

TOWN OF AVON
2016 ANNUAL BUDGET MEETING MINUTES
MAY 2, 2016

- I. **TOWN COUNCIL CHAIRMAN:** Mr. Mark Zacchio
Town Council Chairman Mark W. Zacchio called the Annual Town Budget Meeting to order at 7:00 pm in the Avon Senior Center Community Room. He led the audience in the Pledge of Allegiance. He asked the citizens for nominations for moderator.
- II. **CITIZENS:**
On a motion made by Tom Harrison and duly seconded by Peggy Roell, it was unanimously voted to elect Diane S. Hornaday as Moderator of the Annual Budget Meeting.
- III. **MODERATOR:**
Diane S. Hornaday welcomed those present and stated the meeting is for information on the budget and to provide the citizens an opportunity to ask questions or make statements about the proposed budget. She reminded the assembly that no action will be taken this evening. She stated the meeting will be adjourned to a referendum to be held on May 11th. The voting hours will be 6:00 a.m. to 8:00 p.m. She requested the Town Clerk, Ann Dearstyne, to come forward and read the call of the Town Meeting. The Clerk read the following notice:

LEGAL NOTICE
TOWN OF AVON
ANNUAL BUDGET MEETING

The Annual Budget meeting of the electors and citizens qualified to vote in Town Meetings of the Town of Avon, Connecticut will be held at the Avon Senior Center, 635 West Avon Road, in the Town of Avon, Connecticut on Monday, May 2, 2016 at 7:00 p.m. for the following purpose:

To receive and consider a resolution for the adoption of the 2016/2017 Annual Budget in the amount of \$89,054,435. as recommended by the Board of Finance, for the fiscal year commencing July 1, 2016.

Pursuant to Section 9.4.1 of the Avon Town Charter, the Annual Budget Meeting will be adjourned to a referendum vote on the aforesaid recommended budget to be held on Wednesday, May 11, 2016, between the hours of 6:00 a.m. and 8:00 p.m. Electors and persons who are not electors but who are qualified to vote at town meetings will vote at the Avon Senior Center, 635 West Avon Road, Avon, Connecticut.

Absentee ballots are available at the Town Clerk's Office in the Town Hall.

The aforesaid question will be placed on paper ballots under the following heading:

“Shall the Annual Town Budget in the amount of \$89,054,435. as recommended by the Board of Finance, for the fiscal year commencing July 1, 2016 be approved?”

Voters approving the proposed question will vote “Yes” and those opposing the proposed question will vote “No”.

Dated at Avon, Connecticut, this 15th day of April, 2016.

Thomas F. Harrison, Chairman
Board of Finance

IV. MODERATOR:

Ms. Hornaday called on Mr. Thomas Harrison, Chairman of the Board of Finance, to read the Resolution and move its adoption.

V. BOARD OF FINANCE CHAIRMAN: Mr. Thomas Harrison

Mr. Harrison thanked Ms. Hornaday. Chairman Harrison moved the following Resolution: "Shall the Annual Town Budget in the amount of \$89,054,435. as recommended by the Board of Finance, for the fiscal year commencing July 1, 2016 be approved?" Houston Putnam Lowry seconded the motion.

