

**BOARD OF FINANCE
REGULAR MEETING MINUTES
October 26, 2015**

I. CALL TO ORDER

The meeting was called to order at 7:01 p.m. at the Avon Town Hall by Chairman Thomas Harrison. Members present: Chairman Thomas Harrison, Vice Chairman/Secretary Thomas Gugliotti, Margaret Bratton, Catherine Durdan, Dean Hamilton and James Speich. Brian Stoll was absent. A quorum was present.

II. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Catherine Durdan.

III. COMMUNICATION FROM THE AUDIENCE

(Including Board of Education Liaison Report)

Laura Young asked for clarification on a statement from Mr. Harrison that appeared in the September 24, 2015 minutes. She asked if an audit of the Choice funds was actually performed, and if so, is it complete. Mr. Harrison responded the issue he referred to in last month's minutes had to do with a phone call the Board of Ed received that seemed to suggest, incorrectly, that at the request of a constituent of Representative Becker, there was a request allegedly to have the State Department of Education conduct an audit on the Avon Board of Education's use of Choice funds. He stated he spoke with Representative Becker and this was not the case at all. The constituent simply wanted his help in getting access to existing audits, if any, that had been done on the Choice funds. He stated he was reporting on that information. He added that the State said that they do not do audits on these funds. When Avon has the annual audit done by an independent auditor, that we are required to do every year, this fund has a spending limit that puts it in a category of "optional" for audit. It was audited two cycles ago. There were no deviations from the State guidelines found at that time. Mr. Harrison asked Ms. Zirolli to confirm that that audit material was made available back in September.

Peg Colligan stated that for any programs that fall under the State or Federal single audit, the auditors come in and do testing based on a dollar expenditure threshold that could vary from year to year based on the Grants we receive & the activity. The State OPM provide guidelines as to how to approach the audit. The auditors keep the work papers. These audits are on the website. They are highly summarized and do not have a lot of detail.

Patricia Ackman stated she was here to see how the Board decides how to spend her tax dollars. Claude Chiaia stated he is interested in an item under new business.

Mr. Gugliotti stated that spending their tax dollars is a process that begins with the Town Council. The Board of Finance acts as a watchdog. He added that we have a lot to do with the budget coming in in April and May, but during the year we act as a watchdog for special requests for items that come up in the middle of the year that were not in the budget.

Ms. Zirolli, liaison for the Board of Education, stated that the financial report dated September 30, 2015 was included in the meeting packet. It was consistent with historical averages except a noted positive balance in Special Education. She reported a correction to the September minutes in regards to staffing. The BOE has added three teachers at

Pine Grove due to a slower than projected enrollment decline and one at the High School due to growth in the engineering class enrollment. There was a vigorous enrollment report at the last BOE meeting. Enrollment is expected to remain level and not decline at a rate as projected two years ago.

Ms. Zirolli addressed Ms. Young stating that one of the parents that requested a FOIA was also potentially trying to see about an audit, but that was not to take place this year. The Choice funds were reviewed by Barbara Zuras, everything was provided to her, it was also reviewed at the BOE Finance Sub-committee meeting and all of that information was provided to her. Ms. Zirolli stated that she is confused as to why there are still questions. She added that the Sub-committees minutes are more thorough than normal in order to respond to constituent questions.

IV. MINUTES OF PRECEDING MEETING:

September 21, 2015 Regular Meeting

Pages 1, 2 & 3 - change to reflect Mr. Stoll as absent at meeting.

Page 1 Sec III, change "a" to "three" new hires at PGS.

On a motion made by Thomas Gugliotti, seconded by Dean Hamilton, it was voted:

RESOLVED: That the Board of Finance approves the minutes of the September 21, 2015 Meeting as amended.

Messrs: Harrison, Gugliotti, Hamilton, Speich and Mmes: Bratton and Durdan voted in favor.

V. OLD BUSINESS

There was none.

