolla highlighted the FY 2019/2020 Preliminary Budget Reductions. She noted that we decided as an administrative team and a collaborative effort between her office and the schools as we first started this process before we brought it to the Board of Education and then here tonight to prioritize; we may not meet every single wish list item or goal that we might like to in one fiscal year so we began to say what do we absolutely have to have for next year and what might we be able to reduce so we could have a net zero impact on our own. She noted the change in our proposed Pre-K rollout, there is some revenue that we see by adding in additional students into Pre-K because students who are regular education students are Peers versus special education students that we must put into Pre-K programs by law pay tuition to attend but their tuition doesn't offset the cost of the program by far and doesn't offset the cost of adding in another full-day classroom; we determined what we do instead and thought operationally it was more feasible and more responsible was to cut it having a different integration model and integrate our 3 and 4-year old programs and able to take in more students without the expense of adding in an entire classroom; we will pilot it for this year with not an increase to our budget, see how it goes, what the response is from the community and whether or not we will have enough students moving forward another year to add an additional classroom; this is a good example of in the initial go round with the budget when the idea had already been proposed we would not have approved it, when we look back at where we were from dollar and cents amount we said let's do the pilot this year and see what happens. She noted that much of the other line reductions was from Ms. Michaud, Director of Fiscal Affairs, going back over the past five years and determining what was truly spent in each line and see where reductions could be made, an example was substitute teachers which was funded at a level that was more than we needed in some years and have seen much better staff attendance as a whole in the past few years and reasonably reduced that and another example was to reduce a clerk typist from the Central Office.

Dr. Carnemolla highlighted the FY 2019/2020 Working Budget. She noted that they could have stopped at 2.27% because they thought that was a tremendous amount of work and conversations and uncomfortableness at times, for example, the clerk typist had to move to a different place; there

are people and children involved in these decisions and not always easy to reduce the numbers. She added that understanding the current fiscal climate, and we are at all of the meetings previously in Town too and well aware of the revaluation of the properties and financial climate in Hartford and we certainly understand there are unknown variables there, we truly felt we should work as hard as we could to bring in an overall budget that was below 2%; in the beginning it seemed nearly impossible because a 1% increase is just under \$575,000 so when you go from 2.27% backward we were looking at shaving close to another \$500,000 from this but the leadership team went back to the drawing board to see what else we could do. She highlighted FY 2019/2020 Reallocations. She noted that they looked at who might retire or where a position could be shifted within the schools. She highlighted FY 2019/2020 Total Reductions. She noted that other reductions were made through our contracted services and work forward with the expertise of the staff we have, in professional development for example and doing more work in-house than contracting services for some of it; we reduced the Chinese teacher contract which is a partnership with Confucius Institute out of Central CT State University and revamp some of the scheduling. She noted that total reductions from where they started this process until they came to the Board of Education with the budget for the final workshop and here to you tonight are \$1.6 million. She highlighted the BOE Proposed FY 2019/2020 Budget. She highlighted the FY 2019/2020 Budget Distribution. She noted that Salaries & Benefits is less than last year and previous years; the majority of our budget is often the people associated with it to bring a budget that is a school district budget with a percentage of it being below 80% for Salaries & Benefits is something that they are happy about having being able to do. She noted that under Transportation we have a contract that is good through 2024 so some is contractual increase and rest of it is related to special education transportation. She noted that pension increased under Benefits and is an actuarial increase, a driver that they had no control over. She highlighted the FY 2019/2020 BOE Proposed Budget. She noted that for Salaries an overall percent increase total of 1.95% is less of an overall increase than any of the contracts that were negotiated and shows an example of how much work that was done to mitigate the contractual obligations we were taking into account; part of the reduction under General Supplies and Utilities is our ongoing efforts to reduce our energy footprint and making reductions to our budget related to supplies and she thanked our teachers who worked closest with administrators to look at everything they had to be purchased in the past and make a decision of whether they still need it and what they may have already; the majority of the Fees & Memberships are athletic fees, being members of the CCC conference, championship game fees, and organizations that we are required to belong to. Under Equipment is primarily athletic equipment and other small pieces of furniture that needed to be replaced. She concluded by thanking all of our team members who helped to do it, our BOE who worked diligently alongside me and us throughout the process and special thanks again to our Town Manager who has helped her through this process; thank you to the Town Council and Board of Finance for allowing her to present on behalf of the Board tonight.

VI. CHAIR, BOARD OF FINANCE: Thomas Harrison
Presents Board of Finance Overview

Mr. Harrison thanked Dr. Carnemolla and Mrs. Maguire for a very carefully studied and put together presentations; it is encouraging and easier for us a Board here to know how best to do our job with presentations of that quality, thank you to the Town Council and Board of Education for the wonderful job that they have done. The ball shifts to our court because we have to be the ones to figure out how to pay for this; we have had a good track record over the years; the slides that will be presented have a lot of numbers on them, he will explain some of them, and all of it is included for the record. There are two big gorillas in the room, one of them already occurred and one is hanging over us; one was the revaluation and there are slides in the packets that you have, the revaluation must be done under State law every five years and it was done during the summer 2018 and showed us a decline in the value of the Grand List; the Grand List is the basis from which most of our tax revenue comes and any decline in that offsets the tax liability and may have to raise a higher mill rate to get the same amount of money with a lower sized Grand List; the second gorilla

is coming out of the State government and substantially strong likelihood that every town will have to pay approximately 25% of teachers' pensions; the individual towns or cities in Connecticut do not pay for the pensions of their teachers, it is done by the State; the State is in very serious financial difficulty so our new Governor has decided let's bless the towns with some of that liability and directing that 25% of the teachers' pensions will now be paid by the towns and it will be on a complicated formula based on salary levels in the towns, towns with higher salary levels will be paying a little bit more; the basic thing is that we are going to have to start paying for a portion of teachers' pensions and we have some numbers in the presentation. So we go into this discussion of how to we pay for these very thoughtfully and carefully developed budget requests with two things that are interfering with our fundraising ability – one being the decline in the Grand List and the other being the new expense of teachers' pensions; that is the primary issue that we will be addressing here.

Mr. Harrison guided the audience through a Power Point Presentation. The slides are attached to these minutes. Mr. Harrison noted what the Board of Finance Balances under Town Charter; the spending comes from all of us. If we go forward with the two budgets that have been presented to you here tonight we will need a mill rate increase of 4.94% which is higher than it's been the last couple of years and the biggest bump in that, almost double the percentage is the decline in the Grand List because we depend on it for our revenues. Mr. Harrison highlighted all of things that the Board of Finance takes into consideration. He highlighted Avon Revenue Options. He highlighted Revenue Raised by Source. Mr. Harrison highlighted what the Grand List is. The Net Grand List is where the bulk of our revenues come from, the real estate side of it. He highlighted Why the Grand List is Important and Avon Grand List Changes.

Mr. Harrison highlighted the Impact of Revaluation on Mill Rate FY 18/19 & FY 19/20. The proposed mill rate of 32.90 which is higher than it would have been in the normal pattern is going to be a significant bump for us. He highlighted Mill Rate Change Comparison. He highlighted Town-by-Town Mill Rate Comparison. Farmington has a tremendous amount of additional commercial and industrial areas that we don't have here in Avon; we still compare quite favorably with other towns when using the Equalized Mill Rate formula.

Mr. Harrison highlighted Property Tax and Assessments. He highlighted Non-Property Tax Revenues. We noted that the biggest one is Intergovernmental but not always guaranteed from the State. He highlighted Declining Budgeted State Revenues. We are not getting a lot from the State as they view us as a wealthy town. The Governor has decided to start graciously sharing pension costs with the towns and will be a big chunk of money for us to pay using their formula. In the first year of this, if it goes through, and the best information we are getting back from Hartford, Brandon Robertson our Town Manager is on the Board for Connecticut Conference of Municipalities (CCM) so he is plugged into what other towns are hearing, thinking, complaining about and the sense seems to be an air of resignation, we are going to get stuck with pension costs; the first year is going to be about \$350,000 of new money that we have not had to spend before and not yet included in the budgets that we have developed in the months leading up to tonight because so the slides from the Town Council and Board of Education do not include that extra chunk of money from the sharing of the teachers' pension and as a practical matter we should assume and expect that it is going to happen this year.

Mr. Harrison highlighted Unassigned Fund Balance. It is like you have a savings account at home, you have a checkbook, you write out your monthly checks, and you have a little bit in the savings account that you can keep for emergencies or vacations; Unassigned Fund Balance is something like that; it is in reserve to cover contingencies, unexpected expenses; not a bonus thing sitting around; we may get requests from Town departments or residents about spending money on something and take it out of Unassigned Fund Balance; that is not why we do it; it is a financial tool, it is a reserve and part of the reason we have a AAA credit rating because rating agencies see we carefully manage the money and don't spend every penny that comes in. There are policies

regulating the use of this Fund balance. He highlighted Spending Trends. We have been pretty fiscally conservative in Avon. The spending patterns are pretty consistent from year to year. He highlighted Calculating the 4.94% Tax Increase. He highlighted Tax Impact – Requested Spending Assessed Home & Vehicle Values in Avon on assessment percentile. He highlighted Board of Education Requested Spending FY 19/20. He highlighted Town & Sewers Requested Spending FY 19/20. He highlighted Social Security Cost-of-Living Adjustment & Consumer Price Index. He highlighted the Requested Budget Summary. He highlighted the Teachers' Retirement System. These are not negotiated by the towns, the State does that; the State is graciously laying off a big chunk of money on us but the towns so far have no say in how the pensions work out. It is difficult to figure this on any kind of solid basis because there is no actual bill in the legislature in concrete words; all we know is what the press releases from the Governor's office have been saying. He highlighted Tax Impact – Requested Spending Assessed Home & Vehicle Values in Avon with the teachers' pension included. Not huge individually this first year, it doubles in the second year, and it will be up to \$900,000 in the third year. Be aware of that; this is not in anybody's budget yet; assuming it goes through we will probably create a new budget line item; we believe we must budget for it; it would be fiscally irresponsible if we were to say to keep the budget that goes out to referendum with what the two Boards discussed and keep our fingers crossed that the pension thing won't drop in our laps. At the workshop this Wednesday night we will have to account for money; sometimes we find in some of our estimate revenue streams are going to be a little bit higher so we might have some offsets. We will plug that into the budget that goes to the referendum and that activity will take place on Wednesday night at the Budget Workshop, the three Boards meet and discuss the budget, the Hearing, what people told us and questions and answers and we go from there. He highlighted Next Steps. That where is the money comes from to pay for the budgets that were presented so skillfully by the two Boards. We have the authority under the Town Charter that says following the Public Hearing the Board of Finance shall confer with the other two Boards and that is what happens on Wednesday night and is open to the public with no questions from the audience; at that point the Town Charter gives the Board of Finance the authority to make such adjustments in the budget requests as it deems necessary. We can approve the budgets as submitted with the add-in of whatever additional monies may be required to meet pensions, we can decrease the requested budgets or leave them alone. Whatever comes out of Wednesday night's meeting will be what you vote on in May.