VI. MODERATOR

A. Ms. Hornaday stated the motion has been moved and seconded.

B. Ms. Hornaday called upon Mr. Harrison for comments. Mr. Harrison informed the audience that he will make a slide presentation. He stated that he loves this time of year. The Board of Finance, for ten months of the year, works in virtual obscurity. In April and May it is the Board's time to shine and show what we are doing to balance the budget. He asked the citizens to keep this number in mind and he will come back to it later: 1063. He led the audience through a PowerPoint Presentation. The presentation is attached to these minutes. He stated that if the citizens approve the budget as submitted, it will result in an increase, as of July 1st, in the mill rate of 2.50%. A mill is \$1.00 per \$1000 of assessed value. Mr. Harrison commented several bills passed by the State Legislature have a direct effect on our budgets. He stated the Legislature was concerned about the variation from town to town within the state on the automobile tax rate. They passed a bill last year that will take effect next fiscal year that takes that tax portion of the levy that applies to cars and applies a 32.45 mill rate. If no changes occur, that could have a big impact on Avon. The other law passed will take effect this July 1st if no changes are made. This law limits spending increases for municipalities to no more than 2.5% per year, excluding debt service. Exceeding this limit triggers a penalty to the town of a loss of grant monies. For every \$1.00 you go over the cap, you lose \$.50 out of one of the funds the State uses to reimburse municipalities for various things. No one knows if it will be amended, but he wanted the citizens to be aware that it is out there. He stated the State has significantly reduced the Educational Cost Sharing Grant (ECS) for towns throughout the state. Avon's grant has may be reduced by \$473,000. This represents a significant hit to our revenue estimates. All three boards agreed that they would make reductions from their original budget proposals offset by some additional revenue projections. \$348,000 of net reductions were made. The proposed cuts from the state may change. Mr. Harrison added that this evening is the opportunity for the citizens to campaign for or against the budget and to ask questions of all the Boards. He asked them to feel free to voice their opinions. The budget has to be approved by the voters through the referendum. The Town Charter was revised in the 90's and includes a 9% rule which states for the actual votes to be counted, there must be a turnout of at least 9% of the eligible voters. Mr. Harrison verified with the Registrar of Voters, Ann Clark, that as of

last Friday there were 11,808 registered voters. 9% represents 1063 voters. There must be this many votes cast, or the budget will automatically pass. The last several years, we have only had a voter turnout of about 3% - 4%. In 2010 there was the highest percentage voter turnout of 26%. In response to a question from the audience, Ann Clark stated that the turnout for the recent primary was roughly 53.4% for each party. In response to a follow up question, Mr. Harrison stated the referendum could not be combined with the primary because the Charter spells out a time frame for the referendum that is calculated backward from the start of the new fiscal year. The primary dates were set by the State Legislature.

Ms. Hornaday asked that all questions be held until after the Boards are given an opportunity to comment. She stated that the requested chart will be put back up on the screen when the public questioning is opened. She stated she neglected to mention at the opening of the meeting that the question, answers and comment period follows the presentations of those that prepared the budgets.

C. Ms. Hornaday asked Mr. Zacchio, Town Council Chairman, to comment. Mr. Zacchio stated that the budgets have been gone through in great detail in the previous budget meetings. Tonight's presentation highlights some important aspects of the budget. He introduced the Council members present; David Pena, Heather Maguire and Bill Stokesbury. He stated James Speich was traveling for business. He led the audience through a PowerPoint Presentation. The presentation is attached to these minutes. He reminded the citizens that they can go to the town website and sign up for news and announcements by email.

D. Ms. Hornaday asked Mr. Putnam-Lowry, Chairman of the Board of Education to comment. Mr. Putnam-Lowry yielded the floor to Mr. Mala, Superintendent of the Schools. He stated that Dr. Donna Nestler-Rusack would be running the projector. He also recognized Board members in the room, Chairman Putnam-Lowry, Wendy Howard and Peggy Roell. He stated the budget process for the Board of Education begins in September. The proposed budget is presented to the full Board at their November meeting and it is voted on in December. It then becomes the Board of Education's budget that is presented to the town. He led the audience through a PowerPoint Presentation. The presentation is attached to these minutes.

E. Ms. Hornaday asked if any other Town Official wished to comment on any portion of the proposed budget. She outlined the procedure for the question and answer period. She invited the Town Council members to return to the front of the room.

F. Ms. Hornaday asked Citizens discuss Resolution. She asked that those that come forward use the microphone and state their name and address. Questions are to be for clarification or to make a statement of what you think about the budget. She reiterated that no action will be taken tonight. She asked for no audience response to any speaker such as applause or booing.

Flo Stahl, 2 Sunset Trail – She stated she is president of the Avon Taxpayers Association. The popular takeaway from Avon's budget is that teachers' salaries are too high. We read about it, the media often puts it in the headlines, and it

becomes the general buzz. The result is a simplistic, binary argument: Too high? Too low? Just right? Not right? Fair? Not fair?

In truth, it's a lazy argument, because what teachers earn is a symptom, not a cause. The cause is the absence of due diligence, otherwise known as the political will to stop making bad financial alignments that place an avoidable burden on the budget and on taxpayers. It's not only a bad financial alignment, but an unnecessary one because existing wages and their built-in enhancements are already at a very high point. It's a shortsighted, some might even say spineless, misappropriation of taxpayer money because it defers thinking about long-term costs.