VI. NEW BUSINESS

15/16-02 Approve Board of Finance 2016 Meeting Schedule

Mr. Gugliotti commended Ms. Worsman for her diligence in ascertaining that there were no scheduling conflicts for the proposed meeting schedule.

On a motion made by James Speich, seconded by Catherine Durdan, it was voted:

RESOLVED: That the Board of Finance hereby approves the Board of Finance 2016 Meeting Schedule as presented.

Messrs: Harrison, Gugliotti, Hamilton, Speich, and Mmes: Bratton and Durdan voted in favor.

15/16-03 Supplemental Appropriation: Consulting Services for Avon Village Center, \$12,000

Mr. Robertson stated the background material was provided in the meeting packet. There is an application pending for the development/re-development of Avon Park North. The Planning & Zoning commission closed a public hearing period earlier this week. A couple of years ago the Town Council passed an ordinance that allows the commission to retain consultants for complex land use applications and to require that the developer pay for those consulting services. In this case they hired two consultants, one is Milone & MacBroom, who provided the original consulting when the master plan was done and ultimately approved in 2012. There were additional funds included to hire outside architectural advice from Union Studio. The total cost is \$12,000. We have received the check from the applicant and we need to authorize the expenditure of these funds.

Mr. Harrison clarified the role of the BOF in authorizing use of these non-taxpayer funds for the attendees.

Claude Chiaia stated he wants to know what the town is spending money on for this project, regardless of the source of funds. He wanted to know what types of consultants are being hired and what are they being tasked to do in this project. He stated that the P&Z hearing is closed to the public and will not provide residents any more information so he is here to find out more information. Mr. Robertson replied Milone & MacBroom has been hired to provide some advice to P & Z. As stated earlier, in 2011-2012 P & Z worked with this group on the approved Master Plan concept. The current plan P & Z is reviewing is not the exact plan the conceptual plan originally called for. The consultant will discuss what the deviations are between the two plans, how the application can be refined and other information the commission may be looking for. The other consultant is providing architectural work. Mr. Gugliotti reiterated this Board doesn't make policy decisions, the board just makes sure that the checks and balances for the money are in place. He stated this has come to us after already having gone before the Council for approval. Mr. Chiaia asked if there is anything that requires that this process is made public. Mr. Gugliotti stated that most everything done in town is public. Mr. Robertson stated that the final written document will be public. Patricia Ackman reiterated that Milone & MacBroom, as consultants, are being hired by the town, paid for by the applicant, and wanted to know who selected them and where they are from; are they local? Where do they reside? She stated that the current plan before P&Z no longer bears any resemblance to the 2011-2012 approved concept plan. Mr. Harrison asked Mr. Robertson to confirm that Planning & Zoning identified the prospective consultants. He stated they did; Milone & MacBroom go back to the original plan, they are out of Cheshire. They are very well known. He stated he is not as familiar with Union Studio. Ms. Ackman asked if we could find out more about them before we pay them. Mr. Gugliotti stated this board takes on faith the administration of the town vetted on quality, P & Z vetted on quality and the Town Council vetted on quality. The only thing this Board is looking at is the money going into and out of our accounts. The only time this Board reviews the qualifications of a vendor is in regards to choosing an auditor. Ms. Ackman asked if additional review of the current plan seems justified, for whatever reason, then would that require that the Town Council becoming re-involved, and where the money would come from. Mr. Gugliotti responded that according to our Town ordinance the developer would be called upon for any additional funds; any policy decisions would not come before this Board, it would be at either Planning & Zoning or the Town Council. Mr. Harrison stated it would be up to P& Z to request any additional work. Ms. Ackman asked for confirmation that there is no cross-check for P&Z choosing these consultants. Mr. Harrison stated that he is unaware of the process P&Z used to choose these consultants, but that they are well known. Ms. Young asked where she would go to request a tally of all the funds thus far spent, since 2012, to develop the current plan for the Town Center. She was directed to go to Planning & Zoning and the Town Manager's office. Ms. Ackman asked how would resident's request that the Town request an additional study. Mr. Gugliotti stated that it is highly unlikely that the town would request another study, but any group is free to conduct their own study and offer it to refute any findings presented to Planning & Zoning by their consultants. Mr. Harrison stated that all work done by P& Z Commission is subject to FOIA laws, Freedom to the Government and Sunshine laws, open meeting laws, etc., even if P & Z is not paying for it and is using the developer's money; if it is being done at P&Z's request, it must be made public and available. Ms. Ackman thanked Mr. Harrison and the Board for taking the time to answer her questions.