He welcomed members of the Board of Finance up on the stage. He provided a statistic that over the past five years we have had 116 votes on the Board of Finance on substantive issues and of those 116 votes, 111 of them were unanimous; only 5 votes where there was at least one negative vote; it illustrates that whatever party we come from we work for the Town of Avon, we work for you and we are not very far apart; that is a 93-94% unanimity factor in the voting on our Board. He introduced the Board members: Katrina Marin, Ken Birk, Cathy Durdan – Vice Chair/Secretary, Margaret Bratton, Dean Hamilton, and our newest member Cathy Salchert.

CHAIR, BOARD OF FINANCE: Thomas Harrison

Calls upon the audience for questions and comments on the Town Council, Board of Education, and Board of Finance budget presentations.

This is your chance to ask questions. If you would like to speak, please give your name and address for the public record; to speak or ask a question you must either be a registered voter or an owner of property in Avon that has an assessed value of at least \$1,000.

Jon Neville, 112 Tamara Circle – I don't like coming to these things; I guess nobody does; you don't see me but probably once a year; I only come to hopefully speak for a lot of people who probably wouldn't understand half of this like I didn't but do understand when they have to open their wallets again to pay more money and a lot of us don't get even a 2.6% raise every year. I would like to speak for them and myself that there is a reason the property values are dropping and it is because of the way Connecticut spends money that they don't have. If everything was

wonderful property values would be going up but for some reason they are going down in an economy that is supposed to be thriving, creating jobs, all of that so I just want to say any increase is always a burden to those of us that don't have a lot of money. Mr. Harrison thanked him for his thoughts; we are taxpayers too so we understand where you are coming from on that.

Neil Livingston, 120 Craigmere Circle – I haven't been to one of these in about three years. I have a handout that I shared with you (which is attached and made part of these minutes). It is very simple, very straight forward. The questions that I had asked in here were rhetorical; I don't expect you to really answer why we came up with the two major projects that went to referendum, one was for the communication system, the second was for artificial turf in the same year plus I think we had \$2 million land acquisition all in the same year. I guess from a financial background that I have I might have spread it out. Why would we have those major expenditures all in one year, that is what drew me out. I don't really expect you to answer the handout. I have lived in Avon 30+ years and anything that I have ever come up nothing has ever changed. Year over year we have tax increases here in Avon. I should be retired now because I am creeping up on 72, but the wife likes it here so I have to take on contract work still to meet those expenditures. I don't want to use up a lot of your time. I kind of understand how the process is here in Avon. Overall I think the educational system is outstanding. I wanted to bring up one last thing about awareness for veterans. I get the exemption of \$1,500 that amounts to a large sum of \$47 a year for service. I wanted to bring up a little awareness about veterans here in Avon because I have asked for a couple of things that might be helpful like Landfill passes, exemptions and things like that. Mr. Harrison thanked him.

Claire Henderson, 1 Keystone Circle – I have been at the meetings but did not feel the need to question or say I think we shouldn't be spending this amount of money. This year I have a couple of questions. One is, I am very confused between the bottom line that Bridget presented and the one that is shown in the Board of Finance slide. Bridget in all of her slides her final budget came out to \$58,605,000 and change and the Board of Finance is consistently showing \$60,529,000 which is a \$1.9 million differential. I thought it might be the teacher pension but you said that was not included so even though you said don't worry about the numbers I made my living with numbers so I do worry. Mr. Harrison clarified that there was no need to follow line by line. Ms. Henderson added that if you have answer for that I would like to hear it because she is not sure where this money is coming from. Her second question has to do with the amount of debt service and that increase. Like the gentleman who proceeded me, we did approve by referendum two items, one I think was a safety issue and the other was simply to enhance the playing fields for our students. Both of those were approved and we are now paying an additional amount in debt service. But in that debt service budget I see two more items, one for Old Farms Road and one for training and the firehouse facility. They were about twice as much in total as the ones that went to referendum yet I don't see any indication that might happen. I just see this budget which is complicated by the teachers' pension, complicated by revaluation is being a burden for many people. One thing that is the elephant in the room to me are the sewer charges. I understand that is not part of what we are taxed on and that only the 50% pay that but we are residents and we have to come up with both checks so we have to add the two together in our minds to what we are paying. The sewer bill went up from \$315 to \$500 last year for every single person whether you had a 2-bedroom house or an 8-bedroom house. We pay the same amount on the sewer. There are many things going on here that exacerbate the problem of an increase but what I would like to see is real hard work being done to try and reduce what we have to increase by something other than what is proposed this evening. If you can answer the two specific questions I asked regarding referendum and the differential I would appreciate it. Mr. Harrison called on the Town Manager to respond about the differential. The Town Manager responded that the \$60,529,340 is the General Fund budget plus Special Revenue Funds; the \$58,605,549 is just the General Fund, the portion of the budget that is supported by the tax levy; the \$1,923,791 are other revenue sources that have to be appropriated and adding those two figures is what gets you to the \$60,529,340. Ms. Henderson commented it was not clear at all in the presentations. Regarding the debt service, it is the existing

and projected net debt service and there is a second paragraph in the explanation on the slide and it is for projected debt financing which I don't know if it has been approved or not approved because I know we have not had referendums on it but is \$4.7 million on Old Farms Road and \$5 million for Fire Station and Training. The Town Manager responded that those have not been approved; both of those are in a state of flux; we just plug them into our debt service projections to show what it could be if they were approved; they are just out there for planning purposes only; Old Farms Road is a little bit further along in terms of design and development but the Fire Station we have not even engaged the services of an architect so purely planning. The three that are included as you pointed out are the property acquisition at 828 West Avon Road, the athletic fields, and the public safety system. The Council has been very strategic in terms of planning knowing that those projects were likely to come online and beginning a number of years ago as our debt service was declining we picked up that capacity and put it into our cash capital budget so whenever it came time and those projects were approved we took that capacity in capital and swung it back over to debt so it was neutral. If you look at the budget summary in Council's presentation you see a significant reduction in capital where you see a significant increase in debt. Ms. Henderson asked you to respectfully look at all of that and see if you can't bring this down a bit. Mr. Harrison thanked her.

Joe Bartosiewicz, 5 Colby Way – I am a certified financial planner. I am a technical analyst for one of the top five economists in the country. I do detailed analysts for over 27,000 people from the stock market and financial and ultra-high network clients. You guys are doing what you do so this is not against you. Over the last fourteen years I have been up here talking about the destruction the State unions are playing in the ultimate demise of the State and the towns and it has been going straight down for fourteen years. First I have to say is to just try to do the best if can but are being steam rolled by State unions, teachers' pensions, teachers' unions, old contracts, and policies that are forcing retired people, small business, college graduates, upper middle or rich to pick up and move to states where taxes are one-quarter what they are here; remember you can't deduct your income tax anymore, you can't deduct your property tax, only up to \$10,000 so any increase in property taxes it is really 50% more because you can't deduct it. Binding arbitration and collective bargaining is to many people like the mafia putting a gun to your head and telling you to pay because you have the ability to pay or you die; that is really what it is. The unions and the legislature will continue to destroy the State and the towns to a point of no return. Three years ago I stated that over the next ten years, it is in the minutes, that the average large house will fall by 25-50% or more. Three years ago my house had an appraisal of \$770,000, now with the downturn in the housing market in Avon and Connecticut and so many people are moving out the value of my house is now \$500,000. I live on Colby Way. There was a major business person who just defaulted on his house, he put it up for auction, he can't even sell it for \$500,000; it is 5,000 square feet, 2.3 acres on Colby Way, take a look, you will know who he is, he is a major business person. The reason for all of this is collective bargaining, binding arbitration; there are four states that have collective bargaining: Oregon, Vermont, Minnesota, and Connecticut; Connecticut is the toughest and the worst; the pension system in Avon and in Connecticut is one of the highest in the country; 47% of the budget goes to pensions of the State workers who are getting a pension of \$60,000 to \$100,000 per year with a three percent compounded cost of living with a guarantee of 6.9% return in markets that won't happen. Teachers on the other hand get 70-75% of their highest three years who are working 35 years of which they only work 181 days or 9 months; their pension is based on a guarantee of 8% per unit. How many people here get an 8% guarantee? That means the average Avon teacher retiring with \$115,000 to \$120,000 per year will get an \$80,000 to \$85,000 per year pension with an automatic 3% cost of living raise that means a teacher can make about \$4.5 million in pensions for putting in less than \$100,000. I would like to do that too. 35 years of work equals \$218,000; for all the time they put in, for all the money put in, add it up, they make \$2.8 million for 35 years or \$500,000 for their pension plus about \$350,000 in benefits, that's \$7.7 million divide that by 35 years they work, they make \$218,000 from day one; if they work 25 years, all of us work overtime; my sister has a master's in nursing, she makes \$85,000 a year she works 12 hour days, she gets paid for 8, she makes nothing. Mr. Harrison commented that he understands