Why bring this up at all? The horse has left the barn. The contract has been signed, sealed, delivered and it will be honored for three long years whether we like it or not. What's the point? The point is, with closed door sessions, there is no alternative but to respond after the fact. It is my hope by continuing to bring it up, maybe, just maybe, we can create a memory going forward about due diligence, financial alignments, and long-term costs to the community.

To repeat, the real issue is far more complicated than just teachers and their salaries. It involves Unions bargaining collectively with municipalities that bargain isolated and alone. It involves negotiating with an inherent monopoly. It involves good people given a measure of power to appropriate huge sums of money.

We'll never know what projects remain undone, what fees could have been eliminated, what initiatives could have been started, or what smaller mill rates we could have had. Please. Remember going forward.

Eugene T. Reohr, 137 Deepwood Drive – He stated he received a beautiful town newsletter, but he does not have an understanding of a lot of the material it contains. He stated revenues are listed under Fund 13, Fund 8, Fund 14, Fund 11 and Pequot Funds. What is all that stuff? Where is it coming from? What is it showing me here? Then we have use of assigned fund balance and a reserve. Fund #1, \$120,000 we're going to be using. Fund #2, we're going to use \$279,390. Then we have Fund #5, that's \$1,025,082 we're going to use that's budgeted. And then we have an unassigned fund balance, Fund #4, well, I don't think there is any money in that fund, so that balance for 15/16 is zero. What is this stuff? Does anybody know? Will you tell me?

Mr. Zacchio responded that he can't speak to every single one of those funds. Mr. Reohr asked "why not?" Mr. Zacchio continued they are in the budget and we can walk through each one of them. These are usually funds that receive revenue through either fees; Mr. Reohr interrupted asking "... (not decipherable) these are smoke and mirror funds aren't they? Asking to finish, Mr. Zacchio continued with these are usually funds that received from fees like the sewer for example. That's one of those funds so, people who have sewers, pay a fee for those sewers, that fee goes into a fund, one of those funds, then monies are expended from those

funds to fix the sewers. So they are not from tax dollars, they are revenues that are received through fees. There are fees that are received through the police department. If you went up Avon Mountain when they were doing the construction, they had a police officer posted at each end. That's by law that they have to have officers there. The contractor pays their over-time salary and also a fee to the town for their use. That fee goes into Fund #5 and Fund #5 may be used to purchase a police car. So those are revenue accounts that have collected fees from users in most cases that is used to offset the budget so that we don't have to raise the taxes to do those things that we are doing with those dollars. Most times they are very specific. Mr. Reohr asked where he could get a list of what all the different funds are in writing. Mr. Zacchio stated there is a copy at the Library, Town Hall, or he could have his copy that he had with him. He added that you could go through each one and see every single revenue with a description. It is in the complete budget. In response to a follow up question from Mr. Reohr, Mr. Zacchio stated the budget book is indexed by each of the line items as well as Capital Improvements. Mr. Reohr asked to recall a slide used in Mr. Harrison's presentation. He asked capital improvement 1097 sewer fund 5. Mr. Zacchio stated the capital improvement total budget was 4.4 million dollars. 1097 of that is being funded from Fund #5 that is a collection of sewer users' fees. This has to be in the budget so you can see it. So the 4.4 million dollars is not all derived from tax payers' in this budget. \$1,097,000 will be used to work on infrastructure for sewers funded by that sewer fee.

Mr. Zacchio added we go through the budget in much more detail at the budget finance workshop and the budget finance public hearing. That's when we go through all the detail. Tonight's meeting is a little higher level. There is only so much detail that can

