

**BOARD OF FINANCE
BUDGET WORKSHOP MINUTES
APRIL 4, 2023**

I. CALL TO ORDER

Board of Finance Chair Catherine Salchert called the Public Hearing to order at 7:06 p.m. in person and via GoToMeeting. Present: Margaret Bratton, Carl Gisnarian, Charles Harvell, Brian Loveless, Ellen Retelle and Cathy Salchert. A quorum was present

II. OLD BUSINESS

22/23-11 - FY23/24 Budget: All Three Boards

A. Set Budget Goals and Objectives

Board of Finance Chair Catherine Salchert began the workshop by asking Town Manager Brandon Robertson whether there have been any non-tax revenue sources identified since the time the Town Council approved the budget that he can add back into the budget to offset the potential tax increase.

Brandon Robertson explained municipalities in Connecticut raise most of their revenue through property taxes and are restricted in ways that they can raise their revenue (a list of revenue categories can be found on page B13 of the budget book).

The proposed budget is put together as a snapshot of the best estimates with respect to revenues and of the end of the 2022 calendar year . Currently, we are a couple months into the 2023 calendar year and more importantly the Governor's budget has come out. This gives some guidance in terms of what we can expect. Mr. Robertson reviewed his recommended revenue adjustment (a copy is attached to the minutes), explaining this would result in a property tax rate of 35.3 mills if the Board of Finance accepts the recommendations, which represents a 2.25% increase over the prior year.

Town Council Chair Dan Polhamus thanked the Board of Finance for being a detail-oriented asset to the Town. Mr. Polhamus considers this to be a maintenance budget and his hope is we do not reduce it to a point where we cannot do a maintenance budget next year. The 2.25% increase equates to approximately \$20 per month for those with having house market values of less than \$425,000. The Council recognizes that there are some families in town having a hard time, as evident from the drawdowns on the fuel and food banks. The Town Council will continue to monitor that and make sure those who are struggling are taken care of. We have the luxury of living in a well-educated town that pays attention to what is going on. When you look back over the last 20 or 30 years, there were thirteen times there was a 3% or lower suggested mill rate increase voted in. Only one of those times were the no votes more than the yes votes in the referendum. Farmington had a reevaluation this year. Their commercial property assessments went down, shifting the tax burden onto the residential property owners. We need to keep in mind we have a reevaluation coming next year. There is a chance

something similar could happen in Avon, so lowering this year's budget further could possibly result in having to do some extreme things next year due to a smaller grand list.

Board of Education Chair, Debra Chute says they are incredibly proud of the work Superintendent Dr. Carnemolla does leading the district. She is very responsive to how to we keep Avon a place where people move to for the schools and how we can offer the students what they need to thrive while being fiscally responsible. Each decision is considered in light of the Board's mission "to inspire in each student a joy and passion for learning and a commitment to excellence, personal integrity, and social responsibility." Expenditures which do not advance the mission statement are eliminated. The items in the Education budget are based on the needs of the students to carry out the Board's mission statement. Our students' accomplishments would not be possible without the town's budgetary support.

Charles Harvell, let the Board of Education know that if they feel a School Resource Officer (SRO) is needed for more safety in the schools, that they can certainly feel comfortable to bring it to the Board of Finance at any time.

Chair Cathy Salchert opened the floor to the members of the Board of Finance to share their thoughts on the budget.

Brian Loveless requested the following statement be inserted into the minutes:

"I would like to thank the Town Manager, the Finance Director, and the Superintendent of Schools for responding to my inquiries throughout the budget process. I found my interaction with all to be very professional, extremely responsive, and each intimately knowledgeable and competent in their respective roles. The Avon residents should be grateful for their service to our Town.

To put a finer point on that, the Projected Fiscal Year 22/23 Forecast which I requested and was subsequently provided, was illuminating, and indicates we're in a strong financial position going into year-end. Hopefully, an appropriate amount of that favorable variance, should it continue, could be allocated towards increasing the Town's Unassigned Fund Balance furthering support of our favorable view from the Rating Agencies and maintaining our stellar credit rating. As a matter of best practice and incorporated into the Town's general operating procedures, I'd respectfully request that this Projection be provided going forward to the Board of Finance and provided on an annual basis, capturing results through February incorporating 8-months of financial activity.

As a member of the Board of Finance, I am quite pleased that the Town Manager's Office was able to reduce the initial 3.21% increase to the Mill Rate recommended by the Town Council, down to a much more reasonable 2.25% Mill Rate increase. On the one hand, I fully recognize that additional reductions to the 2.25% Mill Rate increase could be squeezed out of the budget, but should they be made is a separate issue.

On the other hand, I acknowledge that reductions have already been made by the Town Manager, and I for one would recommend only modest additional reductions thereby affording the Town Manager and the Superintendent of schools to proceed as they see fit and in the best interests of our town and community.