and appreciates what he is saying but we need to hear something that the three Boards here in Avon can do about our little budget right here in our Town. Mr. Bartosiewicz stated that in the next ten years Avon will be destroyed, the State will be destroyed, the average house – we did studies with my top economists and is top 5 in the country, he did a whole projection on Connecticut, Avon will have a mill rate of 65-70 in the next ten years with all of the taxes going up, you are going to have to pay for them, we are losing funding, the baby boomers are moving out, there are 230,000 houses in the State of Connecticut with age 85 and over. Unless you have a plan to reduce expenses dramatically houses are going to go from \$1 million to \$350,000, \$400,000 to \$180,000, you are going to be a Waterbury. Look at Waterbury, \$80,000 for a house. It is going to be about 7-8% of the value of your property every year. Everybody is moving. 42% of my clients are moving out of the State and they are bringing their wealth. Two months ago when Cuomo said we just had a heart attack, we lost \$2.3 billion, the top 1% of all people in New York pay 46% of all taxes. I manage hundreds of millions of dollars. His biggest client is one of your biggest residents. He is moving out. The Town/State will lose over \$600,000 a year from one guy. If you push, people push back, they dump their house and move, and they just don't care. Have I been right? Yes I have.

Anne Fitzgerald, 51 Byron Drive – I understand there was a previous speaker who spoke about the price of sewers going up from \$350 to \$500 last year. I heard that this year we are going up to \$600. Is that correct? Mr. Harrison responded those are the numbers. We are facing increase charges from Farmington which receives a lot of our sewage. Ms. Fitzgerald responded I did not see that or would it have been in a line of item that I didn't see because I didn't go to Town Hall or go online. The Town Manager stated there is no wastewater treatment plant (WWTP) here in Avon and Avon has contracts with our surrounding communities. Our effluent flows out primarily to Farmington and Simsbury, some to Canton. The WWTP is funded through a separate line item, it is a sewer service fund that you saw listed on that summary. The big issues that the AWPCA and staff has been dealing with is that Farmington is in the process of going through a major upgrade and renovation to their plant. We had been planning for a certain cost as our contribution to their plant expansion but based on their calculations they came to us about a year ago and said it's not bad, we are seeing some other trends in the flow and it's actually going to be twice what we have been telling you for the last four years. Over the last year or so staff and I and the AWPCA have been actively working with the Town of Farmington to try to get to the bottom of those numbers. Unfortunately at this point we haven't resolved it to our satisfaction or their satisfaction but where we are in the budget process we thought the most prudent course would be to make a recommendation to increase the EDU fee not to \$600 but to \$500 going with the thinking that we will keep working for the best but plan for the worst. It hasn't been finalized yet. There will be a public hearing of the AWPCA coming up. I would also mention that at the Council meeting this week on Thursday at 7:30 p.m. there is an item on the agenda for the Town Engineer to really get into a lot of depth about the system and explaining the finances and where we are and certainly the AWPCA will be talking about it more as we go forward but that is where it is. Ms. Fitzgerald stated that I have been misinformed about an increase to \$600, you propose that it is going to stay at \$500. The Town Manager corrected his statement that he would go to \$600. Ms. Fitzgerald stated that would be in one lump sum above and beyond our regular taxes in July for our vehicles as well as a percent of our home. The Town Manager responded that based on the current planning, yes. Ms. Fitzgerald asked if there is any recourse for us taxpayers. Mr. Harrison responded that they look at Avon as a wealthy town. Ms. Fitzgerald questioned if Farmington is going to be paying \$600. The Town Manager did not know. Ms. Fitzgerald stated that I live alone in my own condominium so I pay \$600 even though a family of six, for instance, they would pay \$600 as well. Mr. Harrison responded yes. Ms. Fitzgerald questioned if Farmington is paying the same thing. The Town Manager responded that he doesn't know. What he can say is that the AWPCA is looking at a couple of models going forward. They are looking at doing staggered billing throughout the year and also taking into consideration going to a flow meter rather than a straight EDU; it is unlikely that will be ready for this July 1st but they are going to be talking about it and maybe something they would implement effective July 1st of next year. Mr. Harrison thanked Ms. Fitzgerald.

Diane Hornaday, 515 Huckleberry Hill Road – I would like to ask a question of Mr. Robertson. I would like to ask him to explain to everyone here so we all understand the same thing, the difference between a home rule community and those that have been established under the municipal statutes of the State. Mr. Robertson responded that a home rule community is a community where the citizens have adopted a Charter and a statutory community is just that, it is a community that operates under the General Statutes of the State of CT. We've had a Charter since 1957. Ms. Hornaday stated that I don't wish to speak to the specifics of the budget tonight because I have not had the time this year to go over it. I do however wish to speak to the imposition about the State's suggested proposals about transferring obligations that the State has made to the communities, not just Avon but others. I heard you say that there is an air of resignation. Well I don't have an air of resignation about that and I want to encourage our elected officials, our Town professionals and the residents of this community to push back on that. We had no part of those negotiations and because we are under Town rule I think we could present a strong case that they are not going to transfer commitments they made to our Town. It is another way of increasing our State taxes but they make it look like it is to the Town. I think to quietly say oh I guess they want \$350,000 and within three years more than \$1 million. At the very least I would think that we are going to raise some rejection to that and not just say, well they want it. He clarified that when I said we think it is going to happen that does not mean we are not protesting. I think the legislators representing Avon for both parties are doing what they can but we are concerned that this something that the new administration is going to push. Ms. Hornaday responded that if they are going to do it, at some point there is a place where you have to say, then we are going to have to reduce the items that we are paying for here to be able to pay for that. At some point you can't just keep saying we don't have a spending problem, we have a revenue problem which we keep hearing. Mr. Harrison stated that it is the other way around, the State has a serious spending problem. Ms. Hornaday responded it is the other way around, absolutely, and if we are going to allow the State to do that then we are going to have reduce services to our local residents. Mr. Harrison thanked Ms. Hornaday.

Tom Armstrong, 101 Ayrshire Lane – With regard to the AWPCA there will be a meeting next Thursday, not this Thursday, at 5:30 p.m. at Town Offices: I am Vice Chair. Currently the bill that is paid by sewer users is \$500, it is a one-time bill and that is what is in effect right now. I believe there will be a public hearing at the next Thursday meeting and that will discuss all of the ideas that the Town Manager has shared with regard to a user base partial fee, split billing fees, and anything else that might come up as well including whether or not the fees should be increased. What may be in the budget may be a higher budgeted amount of \$600, but the AWPCA has not voted on that yet. I would encourage everybody to attend. I would like to see that the Education Department and the other departments for the Town get proposals on partnership arrangements that could be done with other towns or even within the Town itself to reduce expenses. The other part of that is, I will give an example on the education side. I would like to see areas that I am going to say are arcane in his opinion where we can take further look at it and down the road make additional changes. What I mean by arcane, every day I have a school bus pass me empty and I have a very strong hunch that there is a State law that says a school bus must have to go out to everybody on route when we know they almost always end up empty. I can think there might be other ways of solving that problem and getting everybody to school but we may have to get rid of an arcane law or arcane statute to do that. I would like the school in particular to take a look at other arcane statutes that may be there that we may have to change perhaps as part of this quid pro quo for the pension obligation and see if we can reduce not only our budget but also budgets of other towns as well. Mr. Harrison thanked Mr. Armstrong. Mr. Armstrong shared a supplement to his comments to the Board (which is attached and made part of these minutes).

Laura Young, 57 Hitchcock Lane – I know these presentations are done so well in advance and everybody works incredibly hard from the administrative side and all of the volunteers. I am wondering what the plan is for updating the information around the bill that was voted on last Friday in which the Education Committee actually eliminated that portion of the Governor's

proposal to have municipalities and towns contribute to the teacher pensions; there is no longer language in the bill that would speak to that issue. I am hoping that between now and May there will be an update to that, thank you. Mr. Harrison stated that would be very helpful for us if that is the case. In the first term of the new Governor, the legislative session in some years is into September so there could be further bills coming down; we hope this one stays the way you described it Laura but there is no guarantee that will be the case but thank you for raising it.

Mr. Harrison called for final comments. There were none. He thanked all for their interest, attention, and courtesy. He reminded everyone the next budget meeting is with the three boards at the Budget Workshop on Wednesday night at the Senior Center.

VII. 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 Budget Meeting on Monday May 6, 2019, at the Avon Senior Center Community Room, 635 West Avon Road, Avon, CT at 7:00 p.m. and will be submitted to vote at Referendum on May 15, 2019, 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.

