

**BOARD OF FINANCE  
BUDGET WORKSHOP MINUTES  
APRIL 6, 2022**

**I. CALL TO ORDER**

The meeting was opened at 7:01 p.m. via GoToMeeting by Cathy Salchert, Chair. Present: Cathy Salchert, Margaret Bratton, Charles Harvell, Brian Loveless , and Ellen Retelle. A quorum was present.

**II. OLD BUSINESS**

**21/22-09 FY 22/23 Budget: All Three Boards**

Chair Salchert explained this is the only meeting consisting of the Board of Finance, Town Council and the Board of Education. It will begin with the members all boards having an opportunity to make any comments they may have on the budget. The members of the Board of Finance will then have discussion, make their recommendations, and vote on the budget.

**A. Response to question raised at the Public Hearing.**

Board of Finance Chair Cathy Salchert acknowledged she was incorrect at the public hearing on Monday night regarding the public's opportunity to ask questions. The public hearing on the budget is not conducted as a typical public hearing; it is supposed to be an opportunity for residents to ask questions about the budget.

Going forward, the public may and is encouraged to ask questions at the budget hearing, and the answers will be provided during the meeting or soon thereafter if questions require research or more thorough response.

One question posed by a new resident wasn't answered on Monday. That question and its answer will be provided by the Town Manager and will be posted on the town website.

Any resident who has questions on the budget they would like answered may contact the Town Manager's office and responses will be provided and posted on the town website.

**B. Board of Finance workshop: Set budget goals and objectives.**

Board of Education Chair Debra Chute introduced the members of the Board of Education in attendance: Jacqueline Blea, Debra Chute, Jeffrey Fleischman, Laura Young, Lisa Seminara, Lynn Katz and Thej Singh, also acknowledging Superintendent Dr. Carnemolla, Assistant Superintendent Donna Nestler-Rusack and Business Manager Susan Russo.

The Board of Education thanked Dr. Carnemolla and the administrative team for the countless hours they spent creating a responsible budget to meet the growing needs of the students while staying true to the Blueprint for Excellence.

Town Council Chair Dan Polhamus introduced the members of the Town Council in attendance: Heather Maguire, Anthony Weber, and Barbara Ausiello, also acknowledging Town Manager Brandon Robertson, Assistant Town Manager Grace Tiezzi and Director of Finance Tom DiStasio.

The Town Council thanked the various officials and Town staff for all of their hard work developing the budget. The Town prioritized core services like public safety and maintenance of infrastructure to ensure we provide an environment where our residents thrive.

On the surface, the overall expenditure increase of 4.9% this year may seem high, but that number includes a million dollars for roads will be funded through ARPA grants and another \$570,000 for sewer projects. Neither of these expenses affect the taxes. Omitting these large projects, there is 3.4% expenditure increase.

The town recognizes we are in tough economic climate right now. Inflation appears high and it is uncertain if and when it will drop. The town has tried to keep the mill rate increase low. The requested 1.17% increase is actually the lowest in 20 years (except the 0% year in 2020, which was paid entirely from unassigned fund balance).

This budget funds maintenance of key services and infrastructure, but through the responsible use of unexpected grant revenue and grand list growth. It puts Avon on track for a more cost effective and sustainable future by addressing deferred maintenance.

Chair Cathy Salchert opened the floor to the members of the Board of Finance.

Brian Loveless thanked the Town Manager and his staff, they've done a very nice job with the budget presentation and commend them for their efforts. He further said:

After reviewing the budget referendum history from 1999 to present, in no instance, was there a spending decrease in absolute dollar terms from a prior year to the current year, although there may be facts and circumstances that led to either higher or lower percentage increases over those years.

To keep the spending increase to the average over the past two decades, of 4.31%, it would necessitate a roughly \$625,000 decline in spending. I would propose reviewing roughly, in \$250,000 increments up to a million dollars, of the discretionary spending items.

In response to Mr. Loveless' comment, Charles Harvell mentioned this may be an anomaly for 2022 because we're including in our operating our general operating budget, a million dollars that's coming through, the American Recovery Plan Act (ARPA). That revenue is being accounted for in the budget, as well as the expenditure of one million dollars, which has been targeted for road improvement even though it does not have to be paid for by property taxes..

Chair Cathy Salchert read a statement from Carl Gismarian, who was unable to attend this evening.

The FY 22/23 budget is the best identified solution to help Avon achieve a sustainable future for necessary expenditures and to meet capital improvements that have been previously underfunded. I support the 2022 to 2023 budget as proposed.

Chair Cathy Salchert read a statement from Houston Putnam Lowry, who was unable to attend this evening.

I wish to thank the various town officials and employees who labored long and hard on producing this budget. Every budget involves choices, and we have tried to make the intelligent choices. The needs of the town are well served within our financial constraints. This budget allows us to address deferred maintenance and to fix our more pressing issues. I support the budget.

Charles Harvell thanked our two financial officers Tom DiStasio and Susan Russo. We are lucky to have both of them. Mr. Harvell said further:

The budget increase is being funded by a combination of property tax increases and other revenue sources.