And, in this instance, and given some of the favorable variances we've identified going into this Fiscal Year, I think there could be some additional room to bring down the Mill Rate increase to a 2.00% level which would necessitate about (\$215k) or about 2/10ths of 1% worth of savings or rather, potential increases to non-taxable revenue sources to the proposed budget.

I would not be supportive of cutting out necessary services or requested FTE adds which were presented last evening. To this end, I'd propose that adjustments be considered and if any additional savings or non-taxable funds are uncovered, that they be apportioned ratably from the BOE and the Town, equating to a 65/35 split.

Further, we need to be clear-eyed about potential unintended consequences from recommending more-sizable reductions to the proposed budget. It is important to not have a Mill Rate Increase that resembles an EKG with spikes and valleys, but rather one that is consistent and predictable and in-line with the overall growth and needs of our Town. Residents on fixed incomes and all of us that are struggling with continued high inflation deserve adequate visibility into what lies ahead from a tax perspective.”

Margaret Bratton requested the following statement be inserted into the minutes:

I agree 100% with Brian Loveless' fiscally responsible prudent suggestions, and his complimenting of Avon staff and their diligent work on the budget. So, I'd like to spend my statement time on some specifics in response to specific questions & concerns from residents that were directed towards the BOF:

1. Regarding the concern about increased local taxes and ARPA spending, I agree that some of the near-future projects could be carefully scaled back to smaller scopes. And I'd agree with any more savings to taxpayers that could be made in the non-taxable non-recurring revenue side. Also, continuing the long-fought effort to bring in more businesses is important to spread the tax burden.
2. Regarding the e-mail request about increasing the property tax relief for veterans, I agree 100% so I reached out to our Town's Finance Director & our Town Assessor. I discovered that we are giving the maximum property tax assessment decrease that the State allows, but that the State Legislature is using an outdated "inequitable" (to use the word properly) formula, that froze some CT towns at lower veteran property tax assessment relief than other CT towns. Avon, Canton, Farmington, Simsbury, and Granby are frozen at the lowest rate allowed by the State for our veteran residents, West Hartford is frozen at a mid-level allowed by the State for their veteran residents, and some towns around the state are frozen at a high-level allowed by the State for their veteran residents. So, today I reached out to our State Senator Lisa Seminara to see

what can be done to allow veteran residents of all CT Towns to be given the same veteran property assessment tax relief with the same per-veteran reimbursement from the State to each Town.

3. The concern about increases in crime in Avon are valid. The national hug-a-thug political experiment has trickled down to our State Legislature over the past few years, which has resulted in increased crime in Avon. Many years ago, we were considered one of the safest towns in the US. The elimination of bail along with no jail-time for certain crimes has incentivized certain criminals to become bolder. Some robberies have occurred when someone was home (the latest one that I heard about was where a lady was at home, her garage door was open, and 2 masked men stole her car). It also used to be rare to hear multiple police sirens every day. This also could be why our local police have been stretched thinner and could be partly why there's been a few years delay in being able to fund the extra SRO. To bring this back to a Board of Finance topic, I'll equate our need to increase our local police force as an Unfunded State Mandate. Instead of the State encouraging behavior that brings well-run safe towns like Avon down to the level of unsafe towns and cities, in the redefined name of "equity", the State should be looking at how unsafe towns and cities can be brought up to our standards for the sake of their residents. It's not our local police force's fault, they're doing the best that they can, it's the fault of State politicians. So, be careful how you vote in CT State election seasons. To expand on the phrase "If you give someone an inch, he'll take a mile", "If you give a thug an inch, he'll take your car & mail, break into your house, &/or take away your sense of safety." So, today I reached out to our State Senator, Lisa Seminara, to see what can be done to roll back some of these bad/overly-lenient-to-criminals State policies from a few years ago in order to prevent crime.
4. Regarding #s 2&3, since all proposed General Assembly bills had to be submitted in January of 2023 for the current legislative session, I will try to work with State Senator Seminara on finding out what could be done in the meantime.

Carl Gisnarian said this was his first time at the budget workshop because he was out of town last year. He appreciates the in depth conversations and the information everyone is willing to share.

He seconds Brian Loveless' request to bring the mill rate increase down to 2%, because he feels looking at the revenues that were brought in last year coupled with the fact Avon has more residential than commercial properties so he does not see a situation occurring such as the one in Farmington.

Carl Gisnarian asked Dr. Carnemolla if the SROs (school resource officers) are allowed to arrest students? Dr. Carnemolla explained any police officer that is in uniform and on duty can arrest anyone that has committed a crime. In the incredibly rare occurrence a student should need to be arrested for something that happened at the school, SROs try to have another officer

respond to handle the situation. The SROs would be the first to respond in a safety situation and may be required to arrest a student.

A question was raised about the mental health aspect and whether the SROs have special training. Dr. Carnemolla stated the schools offer additional services if they are needed. The schools currently have school psychologists, social workers and counselors on staff. The schools need both the SROs and the mental health professionals. The Board of Education feels having a police officer in the building is one of the highest levels of security the schools can offer.