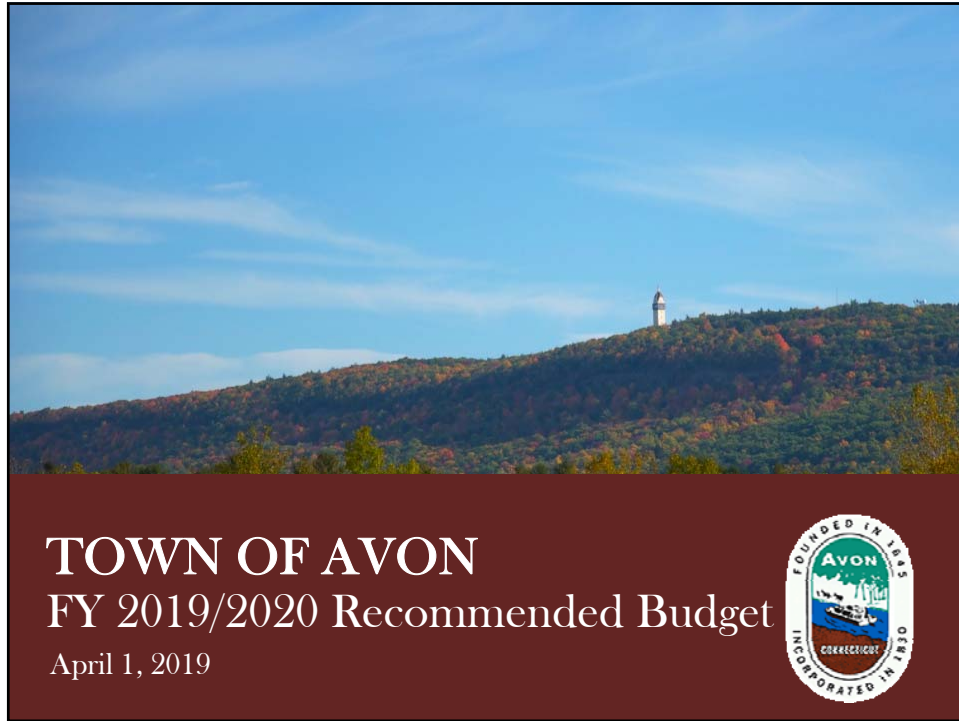
VIII. ADJOURN

The meeting adjourned at 9:05 p.m.

Respectfully Submitted,
Cathy Durdan, Secretary

Attest: Jennifer Worsman, Clerk

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



Proposed Budget Summary FY 2019/2020

	<u>FY 18/19</u>	<u>FY 19/20</u>	<u>\$ Inc/(Dec)</u>	<u>% Inc/-Dec</u>
Town	\$ 25,029,441	\$ 25,893,427	\$ 863,986	3.45%
Education	59,383,115	60,529,340	1,146,225	1.93%
Sewers	2,016,793	2,401,673	384,880	19.08%
Debt Service	2,755,750	3,746,038	990,288	35.94%
C.I.P	3,734,595	2,823,667	(910,928)	-24.39%
TOTAL	\$92,919,694	\$ 95,394,145	\$ 2,474,451	2.66%

Mission Statement

It is the mission of the Town of Avon to provide quality town services at a reasonable cost to all citizens and taxpayers.



Activities Funded by the Operating Budget

- General Government
- Public Safety
- Public Works
- Health & Social Services
- Recreation & Parks
- Education—Culture
- Conservation & Development



Strategic Objectives



- **Maintain Capital Budget funding levels with Emphasis on:**
 - Road Improvement
 - Municipal & School Facilities
- **Continue to Adequately Fund Long-Term Liabilities**
 - 100% of the Annual Required Contribution for Pension funds
 - Other Post-Employment Benefits (OPEB) Obligation
- **Continue to Focus on Core Services**
 - Public Safety
 - Integrate Private Vendor Contracts where Efficient & Effective



5

Operating Budget Increases at a Glance The “Big Rocks”

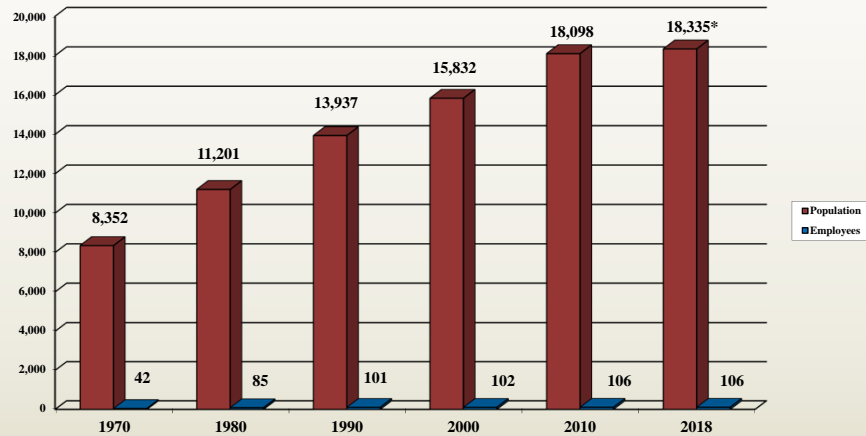


Overall 3.96% spending increase

Major Drivers:

▪ Increase in Wages and Salaries	+ \$373,543
▪ Increase in Retiree Health	+ \$163,753
▪ Increase in Defined Benefit	+ \$157,507
▪ Increase in Workers' Compensation	+ \$138,446

Employment and Population Growth Since 1970



Population to FTE ratio in 1970 = 0.5%, in 2017 = 0.57%

Source: 1970-2010 US Census; 2017 US Census American Community Survey

7

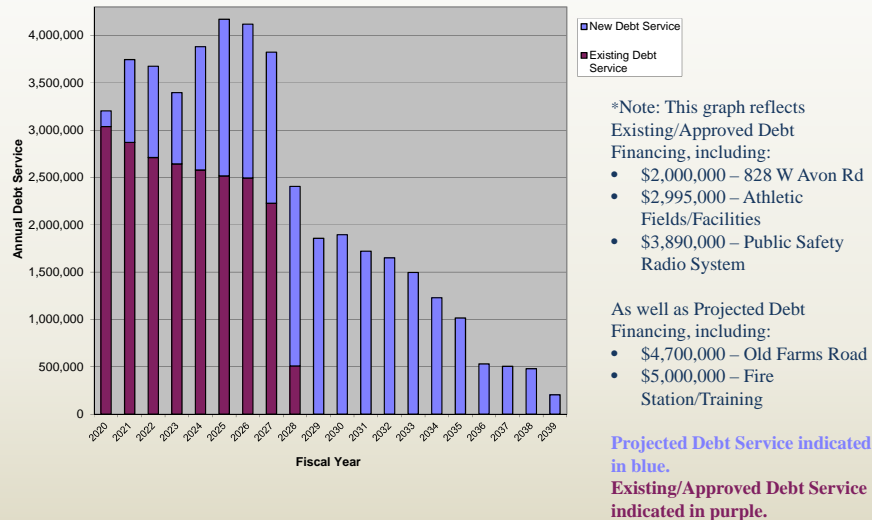
Capital Budget Projects FY 2019/2020

Road Improvements	\$395,307
Cider Brook Bridge Replacement	\$435,000
Reconstruction of Old Farms/Thompson Road	\$307,000
RBS Roof Replacement – Phase I	\$165,000
AMS/AHS Elevator Hydraulic Cylinder Rpl.	\$130,000
AHS Fire Alarm Rpl.	\$110,000
AVFD Facility Improvements	\$100,000
Sewer Projects	\$760,000
Equipment Replacements	\$121,360
Other Capital Projects	\$300,000

TOTAL Capital Program \$2,823,667

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Existing & Projected Net Debt Service *



Town-Board of Education Cooperative Ventures

- Vehicle & Equipment Maintenance
- Purchasing
- Capital Project Administration
- Use of Athletic Fields, Town Facilities & School Buildings
- Health, Liability, Auto, Property, & Worker's Compensation Insurance
- Financial Services (Audit, Banking)
- Legal Services
- Comprehensive Energy Plan
- Staff Sharing (SRO Program)



Proposed Budget Summary FY 2019/2020

	<u>FY 18/19</u>	<u>FY 19/20</u>	<u>\$ Inc/(Dec)</u>	<u>% Inc/-Dec</u>
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Debt Service	2,755,750	3,746,038	990,288	35.94%
C.I.P	3,734,595	2,823,667	(910,928)	-24.39%
TOTAL	\$92,919,694	\$ 95,394,145	\$ 2,474,451	2.66%



PUBLIC SAFETY

The Avon Volunteer Fire Department...

140 current members
20 pieces of apparatus
600 calls for service annually

Awarded the 2018 VCOS-VFIS Illness and
Injury Prevention Program Award for
Excellence in Risk Management

The Police Department...

36 sworn officers
80K-100K dispatch calls annually
90+ community relations activities
annually

Nationally Accredited since 1993



PUBLIC WORKS

The Department of Public Works...

112 miles of road, treated for **17** snow storms last year

139,000 square feet of interior building space

1,162 acres of parks and open space

28 miles of trails

2 swimming pools

172 units of equipment and apparatus
Town-wide

550 tons of recyclables processed annually



13

RECREATION

The Department of Recreation & Parks...

14,000 participants in aquatics programming

500+ summer campers

400+ athletics participants



SOCIAL SERVICES

The Senior Center...

2,047 senior programs with **22,162** participants

100 health clinics

3,944 senior meals served

The Department of Social Services...

2,682 Dial-a-Rides

163 Energy Assistance Applications



14

AVON FREE PUBLIC LIBRARY



43% of residents have a library card
156,275 visitors last year
258,724 items in circulation
1,128 programs annually with **39,044** attendees



15

Next Steps in the Budget Process

**All Events will be held at the Avon Senior Center
located at 635 West Avon Road**

Board of Finance Budget Workshop	Wednesday, April 3 rd 7:00 p.m.
Town Meeting	Monday, May 6 th 7:00 p.m.
Budget Referendum	Wednesday, May 15 th 6:00 a.m. – 8:00 p.m.

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Want to Know What's Happening in Avon?

Get the details sent directly to your inbox!

Log on to the Avon Town Website www.avonct.gov

- Hover your mouse over “*Find it Fast*”
- Select “*Subscribe to News*” under the “*Online Services*” heading
- Enter and Confirm your Email Address
- Select the News and Alerts that you would like to receive
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TOWN OF AVON
FY 2019/2020 Recommended Budget
April 1, 2019





Board of Education Proposed Budget
FY 2019 / 2020

Avon Public Schools *Mission Statement*



“Our mission is to inspire in each student a joy and passion for learning and a commitment to excellence, personal integrity, and social responsibility.”