Attilio Foschini, 227 Huckleberry Hill Road – Politics have always frustrated me, I grew up in Waterbury, Ct, as you could imagine. I guess probably the most frustrating part of politics is you feel out of control; you feel you have no say in anything. But, I think the biggest challenge is I see my real estate value going down, my house went down by \$160,000 since 2008. It seems like teachers' salaries are the highest compared to all other districts or all other towns surrounding us. You look for fiscal responsibility in bad times it just never ends. Spending never ends. I guess that's what's really frustrating. How do we compare, by the way we have a great school system – I totally agree, but how do we compare teacher's salaries to other towns surrounding us like Simsbury that is also doing a tremendous job on the education side. From what I understand we are substantially higher. I guess fiscal responsibility is what I look for. Here I am, I am pinched every single year, my wages have stayed the same or gone down since 2007, but yet municipalities don't see that or don't ever make changes with the times. My taxes haven't gone down, they go up every year. Yet my earnings have gone down. My real estate values have gone down \$160,000 according to Zillow. It's terrifying. It's frustrating. We have a great school system, I have two children in the system so I agree, but, how do we compare. At the referendum, if we have 9% that come out to vote, and they don't agree with the budget, what happens? That's what I don't understand, again, I'm totally ignorant, I've never done this, I've never attended before. It's just when I look at what I started paying

in 2008 to what it is today – it's frustrating. There's an article in the Hartford courant, I don't know if anyone saw it, where a gentleman from Avon is moving out to Naples, Florida. We are seeing a trend of this, and when does it end? Are we just going to eventually tax everyone out of the state of Connecticut? Out of the town of Avon? That's what's scary about our situation in today's day and age, we don't follow the trends of the market. Big salaries are gone but yet we don't adjust accordingly. I think that's the only frustration. I've never done this before, I've never spoken. I've never attended a meeting in my life because, again, I grew up in Waterbury. So do you know how we do compare teacher's salaries to Simsbury? Mr. Zacchio responded that we do not negotiate the teacher's salaries, the Board of Ed does so I'll let them speak in terms of how that compares. I can speak to, I won't say we're a victim because everyone is a victim these days, but we are within a process in the State of Connecticut with binding arbitration that forces us to negotiate with our units, teachers, police, public works and all of our units, in a way that if you go to binding arbitration, I personally think the deck is stacked against us in the State of Connecticut because one arbitrator is picked by the teacher's or the police or the public works, one is picked by the Town, and one is picked by the State. They decide what the last best offer is. If you go into one of those binding arbitrations with we want nothing, we want 0-0-0 and the police or teacher's come in with the average. Nine times out of ten we are going to lose to the average. So we negotiate in good faith in terms of where we come to. It is a frustrating process because we are a service, the Town is a service unit. The police service us in terms of a first responder perspective keeping our community safe. Teacher's service our students. And it is frustrating because you don't see how that service comes to an end, it always comes to the same point. How we compare to other towns, I just don't know in terms of teacher's salaries. Mr. Foschini responded, but should we know that? I would want to know that as an employer. Mr. Zacchio responded that the Board does absolutely know that. After Mr. Foschini restated his frustration, Mr. Putnam-Lowry stated that when we negotiated with teachers it's always a balancing act. They are asking for stuff and we try to give them what we think is the cheaper end and they try to ask for the more expensive end and so we move it along. Before we make any deal, what we do is we see where we are currently in the scheme of things compared to various towns in our ERG, our economic grouping which is ERG II, we also look at ERG I, the ERG we used to be in. We do in fact review those on a town by town basis. Then we also review where the contracts are currently coming in for the current year. Mr. Foschini asked if it was true that we were the highest in the surrounding towns. Mr. Putnam-Lowry replied generally speaking we are higher, but we are not a lot higher. And in terms of the settlements this year on this contract, we came in lower, slightly lower than everybody else. One thing that Mr. Zacchio didn't actually say is what they say, baseball arbitration, so it's the last best offer. So they don't split the baby in saying you're at one, you're at three so we'll give you two. They pick the high end or the low end. One of the key factors is what the town's ability to pay is. Which creates an issue for us because we have been fiscally conservative and we have a rainy day fund. So everyone like to say oh you should be able to raid your rainy day fund – we don't do that because it would affect our bond rating which raises our interest costs on borrowing. So the short answer is we push them hard and this year we were going