At the beginning of this process, he hoped some of the capital items would come down in price. After reviewing some information from the Town staff, what they did to obtain quotes and estimates of the cost, we can support an increase in property taxes. If we went back through the budgets and we found any place where we thought we could save on the estimates, savings have already been made.

The Town of Avon has a pretty large actuarial obligation for other post-employment benefits and unfunded pensions. If we end the year with a surplus, the Town and this Board should work to pay down further on the projected pension liabilities.

In summary, I can support the proposed increase in property taxes.

Town Manager Robertson stated in response to Margaret Bratton's question the next reevaluation is going to be effective on the grand list as of October 1, 2023, which will impact the fiscal year 2025 budget.

Ms. Bratton asked about the average increase in union contracts. The town has one contract still in negotiations currently. The average wage increase is expected to be between 2.25% and 2.5%. The Board of Education is still negotiating one contract, but the other contracts average between 2.25% to a combined with step movement on the teachers' contract to 2.99%. All of the increases are within market ranges.

Ms. Bratton asked if inflation will cause major changes. It is almost impossible to reopen a signed labor agreement, so they will remain in effect until they expire by their terms. The grand list growth is responsible for roughly two point three million dollars in tax revenue.

To answer how much revenue is being raised through grant funding relative to the budget, the overall spending of about \$106 million that's incorporated in the bottom line of the budget includes one million dollars of ARPA related grant funds. ARPA is not the only non-tax levy

source of revenue included in this; there are other Special Revenue funds that account for about six point seven million dollars of the \$106 million of spending proposed in this budget.

Ms. Bratton agreed grant funding should be used for projects with defined end dates, but was concerned what happens on large projects when the ARPA funds are depleted. Town Council Chair Polhamus said this is a good thing for us to focus on and we have been, as all of the proposals for the ARPA money so far have been one time projects, with an asterisk on roads, where is the future we would be looking to add to the budget through debt service.

Ellen Retelle thanked the Town and Board of Education staff for this budget. It's a comprehensive budget. It supports some of the projects that we haven't been supporting, some of which have been underfunded and she appreciates that.

Cathy Salchert spoke further about the unassigned fund balance. In 2020 we used a portion of the unassigned fund balance to balance the budget, which was controversial. We went out to bond market for the track and communication system and the rating agencies gave very positive feedback about the use of those funds to balance the budget. The rating agencies don't look at the unassigned fund balance in isolation. They look at the whole picture; operations, how much money is in the bank and so on.

Various members of the Board of Finance expressed concern about the trend of spending and the need to get a handle on that.

Ms. Salchert went on to say:

Avon's former Finance Director Margaret Colligan requested an opinion from the Connecticut Office of Policy Management about the legitimacy of raising taxes to fund the unassigned fund balance (basically the town's rainy day fund). They agreed it was a permissible taxing purpose, but officials must consider their town's appetite for tax increases.

Ms. Salchert echoed everyone's thanks for all who worked this past year preparing the budget, including town manager Brandon Robinson, Town Finance Director Tom DiStasio and the members of their staff, Superintendent, Dr. Carnemolla, District Business Manager, Susan Russo, school administrators and staff members of the Board of Education, members of the Town Council, and members of the Board of Finance, also the residents who attended the public hearing on Monday and especially those who made statements and asked questions. The Board of Finance appreciates your comments, we welcome your ideas, and we welcome your critical comments as well.

The Board of Finance and The Town Council will work together in the coming year to continue to refine the budget process and consider changes we can implement to make the process more transparent for the public.

This year we were very fortunate to see both unprecedented one-year growth in the grand list along with the receipt of American Rescue Plan

Act funding. With these additional funds, this budget is an important first step toward consistent investment in Infrastructure in the life of our community.

I'm going to support the budget when we take the Board of Finance vote.

**C. Adopt final recommended budget.**

On a motion made by Ellen Retelle, seconded by Charles Harvell, it was voted:

**RESOLVED:** In accordance with Section 9.4.1(b) of the Town Charter of the Town of Avon, after a public hearing duly held on April 4, 2022 and after due consultation with the Town Council and the Board of Education on April 6, 2022, the Avon Board of Finance hereby recommends to the Annual Budget Meeting a Budget in the amount of \$106,248,104 for Fiscal Year 2022/2023.

Messrs: Harvell, Loveless and Mmes: Salchert, Bratton and Retelle voted in favor Motion carried 5-0-0.

**III. ADJOURN**

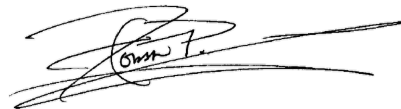
On a motion made by Ellen Retell, seconded by Cathy Salchert, it was voted:

**RESOLVED:** That the Board of Finance adjourn the meeting at 7:52 p.m.

Messrs: Harvell, Loveless and Mmes: Salchert, Bratton and Retelle voted in favor. Motion carried 5-0-0.

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

Respectfully Submitted,

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

Houston Putnam Lowry, Secretary

Attest: Christine Pescatore, Clerk

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