Highlights of the FY 2017/2018 Budget

Gross Approved Budget = **\$57,478,604.91**

New Money = **\$1,172,196.91**

Gross Increase = **2.08%**

- **Staffing**

- AHS – Business / ELA / Special Education Teacher / 12M Assistant Principal
- AMS – Social Worker / Custodian
- TBS – Social Worker / Assistant Principal
- PGS / RBS – STEM Teacher

- **Makerspaces / Textbooks / Chromebooks / Enrichment for All**

Academic Accomplishments FY 2017/2018 - AHS

2018 SAT Scores were the **4th Highest** in the state.

DRG B SAT Rankings:

2/19 in English Language Arts

1/19 in Math

The College Board honored Avon Public Schools placement on the
9th Annual AP District Honor Roll.

85% of AHS Students received an AP score of 3 or higher.

Avon was **3rd Highest** in DRG B AP rankings.

Academic Accomplishments

FY 2017/2018 – Grades 3 to 8

2018 Smarter Balance

Scores DRG B Overall Ranking:

- **6/21** in English Language Arts
- **4/21** in Math



Academic Accomplishments

Class of 2018

College Acceptance Rate Totaled **95.3%**

- *4 Year College* = **86.3%**
- *2 Year College* = **9.0%**

AHS Seniors were accepted into top ranked schools such as:

*Amherst College
Bucknell University
College of the Holy Cross
Cornell University
Dartmouth College
John's Hopkins University
Lehigh University
New York University*

*Northwestern University
Tufts University
United States Military Academy
University of Chicago
University of Notre Dame
University of St. Andrews
Vanderbilt University
Vassar College*

Athletic Accomplishments

FY 2017/2018

CIAC State Championship Teams

Boys Ice Hockey
Girls Cross Country
Boys Golf
Girls Track Field

CCC Champion Teams

Boys Ice Hockey
Co-Ed Swimming & Diving
Boys Golf
Boys Tennis



10 - CIAC All State Athletes
2 - CIAC All State Academic
52 - CCC All Conference Athletes
9 - AHS Seniors are Competing at the Collegiate Level



FY 2019/2020 Budget Development *Goals*



Culture

Through a shared vision, responsibility, and commitment; a culture that fosters a passion for learning, collaboration, and personal growth will evolve.

Achievement

Through continuously refining and enhancing the curriculum; deepening the knowledge and skills of teachers; and personalizing learning for students; the instructional core will be strengthened and student learning maximized.

FY 2019/2020 Budget Development *Goals*

Communication

Through clear communication and transparent processes, internal and external partnerships are established in service to realizing the district's mission.

Systems

Through the ongoing creation, refinement, and alignment of processes, procedures, and systems; efficiencies and resources will be optimized.



FY 2019/2020 *Needs*



Avon High School

- Wellness Teacher – Increase 0.2 FTE
- Additional Assistant Cross Country Coach
- Athletic Equipment

Thompson Brook School

- Safety & Security Specialist – Increase 1.0 FTE

Pine Grove School

- Additional Community Advisor Stipend

Roaring Brook School

- Safety & Security Specialist – Increase 1.0 FTE
- Preschool Coordinating Teacher Stipend

Districtwide

- Kindergarten Teacher – Increase 1.0 FTE
- Additional Seasonal Maintenance Help
- Certified OT Assistant – Increase 0.45 FTE

FY 2019/2020

Preliminary Budget Overview

Preliminary Budget FY 2019/2020

\$ 60,134,820

- Includes salary related contractual increases
- Initial rollover of expenditures
- Initial requests from all District departments

**Preliminary Budget figures compiled as of October 31, 2018.*

FY 2019/2020

Preliminary Budget Increase

Preliminary Increase in Dollars

\$2,656,215.45

Preliminary Increase in Percent

4.62%

**Preliminary Budget figures compiled as of October 31, 2018.*

FY 2019/2020 *Preliminary Budget Drivers*

Included in the Preliminary Budget:

- *All contractual salary obligations*
- *5.9% health insurance projection*
- *Initial tuition projections*
- *Transportation projections*
- *All requests from District Departments*

<u>Category</u>	<u>Increase</u>
Salaries	\$1,536,500.76
Benefits	\$479,331.42
Utilities	(\$171,846.52)
Contracted Services	(\$56,429.47)
Transportation	\$100,517.30
Tuition	\$571,799.42
Supplies & Equipment	\$192,810.72
All Other	<u>\$3,531.82</u>
<i>Total Preliminary Budget Increase</i>	<i>\$2,656,215.45</i>
<i>Total Preliminary Percentage Increase</i>	<i>4.62%</i>

*Preliminary Budget figures compiled as of November 20, 2018.

FY 2019/2020 Budget *Preliminary Budget Reductions*

2019/2020 Preliminary Budget	\$60,134,820.36
<i>Initial Reductions</i>	<i>(\$1,171,808.99)</i>
<ul style="list-style-type: none"> • Change in proposed Pre-K rollout • Staffing requests for the proposed AMS schedule change 	
<i>Other Reductions</i>	<i>(\$178,562.01)</i>
<ul style="list-style-type: none"> • Line by line reductions 	
FY 2019/2020 Working Budget	\$58,784,449.36

*Preliminary Budget figures compiled as of November 20, 2018.

FY 2019/2020 *Working Budget*

FY 2019/2020 Working Budget	\$58,784,449.36
Difference in Dollars 2019 to 2020	\$1,305,844.45
Difference in Percent 2019 to 2020	2.27%

**Preliminary Budget figures compiled as of November 20, 2018.*

FY 2019/2020 *Reallocations*



Avon Middle School

- *Safety & Security Specialist – 1.0 FTE*

Pine Grove School

- *Safety & Security Specialist – 1.0 FTE*

Roaring Brook School

- *Special Education Teacher – 1.0 FTE*



FY 2019/2020 *Total Reductions*

Central Office

- *Clerk Typist – Reduce 1.0 FTE – (\$30,786.00)*

Districtwide

- *Initial Requests & Additions – (\$1,171,808.99)*
- *Other Reductions – (\$436,628.01)*
 - *The Competent Classroom reduced by \$30,000.00*
 - *Capturing Kids Hearts reduced by \$35,800.00*
 - *Contracted substitute coverage reduced by \$99,000.00*
 - *Contracted Chinese Teachers reduced by \$100,000.00*

Total Reductions = \$1,639,223.00

Board of Education Proposed FY 2019/2020 Budget

2019/2020 Gross Budget Request	\$ 58,605,549
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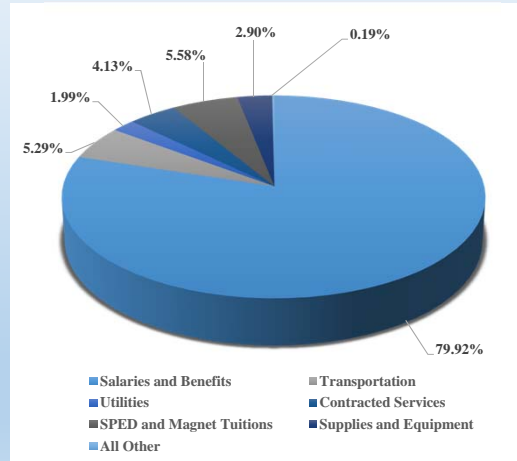
Gross Difference in Dollars 2019/2020	\$ 1,126,944
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Gross Difference in Percent 2019/2020	1.96%
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FY 2019/2020 Budget *Distribution*

Category	19/20 Budget	Percentage
Salaries & Benefits	46,834,841.22	79.92%
Transportation	3,101,353.80	5.29%
Utilities	1,165,879.47	1.99%
Contracted Services	2,420,625.24	4.13%
Tuition	3,271,796.87	5.58%
Supplies & Equipment	1,700,657.23	2.90%
All Other	110,395.27	0.19%
Total Gross Budget	58,605,549.10	100.00%



FY 2019/2020 BOE *Proposed Budget*

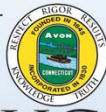
Object	Account Description	FY2017-18 Budget	FY2017-18 YTD Expenditures	FY2018-19 Budget	FY2019-20 Proposed Budget	Dollar Variance	Percent Variance
100	Salaries	34,734,933.18	34,012,493.51	36,256,047.82	36,963,959.51	707,911.69	1.95%
200	Employee Benefits	10,223,770.12	10,163,524.60	9,464,655.75	9,870,881.71	406,225.96	4.29%
300	Purchased Prof & Tech Services	1,448,301.61	1,249,698.24	1,658,204.04	1,410,947.88	(247,256.16)	-14.91%
400	Property Services	727,880.94	735,614.39	778,600.12	796,285.74	17,685.62	2.27%
500	Other Purchased Services	6,637,992.03	6,586,212.41	6,526,318.40	6,835,613.94	309,295.54	4.74%
600	General Supplies & Utilities	2,122,918.19	2,226,819.10	2,305,396.01	2,198,265.53	(107,130.48)	-4.65%
700	Equipment	341,542.33	625,173.64	382,519.32	419,199.53	36,680.21	9.59%
800	Fees & Memberships	69,069.60	94,722.11	106,863.45	110,395.27	3,531.82	3.30%
Total		56,306,408.00	55,694,258.00	57,478,604.91	58,605,549.10	1,126,944.20	1.96%

FY 2019/2020 BOE Budget *Conclusion*



*The foundation of every state is the
education of its youth.
- Diogenes*

AVON
PUBLIC SCHOOLS



*Great thanks are extended to both the staff and leadership for their
countless contributions towards generating the Board of Education
Proposed Budget for FY 2019 / 2020.*



Thank you.