to go to arbitration but we finally reached a settlement at the last moment. We have as a matter of policy moved everybody from a defined benefit pension plan and we have moved everybody to a high deductible health insurance, it's not the classical health insurance. We have made a contribution to everybody's HSA spending account. We don't pay for the full deductible for that. We have agreed to pay for half on the current contract. Mr. Foschini responded I'll give you an example, I am a business owner, I pay \$980 per month for my health insurance and I have a 6,000 – 7,000 deductible. It's just frustration, it seems like the private sector and politics don't play by the same rules. Mr. Putnam-Lowry stated you're talking about at the high end, but there is a balance, we do pay attention to it and we do bargain pretty hard. Mr. Foschini asked if we get 9% of the vote on the referendum and they disagree, what happens. Mr. Putnam-Lowry responded if the budget fails, it goes back to the Board of Finance and the Board of Finance will say, whatever they say, and they have never said raise it because that doesn't make sense. They always say cut it and so we have to find a place to cut in our budget to come in with the new numbers. It goes out to referendum again. If it fails, we do another referendum. The Town Council has the ultimate word if you fail three referendums. Mr. Zacchio added we go through this process if the budget fails, we go through this process again. Mr. Foschini stated I don't think it should always come from teachers, which is not what I am saying. It just seems like that is the biggest piece of the budget. Mr. Putnam-Lowry stated 80% is salary and 2/3 of the budget. He added we are lucky we have good teachers, they have been around for a while, but we always try to encourage people to retire periodically. We also bring in new people at lesser amounts if we can. Mr. Foschini said, so I just wanted to voice my opinion, thank you very much. Mr. Zacchio stated before you go away, let me share some statistics with you guys, I think it is important, Houston hit on a point about our ability to pay. I have some stats in front of me, it is a town by town comparison of the amount of taxes we pay in the State of Connecticut versus how much we get back into our communities. The \$473,000 we were talking about getting cut, that's off of this number. So when the arbitrator's look at this and look at ability to pay, this is kind of an indication of what the State thinks of our ability to pay. We all pay almost \$80,000,000 in personal income tax and real estate conveyance tax last year. We got \$.03 back on the dollar. That is what comes back to Avon. Hartford gets \$5.00 back for every dollar they put in, I'd like to have that deal. Those dollars go to the communities like Hartford, Bridgeport, New Haven and Waterbury. When we sit in front of an arbitration board and start talking about ability to pay, this is what they are looking at. By the way we get \$.03 back on the dollar. There are only a few towns that get less than us, it's \$.02 back on the dollar and they are all on the gold coast down in Fairfield County; the Weston's, Woodbridge's, they get \$.02 on the dollar we get \$.03. From there it goes up in some of the surrounding towns are pretty similar \$.14, \$.15, \$.05, \$.06. The \$.03 included the \$473,000 that is being taken away so it is going to be less this year. This is 2014 statistics. Just a little bit about how the State looks at Avon in terms of ability to pay. Ms. Bratton added that when the State chooses their arbiter, this is the problem.

James Tosti, 68 Wellington Heights – You have basically said that a large part of the budget is out of our control, it's subject to somebody else, up the food chain.

Mr. Zacchio interjected that we have very little that is discretionary. Mr. Tosti asked do we have the right as a town, as a manager in the town to hire and fire people as we deem fit without additional costs from doing so. We have no power over the budget, do we have power over the people we hire? Mr. Zacchio stated of course. Mr. Tosti asked for confirmation that we can fire them at will, they are hired at will like the private sector is. Mr. Zacchio stated not necessarily at will, they are part of bargaining units and the head would have to meet certain constraints. In cases where we would diminish a number of services, I believe, we have the ability to reduce staffing if we had to. It would also reduce services. Mr. Tosti stated I assume we are all here because we are reasonably frustrated, reasonable angry. We have seen 15%-16% increases in taxes when inflation is running much closer to zero since 2008. We can sit here, we can complain, what kind of actions can we take? My proposal, as an idea, brainstorm, when we start the budgetary process next year for the 2017/2018, start with the 2008 budget. Don't use last year's budget. Start with the 2008 budget. Put the numbers down and find a way to get there. Get the accountant's out. Now always there's balancing between people and numbers. Start with the 2008 budget when we put 2014/2015 next to 2016/2017 we know those are not the comparable numbers. We know the economy has gone through inflation for quite a number of years. Let's go back to 2008 as a starting point.

