

TOWN COUNCIL
SPECIAL MEETING
BUDGET WORK SESSION
MARCH 21, 2017

I. CALL TO ORDER

The meeting was called to order at 7:00 p.m. at the Avon Town Hall, Selectmen's Chamber by Chairman Zacchio. Members present: Mrs. Maguire and Messrs: Zacchio, Stokesbury, Pena and Speich.

II. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chairman Zacchio.

III. OLD BUSINESS

16/17-15 FY 17/18 BUDGET DEVELOPMENT

Chairman Zacchio reported that he had asked Mr. Robertson, Grace Tiezzi, Assistant to the Town Manager and Peg Colligan, Finance Director to look at the budget and to revamp. He was looking for a direction from the Town Manager and an eventual recommendation to the Board of Finance.

Mr. Robertson presented the Powerpoint presentation that is included in these minutes. He began with a recap of the Town Manager's proposed budget as presented at the workshop on Saturday February 11, 2017 which included an overall expenditure increase of 2.09%, or a tax increase of 3.08%. Based on the intergovernmental revenue adjustments proposed in the February 8th Governor's Budget, there will be a -\$737,139.00 impact to the General Fund, requiring a 4.03% tax increase over the current budget for the fiscal year ending June 30, 2017. It was mentioned that the Teacher Pension will probably not happen in this upcoming fiscal year. The Town Manager's recommendation does not include the Teacher Pension at this time. Many communities are not budgeting the pension payment, but will be using the Governor's proposed revenue estimates as they have been rather accurate in past years.

Mr. Robertson made two suggestions: 1) Reduce the capital budget general fund by \$199,794.00 and swap it for \$199,794.00 received from LOCIP Fund 11. 2) Adjust on the revenue side an increase of \$118,000.00 for supplemental motor vehicles and recording/conveyance. This is reported to be a conservative amount with these adjustments. The total tax increase to the levy would be \$419,345.00. The addition of \$118,000.00 and the \$199,794.00 shift into LOCIP would bring our bottom line to a 3.62% tax increase.

The Town Council agreed with the 3.62% and it will be finalized at their next meeting on March 28, 2017.

IV. ADJOURN


On a motion made by Mr. Pena, seconded by Mrs. Maguire, it was voted:

RESOLVED: That the Town Council adjourn the meeting at 7:45 p.m.

Mrs. Maguire, Messrs: Stokesberry, Zacchio, Pena and Speich voted in favor.

Attest:

Ann L. Dearstyne, Town Clerk





TOWN OF AVON

Town Council Budget Workshop

March 21, 2017

Town Manager's Proposed Budget FY 2017/2018*

	<u>FY 16/17</u>	<u>FY 17/18</u>	<u>\$ Inc/(Dec)</u>	<u>% Inc/(Dec)</u>
Town	\$ 23,295,518	\$ 24,096,598	\$ 801,080	3.44%
Sewers	1,947,682	2,015,307	67,625	3.47%
Debt Service	2,779,790	2,818,850	39,060	1.41%
Education	56,621,408	58,292,975	1,671,567	2.95%
C.I.P	4,410,037	3,689,506	(720,531)	-16.34%
TOTAL	\$ 89,054,435	\$ 90,913,236	\$ 1,858,801	2.09%

* As recommended to Town Council on January 27, 2017

How does the Governor's Budget Impact Avon's Budget?

	Town Manager FY18 Proposed Budget	Governor Proposed FY18 Adjustments	Governor's Impact to Avon's General Fund
Impacted State Grants	\$ 2,514,231	\$ 1,976,886	\$ (737,139)
Less Teacher's Pension Payment		(2,887,735)	(2,887,735)
TOTAL IMPACT	\$ 2,514,231	\$ (910,849)	\$ (3,624,874)

How will the Governor's Budget Impact Intergovernmental Revenue?