Salary *Highlights* (Object 100)

Account Description	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Dollar Variance	Percent Variance
<i>Certified Administrators</i>	2,001,077.99	2,159,242.00	158,164.01	7.90%
<i>Certified Teachers</i>	26,598,987.25	27,083,592.12	484,604.87	1.82%
<i>Custodians</i>	1,866,189.86	1,923,377.33	57,187.47	3.10%
<i>Nurses</i>	373,047.31	385,008.99	11,961.68	3.21%
<i>Para-Educators</i>	1,716,818.24	1,788,770.40	71,952.16	4.19%
<i>Secretaries</i>	955,078.54	967,464.09	12,385.55	1.30%
<i>Tutors/Teaching Assistants</i>	306,941.20	236,800.00	-70,141.20	-22.85%

Benefits *Highlights* (Object 200)

Account Description	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Dollar Variance	Percent Variance
<i>Health Insurance</i>	5,182,939.25	5,311,374.03	128,434.78	2.48%
<i>Administrative Fees</i>	682,500.00	922,645.69	240,145.69	35.19%
<i>Workers Compensation</i>	231,314.27	250,995.00	19,680.73	8.51%
<i>Pension Plan (Non Certified)</i>	698,616.00	762,000.00	63,384.00	9.07%
<i>Employer Annuities & 403B Contributions</i>	202,034.52	176,888.00	-25,146.52	-12.45%
<i>Post Retirement Benefits</i>	620,355.00	645,000.00	24,645.00	3.97%

Utilities *Highlights* (Objects 300, 500, 600)

Account Description	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Dollar Variance	Percent Variance
<i>Water</i>	98,396.00	98,396.00	0.0	0.0%
<i>Telephone</i>	88,048.90	88,200.00	151.10	0.17%
<i>Telecom</i>	72,475.65	62,475.65	-10,000.00	-13.80%
<i>Natural Gas</i>	199,665.24	208,925.36	9,260.12	4.64%
<i>Electric</i>	736,442.00	707,882.46	-28,559.54	-3.88%

Contracted Services *Highlights* (Object 300)

Account Description	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Dollar Variance	Percent Variance
<i>Professional Development/DW</i>	95,800.00	50,000.00	-45,800.00	-47.81%
<i>World Language/DW</i>	155,665.00	55,665.00	-100,000.00	-64.24%
<i>Substitutes/DW</i>	569,488.02	470,335.65	-99,152.37	-17.41%
<i>Information Technology/DW</i>	57,340.00	51,000.00	-6,340.00	-11.06%
<i>Interscholastic Athletics/AHS</i>	56,738.17	45,000.00	-11,738.17	-20.69%
<i>Snow Removal</i>	0.00	14,000.00	14,000.00	100.00%

Transportation/Tuition *Highlights* (Object 500)

Account Description	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Dollar Variance	Percent Variance
<i>SPED Tuition</i>	2,670,003.21	2,914,984.12	244,980.91	9.18%
<i>SPED Summer Programs</i>				
<i>Transportation</i>	50,592.87	115,000.00	64,407.13	127.30%
<i>AHS Interscholastic Athletics Transportation</i>	123,122.00	133,622.00	10,500.00	8.53%

Instructional Supplies *Highlights* (Code 600)

Account Description	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Dollar Variance	Percent Variance
Instructional Supplies: <i>General supplies & Textbooks</i>	2,305,396.01	2,198,265.53	(107,130.48)	-4.65%

Equipment *Highlights* (Code 700)

Account Description	FY 2018-19 Budget	FY 2019-20 Proposed Budget	Dollar Variance	Percent Variance
<i>Athletics / AHS</i>	0.00	16,000.00	16,000.00	100.0%
<i>Technology Leases</i>	210,581.39	237,352.72	26,744.33	12.70%

FY 2019/2020 Projected *General Fund Revenues*

General Fund Revenues	2017/2018 Actual	2018/2019 Expected	2019/2020 Projected
AHS Parking Fees	\$34,418.00	\$29,000.00	\$30,000.00
Athletic Gate Receipts	\$8,835.00	\$8,000.00	\$8,000.00
Athletic Pay to Play Receipts-AHS	\$159,602.75	\$158,000.00	\$158,000.00
Athletic Pay to Play Receipts-AMS	\$18,482.60	\$21,000.00	\$18,000.00
Early Beginnings Grant	\$103,500.00	\$0.00	\$0.00
Employee Dental Contributions	\$93,698.32	\$94,000.00	\$94,000.00
Employee Life Ins Contributions	\$11,735.37	\$12,000.00	\$12,000.00
Nutrition Services Indirect Costs	\$29,798.00	\$29,798.00	\$0.00
Open Choice Attendance	\$1,073,516.00	\$720,000.00	\$660,000.00
Pre-K Program Tuition	\$73,144.58	\$75,000.00	\$75,000.00
Special Education Excess Cost	\$1,053,503.00	\$1,190,000.00	\$1,190,000.00
Special Education Tuition Reim.	\$290,339.07	\$300,000.00	\$300,000.00
Total General Fund Revenues	\$2,950,572.69	\$2,636,798.00	\$2,545,000.00

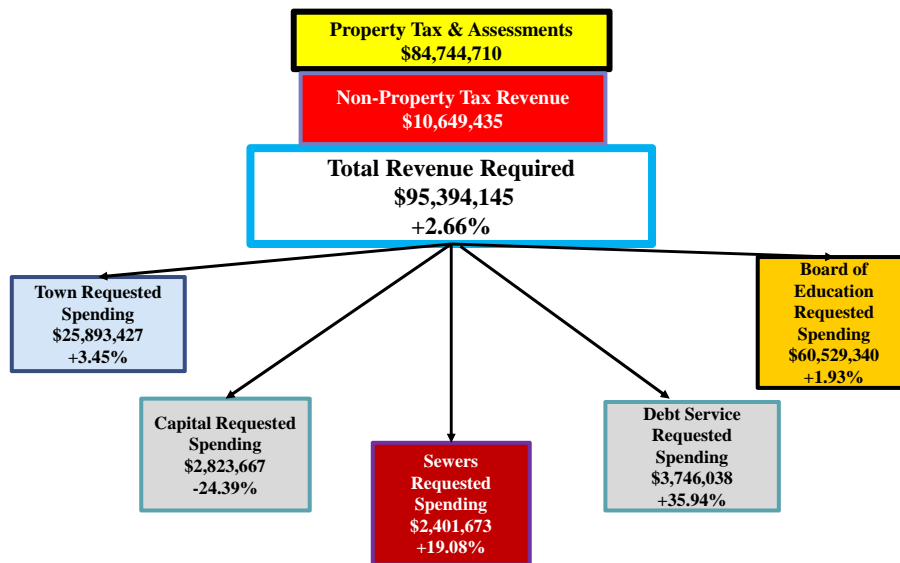
Town of Avon Board of Finance

Public Hearing

Requested Fiscal Year 19/20 Budget

April 1, 2019

Requested Budget Summary



Board of Finance *Balances*

The
Requested
Amount of
Spending for
Services



The Level of
Revenues
Required to Pay
for these
Requests

*The proposed \$95,394,145 budget for
Fiscal Year 2019/2020 would require
a 4.94% tax increase.*

Board of Finance *Considers*

- The best interest of Avon as a whole
- Input from Town Council and Board of Education
- Interaction with residents
- Public hearing comments
- Economic conditions
- Tax demands of other levels of government
- Estimates of revenue sources and projections
- Future borrowing requirements
- Voting history

Avon Revenue Options *Limited*

- **Restrictive State Laws—**
 - No local income or sales taxes
 - No local tobacco, alcohol, gas, or hotel taxes
- **Avon Revenue Choices—**
 - Property taxes and assessments
 - Non-property tax sources
 - *Licenses, Permits, Fees, Grants*

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Revenue Raised by Source

	Adopted FY 18/19	Requested FY 19/20	% Inc/ -Dec
Taxes & Assessments	\$ 82,515,928	\$ 84,774,710	2.70%
<i>% of revenues</i>	<i>88.80%</i>	<i>88.84%</i>	
Non-property Tax Sources	\$ 10,403,766	\$ 10,649,435	2.30%
<i>% of revenues</i>	<i>11.20%</i>	<i>11.16%</i>	
TOTAL	\$ 92,919,694	\$ 95,394,145	2.66%
Net Grand List	\$ 2,615,585,560	\$ 2,559,343,136*	-2.15%
Mill Rate Required	31.35	32.90	4.94%

** After Board of Assessment Appeals*

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What is the Grand List?

The **Grand List** is the compilation, by value, of all taxable and tax exempt property within the Town. The **Grand List** can be broken into four categories:

- (1) **Real Estate**—all residential and commercial property and all improvements such as buildings, sheds, pools etc.
- (2) **Personal Property**—anything that is moveable and is not a permanent part of commercial real estate. For example, the furniture, machinery and equipment owned or leased, and used, by a business.
- (3) **Motor Vehicles**—vehicles that, in the normal course of their operation, most frequently leave from and return to, or remain, within the Town of Avon.
- (4) **Other**—vacant land.

Reminder: Your property is assessed and taxed at 70% of market value.

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Why is the Grand List Important?

