

**BOARD OF FINANCE
SPECIAL MEETING MINUTES
December 5, 2023**

I. CALL TO ORDER

The hybrid meeting was opened at 7:07 p.m. in person and by GoTo Meeting by Cathy Salchert, Chair, present: Margaret Bratton, Carl Gisnarian, Brian Loveless, Micah Rousey and Cathy Salchert. A quorum was present.

II. OLD BUSINESS

23/24-09 Review, Discussion & Approval: FY 22/23 Year End Transactions

1. Approval of a \$900,000 transfer from General Fund Unassigned Fund Balance to the Medical Claims Internal Service Fund, for the purpose of replenishing the Medical Claims Internal Service Fund for reductions in retained earnings recognized during Fiscal Year 2022-2023 as a result of claims expenditures exceeding fund revenues for the year, and maintaining a retained earnings balance in the Medical Claims Internal Service Fund that aligns with recommendations made by the Town's insurance consultants.

Tim Hasselman from Lockton explained the calculation of the Town's self-funded health insurance fund, which includes funding levels, rate levels, appropriate reserves and claim margins. The fund is reviewed annually and written to reflect the funding projections for the current year and the next five years. Lockton also renegotiates the Town's stop loss insurance, which has a regular insurance company cover usually large unexpected expenses (such as a catastrophic illness). This was last done as of July 1, 2023 and achieved a savings of \$250,000 less than the amount that had been budgeted. CIGNA (as the insurance fund administrator) also provided pharmacy rebates that saved an additional \$80,000.

On a motion made by Micah Rousey, seconded by Carl Gisnarian, it was voted:

RESOLVED: That the Board of Finance approve a \$900,000 transfer from General Fund Unassigned Fund Balance to the Medical Claims Internal Service Fund.

Bratton, Gisnarian, Loveless, Rousey and Salchert voted in favor.
Motion carried 5-0-0.

2. Approval of a reclass from General Fund Unassigned Fund Balance to the General Fund Balance assigned to Post Employment Benefits in the amount of \$150,000 for the purpose of funding future retiree health benefits. The ending Assignment with this addition will be \$300,000.

On a motion made by Micah Rousey, seconded by Carl Gisnarian, it was voted:

RESOLVED: That the Board of Finance approve a reclass from General Fund Unassigned Fund Balance to the General Fund Balance assigned to Post Employment Benefits in the amount of \$150,000.

Bratton, Gismarian, Loveless, Rousey and Salchert voted in favor.
Motion carried 5-0-0.

3. Approval of a reclass from General Fund Unassigned Fund Balance to General Fund Balance Assigned to Pension Contributions in the amount of \$200,000 for the purpose of funding future employer pension contributions. The ending Assignment with this addition will be \$400,000.

On a motion made by Micah Rousey, seconded by Brian Loveless, it was voted:

RESOLVED: That the Board of Finance approve a reclass from General Fund Unassigned Fund Balance to General Fund Balance Assigned to Pension Contributions in the amount of \$200,000.

Bratton, Gismarian, Loveless, Rousey and Salchert voted in favor.
Motion carried 5-0-0.

4. Approval of a reclass from General Fund Unassigned Fund Balance to General Fund Balance Assigned to Capital Asset Replacement in the amount of \$32,066 to fund the replacement costs of existing capital assets when they reach the end of their useful lives. The ending Assignment with this addition will be \$101,596.

On a motion made by Micah Rousey, seconded by Brian Loveless, it was voted:

RESOLVED: That the Board of Finance approve a reclass from General Fund Unassigned Fund Balance to General Fund Balance Assigned to Capital Asset Replacement in the amount of \$32,066.

Bratton, Gismarian, Loveless, Rousey and Salchert voted in favor.
Motion carried 5-0-0

5. Approval of a reclass from General Fund Unassigned Fund Balance to General Fund Balance Assigned for Board of Education in the amount of \$100,588 for the purpose of designating FY 2022-2023 Board of Education General Fund savings for funding future Board of Education's costs. The ending Assignment with this addition will be \$100,588.

On a motion made by Micah Rousey, seconded by Margaret Bratton, it was voted:

RESOLVED: That the Board of Finance approve a reclass from General Fund Unassigned Fund Balance to General Fund Balance Assigned for Board of Education in the amount of \$100,588.

Bratton, Gisnarian, Loveless, Rousey and Salchert voted in favor.
Motion carried 5-0-0.

6. Approval of a reclass from General Fund Unassigned Fund Balance to General Fund Balance Assigned to Capital Reserve in the amount of \$500,000 for the purpose of funding future capital costs. The ending Assignment with this addition will be \$559,082.