On a motion made by Thomas Gugliotti, seconded by Dean Hamilton, it was voted:

RESOLVED: That the Board of Finance hereby amends the FY 15/16 Budget by increasing:

REVENUES

General Fund, Other Local Revenues, Refunds & Reimbursements, Account #01-0360-43612, in the amount of \$12,000.00 and increasing:

APPROPRIATIONS

General Fund, Planning, Service & Consultant, Account #01-7101-52184, in the amount of \$12,000 for the purpose of recording funding received from Carpionato Properties for consulting services by Milone & MacBroom and Union Studio for planning study in connection with proposed changes to EB Master Plan for Avon Village Center

Messrs: Harrison, Gugliotti, Hamilton, Speich and Mmes: Bratton and Durdan voted in favor.

15/16-04 Supplemental Appropriation: Participation in Intertown Capital Equipment (ICE) Purchasing Incentive Program, \$15,000

There were no questions.

On a motion made by Margaret Bratton, seconded by Catherine Durdan, it was voted:

RESOLVED: That the Board of Finance hereby appropriates a sum not to exceed \$15,000 from Account #01-0390-43914, General Fund, Other Financing Sources, Assigned to Capital Reserve to

Account #01-3101-52194, General Fund, Roadways, Equipment, in the amount of \$15,000 for the purpose of meeting the matching requirement, in the purchasing of equipment, of the OPM Intertown Capital Equipment Purchasing Incentive Program.

Messrs: Harrison, Gugliotti, Hamilton, Speich and Mmes: Bratton and Durdan voted in favor.

15/16-05 Review and Discussion: FY 16/17 Budget Process

Mr. Robertson stated the Town is just getting started. The BOE is ahead of the Town on their budget work. He expects to get their budget towards the end of December. Their Capital subcommittee has completed their work and he has received all the Capital requests from the Department heads. Presentations to the Council will be made throughout November and December. Mr. Harrison added that the Charter lays out this process.

Ms. Zirolli was asked to provide an update on the teacher's negotiations. She stated progress is being made. Mr. Hamilton added that they went to a mediation meeting that he felt it was very productive. Ms. Zirolli added that during the comment portion of a Board of Education meeting, Ms. Stahl stated something as fact that the Board then queried. The discussion was helpful and clarified a misrepresentation that was out there.

15/16-06 Auditing Services – Request for Proposals

Mr. Harrison stated that the Town Charter gives the Board the power to retain the independent Auditor. Every town in Connecticut is required to have an annual audit. We have been using