Property Tax Revenue Required
divided by
FY 2019/2020 Net Grand List
multiplied by 1000
= FY 2019/2020 Required Mill Rate

\$84,202,389

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\$2,559,343,136

x 1000

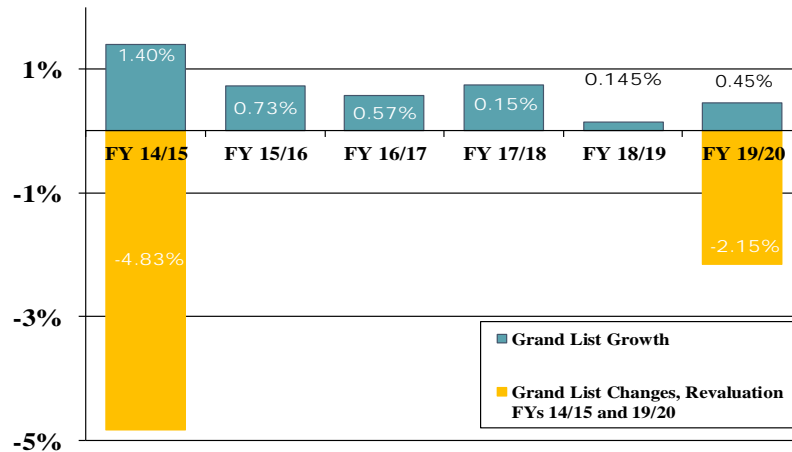
= 32.90

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Avon Grand List Changes



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Revaluation

The Grand List is the value of all taxable and tax-exempt property within the municipality; the Net Grand List is the value of taxable property only.

The Mill Rate formula is one mill equals one dollar of tax per thousand dollars of assessed value of property.

The Tax Levy is the amount of revenue (net of non-tax revenue) that must be raised to support the services provided each year by the municipality.

To determine the Tax Levy multiply the Net Grand List by the Mill Rate

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Impact of Revaluation on Mill Rate FY 18/19 & FY 19/20

NET GRAND LIST	X <small>(Multiplied)</small>	MILL RATE <small>1 mill = 1/1000 of a dollar (Multiply result x 1000)</small>	=	AMOUNT NEEDED From "LEVY" Component of Property Tax*
\$2,615,585,560 <small>(Old Net Grand List)</small>	X	31.35 <small>(Current Mill)</small>	0.00% <small>(Increase)</small>	= \$81,998,607
\$2,559,343,136 <small>(New Net Grand List)</small>	X	32.04 <small>(Mill Adjusted for Reval.)</small>	2.20% <small>(Increase)</small>	= \$81,998,607
\$2,559,343,136	X	32.90 <small>(Requested Mill Rate)</small>	2.68% <small>(Increase from Mill Adjusted for Reval.)</small>	= \$84,202,389

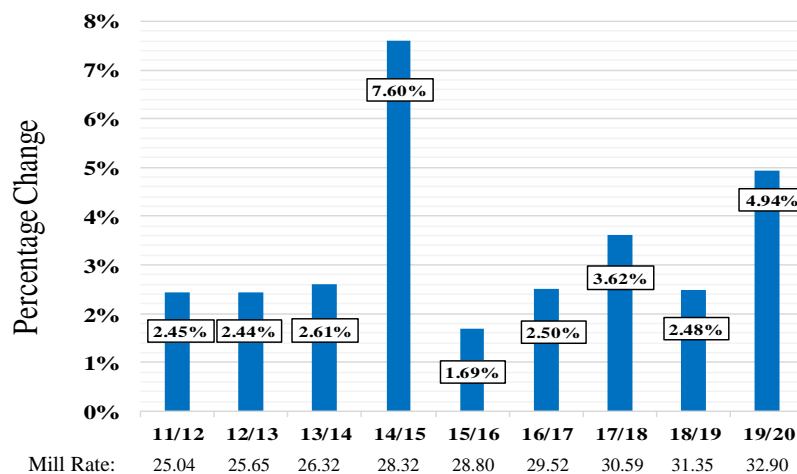
* "LEVY" does not include Supplemental real estate & motor vehicle, prior levies, interest & penalties, sewer & water assessments, & telecommunications property tax.

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Mill Rate Change Comparison

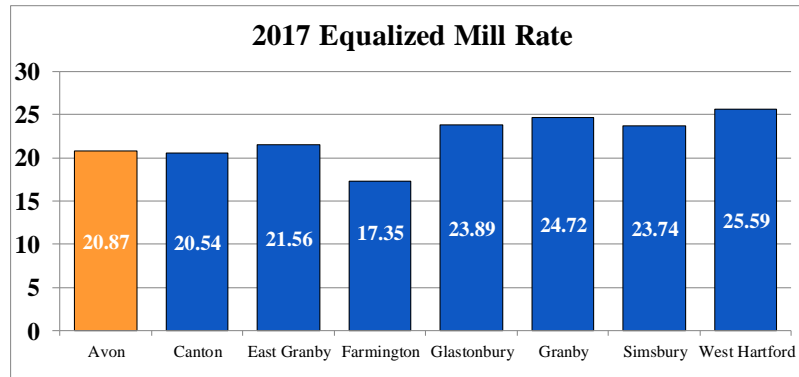


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Town-by-Town Mill Rate Comparison



* The Equalized Mill Rate is used so we may compare mill rates among towns, using this formula:

$$\frac{\text{Net Grand List} / \text{Assessment Sales Ratio} = \text{Adjusted Net Grand List}}{\text{Budget Needs (taxes to be raised to meet the budget)} / \text{Adjusted Net Grand List} = \text{Equalized Mill Rate}}$$

Source: Office of Policy and Management

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Property Tax and Assessments

Property Tax & Assessments contributes <u>88.84%</u> of FY 19/20 Required Revenue	Adopted FY 18/19	Required FY 19/20	FY 19/20 % Prop. Tax & Assess.
a) Residential	\$63,334,590	\$64,339,819	75.92%
b) Commercial/Industrial	10,180,460	10,803,120	12.75%
c) Motor Vehicles	5,512,350	5,948,760	7.01%
d) Personal Property	2,789,280	2,959,960	3.49%
e) Other	142,368	150,730	0.19%
Subtotal	\$81,998,607	\$84,202,389	99.36%
f) Assessments – Various	517,321	542,321	0.64 %
Total	\$82,515,928	\$84,744,710	100.00%

Source: Assessor's Office

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Non-Property Tax Revenue

Non-Property Tax contributes <u>11.16%</u> of FY 19/20 Required Revenue	Adopted FY 18/19	Required FY 19/20	FY 19/20 % Non-Prop. Tax
Intergovernmental <i>i.e. grants</i>	\$3,776,931	\$3,733,307	35.1%
Licenses, Fees & Permits <i>i.e. building permits, recording & conveyance</i>	1,032,675	1,032,675	9.7%
Charges for Current Services <i>i.e. landfill, recreation fees</i>	4,643,206	5,339,108	50.2%
Other Local Revenues & Other Financing Sources <i>i.e. investment interest</i>	950,954	544,345	5.0%
TOTAL	\$10,403,766	\$10,649,435	100%

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Declining Budgeted State Revenues*

	Budget	Actual/ (YTD**)	Budget v. Actual	Budget Year over Year
FY 2017/2018	\$ 3,859,329	\$ 2,061,963	(\$ 1,797,366)	--
FY 2018/2019	\$ 3,776,931	\$ 2,187,005	(\$ 1,589,926)	-2.14%
FY 2019/2020	\$ 3,733,307	--	--	-1.16%
Cumulative Inc./(Dec) FY 2017/2018 – FY 2019/2020				-3.27%

*Funding levels subject to change throughout state budget process.

**YTD posted as of March 26th of fiscal year; all funds.

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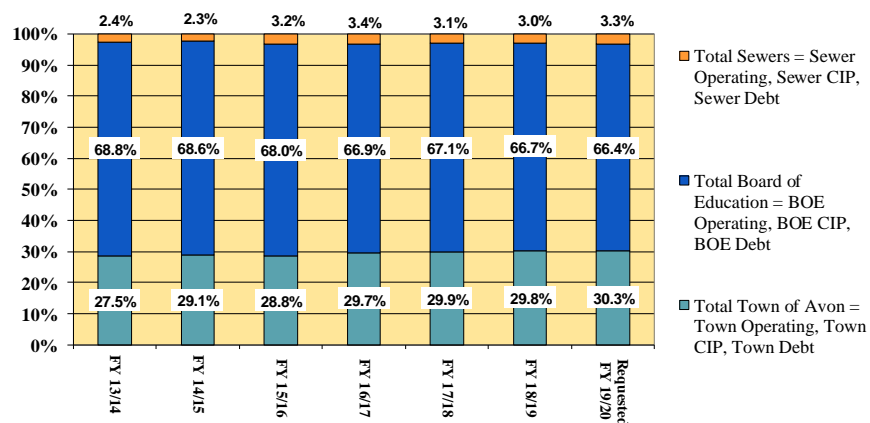
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Unassigned Fund Balance

- **Unassigned Fund Balance**: General Fund balance that is available for appropriation.
- **Town Council Policy**: To maintain unassigned fund balance of 10% of general fund actual expenditures.
- **Board of Finance Policy**: Restricted use. To meet an *"extraordinary need or unusual opportunity which...must be timely met."*
- Unassigned Fund Balance as of current FY19 budget:
 - \$ 9,594,498 or 10.99%
- Projected FY20:
 - \$ 9,594,498 or 10.73%

Spending Trends



Note: CIP= Capital Improvement Program

Calculating the 4.94% Tax Increase

1. Total Unified Budget Request	\$ 95,394,145
<i>Where do we get the Money?</i>	
2. Non-Property Tax Revenues <i>(intergovernmental, fees, permits, etc.)</i>	\$ 10,649,435
3. All Other Assessments <i>(supplemental real estate/motor vehicle, prior levies, sewer assessments, etc.)</i>	\$ 542,321
4. Grand List at Current Mill Rate (includes growth)	\$ 80,235,407
Subtotal	\$ 91,427,163
<i>Where do we get the Rest?</i>	
5. Additional Funding Needed	\$ 3,966,982
6. Tax Increase Required to Fund Requested Spending	\$ 3,966,982 ÷ 80,235,407 <u>= 4.94%</u>

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Tax Impact Requested Spending Assessed Home & Vehicle Values in Avon (Single Family Homes & Condos)

Assessment Percentile	Assessed House & Vehicle Values	Current Property Tax Adopted (31.35 mills)	Property Tax If Budget is Approved (32.90 mills)	Difference Proposed Tax Increase (32.90 mills)
25%	\$205,510	\$6,443	\$6,761	\$318
50%	\$267,180	\$8,376	\$8,790	\$414
75%	\$374,660	\$11,746	\$12,326	\$580

Reminder: Your property is assessed and taxed at 70% of market value.