Brandon Robertson explained a Capital Reserve is a contingency plan for emergencies or events that happen, such as the breakdown of a piece of equipment, vehicle or a facility repair. The Capital Reserve fund provides the town with flexibility and a method by which to avoid using unassigned fund balance. This is not the first time Avon has created a Capital Reserve fund. It was done in FY 12, 14, 17 and 21. Each assignment of funds from the Capital Reserve fund is appropriated by the Town Council and Board of Finance before the money was spent.

On a motion made by Micah Rousey, seconded by Carl Gisnarian, it was voted:

RESOLVED: That the Board of Finance approve a reclass from General Fund Unassigned Fund Balance to General Fund Balance Assigned to Capital Reserve in the amount of \$500,000.

Gisnarian, Rousey and Salchert voted in favor. Bratton & Loveless opposed.
Motion carried 3-2-0.

7. Approval of a reclass from General Fund Unassigned Fund Balance to General Fund Balance Assigned to Road Improvements in the amount of \$1,600,000 for the purpose of funding road improvements as identified in the Town's Pavement Management Plan. The ending Assignment with this addition will be \$1,600,000.

The Board of Finance members held a discussion on the reclassing of funds to road improvements. Brandon Robertson explained this is an assignment and would require further approval prior to expenditure. The preliminary plan would be to request approximately \$600,000 as a supplemental appropriation in the spring to get road work started and the balance would likely be included in the FY 25 capital budget request.

On a motion made by Micah Rousey, seconded by Carl Gisnarian, it was voted:

RESOLVED: That the Board of Finance approve a reclass from General Fund Unassigned Fund Balance to General Fund Balance Assigned to Road Improvements in the amount of \$1,600,000.

Gisnarian, Rousey and Salchert voted in favor. Bratton & Loveless opposed.
Motion carried 3-2-0.

8. Approval of a \$150,000 transfer from General Fund Unassigned Fund Balance to the Compensated Absences Debt Service Fund, as a transfer in, for the purpose of funding an operating deficit, that will not be covered by deferred inflows, or covered by revenues received within 60 days of year end, as well as future Town employee retirement

expenditures for accumulated vacation and/or sick time due to employees.

On a motion made by Micah Rousey, seconded by Brian Loveless, it was voted:

RESOLVED: That the Board of Finance approve a \$150,000 transfer from General Fund Unassigned Fund Balance to the Compensated Absences Debt Service Fund.

Bratton, Gismarian, Loveless, Rousey and Salchert voted in favor.
Motion carried 5-0-0.

9. Approval of a \$1,293.78 transfer from the Capital Projects Fund to General Fund Unassigned Fund Balance, as a transfer in, for the purpose of returning funds from the closing of a completed project account for the purchase of a vehicle for the Engineering Department.

On a motion made by Micah Rousey, seconded by Brian Loveless, it was voted:

RESOLVED: That the Board of Finance approve a \$1,293.78 transfer from the Capital Projects Fund to General Fund Unassigned Fund Balance.

Bratton, Gismarian, Loveless, Rousey and Salchert voted in favor.
Motion carried 5-0-0.

Charles D. Harvell's resignation was announced and his resignation letter was distributed to the Board of Finance. A copy is attached to these minutes.

III. ADJOURN

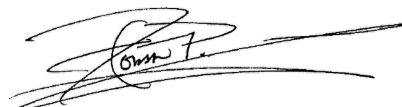
On a motion made by Brian Loveless, seconded by Carl Gismarian, it was voted:

RESOLVED: That the Board of Finance adjourn the meeting at 8:05 p.m.

Bratton, Gismarian, Loveless, Rousey and Salchert 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,



Houston Putnam Lowry,
Secretary

Attest: Christine Pescatore, Clerk

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

Charles D. Harvell
7 St. Michaels Court
Avon, Connecticut 06001

December 4, 2023

Mr. Brandon Robertson
Town Manager

Mr. Nick Hogan
Town Clerk

Ms. Cathy Salchert
Chair, Board of Finance

Town of Avon
60 West Main Street
Avon, CT. 06001

Gentlemen and Ladies:

For several reasons, I find that I will not be able to continue as a member of the Board of Finance. Although I have been evaluating this action for several months, please accept this letter as my decision to resign and step down from the Board of Finance as of the above date.

I wish to express my appreciation through this letter to the Residents of the Town of Avon for entrusting in me an elected seat on the Board of Finance.

All the best to the current members of the Board and the leadership and management of the Town.

Very truly yours,

Charles Harvell

Copy to the Members of the Board of Finance
Mr. Tom DiStasio
Ms. Christine Pescatore

Mr. Houston Putnam Lowery

Hand Delivered