Statutory Formula Grants		Town Manager FY18 Proposed	Governor FY18 Proposed	Impact to General Fund
PILOT: State-owned real property	1	\$ -	\$ 68,226	\$ 68,226
Pequot & Mohegan Fund Grant	1	16,979	18,973	1,994
Town Aid Road	8	312,344	312,623	-
Local Capital Improvement	11	-	199,736	-
Adult Education	13	2,010	1,789	-
Equalized Cost Sharing	1	731,456	-	(731,456)
Special Education Excess Cost	1	1,190,000	-	(1,190,000)
NEW Special Education Grant	1	-	836,152	836,152
Grants for Municipal Projects	1	261,442	-	(261,442)
Municipal Revenue Sharing Grant	1	-	539,387	539,387
Total Statutory Formula Aid		\$ 2,514,231	\$ 1,976,886	\$ (737,139)
Less Teacher's Retirement			2,887,735	2,887,735
Cumulative Total		\$ 2,514,231	\$ (910,849)	\$ (3,624,874)

How will the Governor's Budget Impact the Mill Rate?

	(1) Town Manager Proposed	(2) Governor's Revenue Adj. <u>ONLY</u>	(3) Governor's Revenue Adj. <u>NO</u> TM Adj., <u>Include</u> Teacher's Retirement
Levy	\$ 79,475,861	\$ 80,210,473	\$ 83,109,646

Mill Rate	30.43	30.71	31.82
Mill Inc/(Dec)*	0.91	1.19	2.30
% Inc/(Dec)*	3.08%	4.03%	7.79%

0.28 mills / 0.92%
1.11 mills / 3.61%

*Cumulative Inc/(Dec) over FY17 Adopted Mill Rate (29.52)

How will the Governor's Budget Impact the Mill Rate?

	(1) Town Manager Proposed	(2) Governor's Revenue Adj. <u>ONLY</u>	(3) Governor's & TM Revenue Adj.	(4) Gov./TM Revenue Adj. & Teacher's Retirement	(5) Governor's Revenue Adj. & <u>Teacher Retirement, NO</u> TM Adj.
Levy	\$ 79,475,861	\$ 80,210,473	\$ 79,897,049	\$ 82,796,222	\$ 83,109,646

Mill Rate	30.43	30.71	30.59	31.70	31.82
Inc/(Dec) Mills*	0.91	1.19	1.07	2.18	2.30
% Inc/(Dec)*	3.08%	4.03%	3.62%	7.38%	7.79%

*Cumulative Inc/(Dec) over FY17 Adopted Mill Rate (29.52)

How will the Governor's Budget Impact the Mill Rate?

	(1) Town Manager Proposed	(2) Governor's Revenue & Town Manager Adjustments	(3) Governor's Revenue Adj. & TM Adj. & Teacher's Retirement
Intergovernmental Revenue Adjustments			
Governor's Revenue Adj. GF		\$ (737,139)	\$ (737,139)
Special Revenue Funds		199,794	199,794
Additional Revenues		118,000	118,000
TOTAL Intergovernmental Adjustments		(419,345)	(419,345)
Expenditures (Direct Adj. to Levy)			
Teacher's Retirement			2,887,735
Net Adjustment (Revenue less Expenditures)			
<i>Adj for 2 decimal places</i>		<i>(1,843)</i>	<i>(13,281)</i>
TOTAL NET Adjustment		(421,188)	(3,320,361)
LEVY	\$ 79,475,861	\$ 79,897,049	\$ 82,796,222
MILL RATE	30.43	30.59	31.70
Inc/(Dec) Mills / %	0.91 mills / 3.08%	1.07 mills / 3.62%	2.18 mills / 7.38%

RECOMMENDATION & DISCUSSION

Next Steps in the Budget Process

Special Town Council Meeting	Tuesday, March 28 @ 7:00 p.m. Selectmen's Chamber
Board of Finance Public Hearing	Monday, April 3 @ 7:00 p.m. Senior Center
Board of Finance Budget Workshop	Wednesday, April 5 @ 7:00 p.m. Senior Center
2nd Board of Finance Budget Workshop (if needed)	Thursday, April 6 @ 7:00 p.m. Senior Center
Town Meeting	Monday, May 1 @ 7:00 p.m. Senior Center
Budget Referendum	Wednesday, May 10



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