For your specific real estate & motor vehicle taxes, please visit:

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Board of Education Requested Spending FY19/20

	<u>Requested FY 19/20</u>	<u>% of Total Budget</u>
Board of Education Operating	\$ 60,529,340	63.45%
BOE Share of Debt Service	2,297,635	2.41%
BOE Share of Capital Improvement Program (CIP)	475,000	0.50%
BOE Operating, Debt, and CIP TOTAL	\$ 63,301,975	66.36%

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Town & Sewers Requested Spending FY 19/20

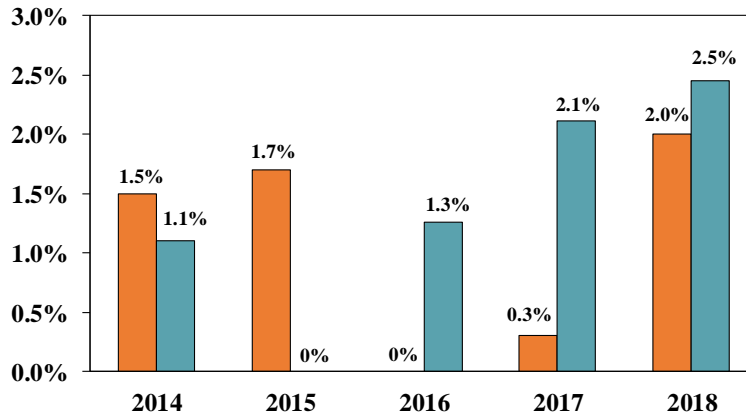
	<u>Requested FY 19/20</u>	<u>% of Total Budget</u>
Town of Avon Operating	\$ 25,893,427	27.14%
Town Share of Debt Service	1,448,403	1.51%
Town Share of Capital Improvement Program (CIP)	1,588,667	1.67%
SUBTOTAL	\$ 28,930,497	30.32%
Sewers Operating, and Share of CIP	3,161,673	3.31%
TOTAL	\$ 32,092,170	33.64%

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Social Security Cost-of-Living Adjustment (COLA) & Consumer Price Index (CPI)



Sources: US Social Security Administration and Bureau of Labor Statistics

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Requested Budget Summary

	Adopted FY 18/19	Proposed FY 19/20	\$ Increase/ (Decrease)	% Increase/ -Decrease
Town Operating	\$ 25,029,441	\$ 25,893,427	\$ 863,986	3.45%
Board of Education	59,383,115	60,529,340	1,146,225	1.93%
Debt Service	2,755,750	3,746,038	990,288	35.94%
Capital Improvement*	3,734,595	2,823,667	(910,928)	-24.39%
Sewers**	2,016,793	2,401,673	384,880	19.08%
TOTAL	\$ 92,919,694	\$ 95,394,145	\$ 2,474,451	2.66%

* Capital Improvement amount of \$2,823,667 funded in part (\$760,000) with Sewer User Fees.

** Paid for by user fees

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Here Comes the State: Teachers' Retirement System

How does it impact us?

Teachers' Retirement System

Total Pensionable Salary* :	\$27,580,395
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TOWN OF AVON

FY 2020 Proposed Contribution :	\$329,381
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FY 2021 Proposed Contribution :	\$680,203
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FY 2022 Estimated Contribution :	\$1,031,025
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PLEASE NOTE: This is *preliminary information* provided by the Connecticut Conference of Municipalities (CCM), and has not been fully verified. It is provided *to assist* in budget planning. CCM will update the municipalities once verified information becomes available.

FY 20 and FY 21 amounts are in the Governor's proposed state budget. The FY 22 amount is an estimate in the first year of the completely phased-in contribution rates. This assumes a straight-line phase-in over the three years (one-third each year).

*Total Pensionable Salary: The Town of Avon data, provided by CCM, comes from Teachers' Retirement System actuarial reports.

Tax Impact

Requested Spending
Assessed Home & Vehicle Values in Avon
(Single Family Homes & Condos)

Assessment Percentile	Assessed House & Vehicle Values	Current Property Tax	Property Tax	Teachers' Retirement System (TRS)	Property Tax + TRS	Difference	
		Adopted 31.35 mills	If Budget is Approved 32.90 mills	If State Requires, 0.13 mills		Without TRS	With TRS
25%	\$205,510	\$6,443	\$6,761	\$27	\$6,788	\$318	\$345
50%	\$267,180	\$8,376	\$8,790	\$35	\$8,825	\$414	\$449
75%	\$374,660	\$11,746	\$12,326	\$49	\$12,375	\$580	\$629

Reminder: Your property is assessed and taxed at 70% of market value.

For your specific real estate & motor vehicle taxes, please visit:

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Next Steps

Budget Workshop

Not a public hearing, but open to public to observe

Wednesday, April 3 @ 7:00 p.m.

Avon Senior Center Community Room

Town Meeting

Monday, May 6 @ 7:00 p.m.

Avon Senior Center Community Room

Referendum

Wednesday, May 15 @ 6 a.m.-8:00 p.m.

Avon Senior Center Community Room

Wednesday, June 5 (if needed)

Wednesday, June 19 (if needed)

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Town of Avon Board of Finance

Public Hearing

Requested Fiscal Year 19/20 Budget

April 1, 2019

The Pervasive Waste of Tax Dollars

Town of Avon Public Hearing
2019 – 2020 Budget
April 1, 2019

Neil H. Livingston - Avon Taxpayer

Government is a Monopoly

- Government can legally provide favors to some citizens and not to others
 - Large reductions on land assessment
 - Commercial Property
 - Especially Farm Land
 - Farm Stands
 - Changes in land use
 - Commercial to Mixed Use; causing more multi-unit residences – increased burden on school system – resulting in more taxes
 - Teacher's Salaries/Benefits
 - Avon can afford it, therefore we have to pay it
 - Nepotism and Double-Dipping (former employees)

Neil H. Livingston - Avon Taxpayer

Two Referendums for Capital Projects (in one year - 2018)

- Communications System (\$3.89 mm)
- Artificial Turf (\$2.995 mm)
- Why present them in a single year?

NOTE: Neither of these projects were critical to the functions of their respective areas

Neil H. Livingston - Avon Taxpayer

THE ASK!

- Eliminate the trend of year-over-year tax increases
 - Reduce proposed spending increases
 - Eliminate Debt Servicing Costs
 - 2019 – 2020 Proposed
 - \$3.7 million (+ \$ 1 million over 2018 - 2019)

Neil H. Livingston - Avon Taxpayer

Referendum Voting

- For at least the last three years, Avon's referendums have passed automatically because of the lack of voter participation
- Fix this!

Neil H. Livingston - Avon Taxpayer

SUMMARY

- Why did Avon Leadership send two capital expenditure projects to referendum in one year (\$3.89 mm for a Communications System and \$2.995 mm for Artificial Turf)
- Both Simsbury and Farmington have had budget years with no increase in taxes
 - Why can't Avon!
- Why can't Avon provide additional tax relief for Veterans?
 - This service connected Disabled Veteran received tax relief (2018 – 2019) in the amount of \$47.03 (\$1500 Exemption X \$31.35 mill rate/thousand)
 - Avon provides 100X (\$47.03) tax relief for farmers and they aren't really farming

Neil H. Livingston - Avon Taxpayer

To: Avon Board of Finance

Fr: Thomas Armstrong, 101 Ayrshire Ln.

Re: Supplement to my comments to the Board during Monday's public meeting

I wanted to supplement my comments of April 1st as it will provide additional clarification of my two themes of "partnering" and "costly outdated laws and statutes".

Regarding my comment on empty school buses, after the meeting I was informed my assumption that the bus requirements were dictated by law. I would like to know the legal reference for this requirement and recommend to the Board of Finance that it solicit from the Board of Education and other Departments similar statutes or regulations which are not cost effective. As to the bus issue, I believe the Governor would accept a reasonable change to the bus regulations, in part, to placate the municipalities. These issues can be brought to the attention of CCM and COST, municipal trade organizations. I note Avon's transportation budget was \$3MM.

Except for paragraph (b) below, I do not have a factual background on the following suggestions, so please excuse any mistakes.

(a). On the partnering theme, consider whether it is feasible for the School Board to work with West Hartford and other Valley Towns on

(1). the competitive purchase of text books?

(2). the purchase of office supplies (same applies for Town Offices).

Query, would Staples, Walmart and other competitively bid and deliver office supplies?

(b). I noticed a large reduction in utility expenses...and the need to replace a school roof. This is an ideal time to consider the feasibility of solar panels. I believe your Board and the Education Department is aware of this opportunity as Avon has employed solar panels on other Town buildings. BUT, I suggest the Town look into its water and sewer bills and, if feasible, upgrade (or phase in) to "water sense" toilets, faucets, shower heads, washing machines, dishwashers etc. Less water equals lower water AND sewer expenses. Also, if there is a major

watering commitment (athletic fields?) presently using *public* water, explore the feasibility of using groundwater.

(c). There can be merit in the Education Department's pilot for 3 and 4 year old children, but can the program be cost neutral to the Town? Hypothetically, if the costs were 80% of daycare with parent drop off and pick up. My daughter's daycare for her son is very expensive and provides only very limited learning opportunity. Also, space is limited at good facilities.

Thank you for the opportunity to address your Board.

Thomas Armstrong