Bloom Shapiro; they have provided services to the Town for 10 years. Ms. Colligan added prior to that we were with a firm for 12 years. Along with the memo dated October 21, 2015 from Ms. Colligan to Mr. Robertson included in the meeting packet, a proposed time line was included. Historically a review committee made up of Town staff chooses three firms to pass on to the Interviewing Committee that is made up of Board of Finance members. A price proposal is kept separate from the technical proposal. Differences up for consideration include incorporating the Fire Department, a separate volunteer organization, under our audit umbrella to achieve economies of scale and this would substitute for the testing of expenditures we currently do with them. In addition, as a result of our June 30, 2014 audit, it was recommended to management that the Town conduct a Fraud-Risk assessment. It is recommended that this be included in the RFP as an option. It could be awarded with the contract or separately. Ms. Colligan anticipates she will have a draft RFP available for the next meeting along with recommendations for the preliminary review committee. Since we first entered into our present contract back in 2005, the BOE has created an audit review committee, she doesn't know what role the BOF sees them having in this process. In response to a question from Mr. Gugliotti, Ms. Colligan stated although it has not been discussed, she expected the Fire Department to share in the cost of the audit. In response to a question from Ms. Bratton, Ms. Colligan stated the new treasurer for the Fire Department approached her with the request to incorporate them into our process. Mr. Speich clarified the sources of the Fire Department funds. Mr. Harrison asked if Ms. Colligan had a recommendation. She stated she was not sure if the BOF was interested. Mr. Gugliotti stated as long as it doesn't cost the town any additional funds, he is in favor. In response to a question from Ms. Ackman, Ms. Colligan responded that all funds that go through the budget get audited. GASBY and SAS standards are used. In response to a question from Ms. Bratton, Ms. Colligan stated she doesn't know if all of the firms on the list are able to fulfill the full RFP. She stated we set our standards very high and only a small number of firms are able to meet them.

Our current audit has just begun, in response to a question from Mr. Harrison, Ms. Colligan stated that normally an end of year package is presented to the Council at their December meeting and then it is presented to the Board of Finance. The accounting software for the Town and Board of Education are now linked which streamlines the audit process.

VII. TOWN MANAGER'S REPORT

A. Monthly Financial Report Summary

Details were included in the packet report dated period ended 9/30/15 prepared and reported by Margaret Colligan. She stated we are running on line in all the revenue categories. We have not received an update from the state for the current year revenues in question of approximately \$108,000. Mr. Robertson stated he did not budget for these funds so it does not affect the budget if the funds are not realized. Two percentages are included in the report on fund balance to reflect the draw down. A new revenue is shown in the statement, it has no impact to the general fund. There is no unusual expenditure activity.

B. Standard and Poor's Rating Review

Mr. Robertson stated that we have been selected for a review and that it is not unusual. He consulted with Dennis Dix who agreed. The Town was asked for some supplemental information to understand the appropriations made earlier this year for the bridge project and how the reimbursements will work.

C. Old Wheeler Lane Bridge

Mr. Robertson stated we first budgeted for this in FY 11/12. Funding was included for preliminary design work for Old Wheeler Lane Bridge which is in front of Roaring Brook School. The preliminary design has been completed. The bridge was accepted for the Federal Bridge reimbursement program. This means it is a 80/20 program. The preliminary cost is approximately \$1,000,000. He stated he would like to get under construction in July 2016. In order to do that some funding needs to be appropriated before the end of the calendar year. This item has not gone before the council yet. He added the town does have assignments on fund balance that can be drawn down or it can go as an appropriation from unassigned fund balance that could be reimbursed through the Capital Budget process.

D. Miscellaneous Items

Ms. Durdan asked if the proposed site of the BMW Dealership is where the Dakota Restaurant used to be. Mr. Chiaia asked if there was an statute preventing a used car dealership in town. Mr. Harrison replied he is not aware of any, but recommended the question be asked of P & Z. Other Board members stated if there was any restriction it would be in the P&Z regulations.

VIII. OTHER BUSINESS

There was none

IX. EXECUTIVE SESSION

There was none

X. ADJOURN

On a motion made by Thomas Gugliotti, seconded by Cathy Durdan, it was voted:

RESOLVED: That the Board of Finance adjourn the meeting at 8:11 p.m.

Messrs: Harrison, Gugliotti, Hamilton, Speich and Mmes: Bratton and Durdan voted in favor.

Respectfully Submitted,
Thomas A. Gugliotti, Secretary

Attest: Mary Marinello, Clerk

All referenced material will be available to the public in the Town Clerk's office.