Police Chief Melanson has stated SROs have additional training and there is a memorandum of understanding between the Board of Education and the Police department outlining the SROs role. Generally speaking, the SROs are not to arrest students but to bridge the gap between the police and the students.

Ellen Retelle said the SROs are not thinking about the students inside the building, but more about people coming to the school. She feels the students and staff must have a sense of comfort because the Board of Education is increasing the SROs. She thanked Town Manager, Brandon Robertson and Finance Director, Tom DiStasio for answering all of the Board of Finances questions and working tirelessly on the budget, finding the non-tax revenues to reduce the increase to 2.25% and she will support the budget as it has been presented. She also thanked Dan Polhamus and Debra Chute for all they have done in leading the Town Council and Board of Education.

Ellen Retelle followed up to Margaret Bratton's comments on crime. Connecticut State Representatives Eleni Kavros DeGraw and Tammy Exum are concerned about the crime in town and working hard to come up with solutions.

Charles Harvell stated his intention today was to vote for the budget with a 2.25% increase, but he is open to discussion on ways to lower the percentage to 2%. This year has been eventful with the American Rescue Plan funding and the interest rate market. Three people spoke at last night's public hearing, and they represented many of the Avon residents and their comments will be heeded. There comes a point in time when you say I can't do that this year. We are in that position this year. The budget process is important and collaborative abilities can help us if we ever find ourselves in that position of saying "can we do that this year?" Charles Harvell asked the audience if they remembered the song "Party like it's 1999." He looked at the budget referendum history to 1999 when the budget was \$41,311,111 and we are approaching three times that. He believes the Town Council developed the fund balance policy around that time. Future projects may require debt because we do not have sufficient funds, which will have an adverse impact on taxes going forward. He strongly encourages reviewing the fund balance policy and setting floors, ceilings and actions that will be taken. Avon is currently in a good spot, but things can change.

Cathy Salchert concluded the Board of Finance members input with agreeing with Brian Loveless' comments. She appreciated the summary of the current results and the

acknowledgment that there are revenues that have reduced the increase in next year's budget. She supports the proposed budget but acknowledges she would like Avon to be able to do more to help residents who are not able to pay, even though that is beyond the mission of the Board of Finance.

Cathy Salchert appreciates the comments about the Town Charter. Other town charters follow the automatic approval of the budget if the referendum turnout is less than 9%. Avon's current charter is unique in other respects. The Board of Finance is charged with governing the budgetary process. We have gotten the necessary information in a timely and co-operative fashion. When we are making a financial decision we make better decisions when we have all of the necessary information. I would also like to suggest a change in the time frame from the public hearing to the budget workshop, I feel that two days between them does not serve the public or the boards well. My suggestion would be to have the public hearing earlier, right after the Town Council approves the budget in March, to give time for the board to the input before they have to act. I do really appreciate all the time and effort that went into the questions and to the degree of co-operation that we've had, you know, this year, every year, it's been better, and I think we're think people are convinced when I'm trying to takeover or go outside the lane. I believe we're just trying to do a job, and we're here to do that, and it's not just to be a rubber stamp.

B. 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 3, 2023, and after due consultation with the Town Council and the Board of Education on April 4, 2023, the Avon Board of Finance hereby recommends to the Annual Budget Meeting a Budget in the amount of \$110,096,541 for Fiscal Year 2023/2024.

Bratton, Gisnarian, Harvell, Loveless, Retelle and Salchert voted in favor.
Motion carried 6-0-0.

C. Sign Call of the May 1, 2023, Town and Budget Meeting

III: ADJOURN

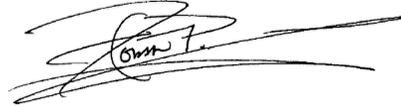
On a motion made by Cathy Salchert, seconded by Ellen Retelle it was voted:

RESOLVED: That the Board of Finance adjourn the meeting at 8:10 p.m.

Bratton, Gisnarian, Harvell, Loveless, Retelle and Salchert voted in favor.
Motion carried 6-0-0.

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 "H. Putnam Lowry", with several horizontal lines drawn through it for emphasis.

Houston Putnam Lowry, Secretary

Attest: Christine Pescatore, Clerk

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

Recommended Revenue Adjustments

FY 2023/2024 Proposed Budget

• Licenses, Fees, & Permits

• Building Permit Fees: \$ 50,000

• Intergovernmental Grants

• Municipal Grants-In-Aid: \$196,082

• Motor Vehicle Tax Reimbursement: \$173,579

• Education Cost Sharing: \$162,158

• Municipal Stabilization Grant: \$106,541

• Payment in Lieu of Taxes (PILOT): \$ 50,692

• Other Local Revenues

• Investment Interest: \$ 62,000

Total Revenue Adjustments: \$801,052