Bruce Corbett, 171 Huckleberry Hill Road – I am a resident of Avon for 43 years. You I hope have a green sheet like this, two page, with a form on the back. I am a Social Studies teacher. Seven years as president of the teacher's organization. I know about arbitration, I've been out on strike, I've negotiated and I've developed salary schedules. In the first paragraph of the green sheet, it explains the 2.25 general wage increase. That sounds sort of easy going. But it really isn't when you look at the high rate of pay for Avon teachers. In a note out from the superintendent's office to the Town Council that was going to vote on the budget, they were all geared up to vote, but they didn't have the cost. A couple days later the cost came in. 2.25%, 3 years and the Board is picking up the cost of 83% of the new health care program. I also when I saw this note in the paper in early December, I wrote an editorial in the Farmington Valley Press saying teacher's contract should not pass. I also e-mailed to the Town Council this letter. I disagree with some of the things I've heard about arbitration tonight. One, the cost of the settlement is a 2.25% across the board and that translates into more than 2.25%. It is not fair to our citizens who had no social security COLA this year. As a result, I would encourage citizens to examine the contract and to relate their thoughts to members of the council. I'm sorry I've done this several times already so I'm going with it one more time because I think this is the last chance before we vote. The welfare and the interest of the teachers of this town is very well taken care of. How could they want anything more? Resident's should take a look at the total picture of the contract that was signed this year and extend it for two more years because it is a three year contract. On April 11th, at the Finance committee meeting, I suggested that \$1,000,000 be cut from the proposed town budget and get a 2.25 general wage increase concession from the Avon teachers, or a little bit or a lot of both. I don't know where that's going to go. I don't think it went anywhere because the town Finance board came in with essentially the same

budget of 89 million dollars. But it's not over because we as taxpayers, citizens, and I am trying to promote citizenship, have the opportunity without the fear of arbitration to reject this settlement. What you do is up to you, but I'm hoping you will peruse the facts on the green sheet and on the orange sheet. I may have to alter a little bit on the orange sheet because I received some new information tonight and I need to check that a little further. When I was at the landfill passing out flyers explaining things, people had some crazy questions about salary schedules. I would like everybody to look at the orange sheet, this is the one with my signature at the bottom, what's this MA business, is that Massachusetts? No, it's not Massachusetts, it's a master's degree. The sixth year is 30 hours or ten courses beyond the master's degree. It is a twelve step schedule and each one of those steps represents a year. You can see where the salary schedule is for people who have twelve years' experience and a master's degree. They don't have a BA with the twelve because the rules through the state are now that you need to have a master's degree within ten years. We also have about 100 coaches and additional teaching assignments that have a 2.25 GWI. One of the things that alerted people the most about the salary schedule which they didn't understand is that when you compare it to the five touching towns of Avon, I did not put the names of those towns down because sometimes it can be an embarrassment when you see how far behind they are. We in Avon are paying \$9,000 to \$11,000 more for teachers than they are in other touching towns. I taught in another town. I know teachers are generally very good people and want to do their best. I don't know how much more \$10,000 buys in caring. Then I would like you to look at the last orange page. These are salaries, they aren't even benefits. Next year's pay for a sixth year is \$101,000 according to the contract on page 25, you get a \$2,500 retirement benefit. The next year there is another salary and another retirement benefit. And in your final year the \$105,000 is from the salary schedule from the third year of the contract you have a \$3,000 retirement benefit. I need to check whether these retirement benefits get put in to the State Teacher's retirement system. I got a note tonight and I had some trouble trying to figure it out. I will double check on that. Avon teachers also receive \$1,000 per year for 5 years after they are retired. Why? Down at the bottom is from the Board of Education's accounting for the requesting of funding increase. The largest category there are salaries at \$1,184,000. We are at a point where only 4% of the people turn out to vote and you know the rest of it, we need at least 10% of the people to turn out to vote and how they vote once they show up is up to them. But you want to have 10% so that we the people have an opportunity to determine our own destiny. I was an American History teacher. This could be our Lexington and Concord moment. Thank you.

Barbara Shuckra, 78 Deepwood Drive – I have a question in regards to the sewers. We had new sewers put in on Deepwood, and we are charged 3% interest for our contribution for each house, so I am paying \$7,000 per year plus 3%. Is that going into the sewer income or is it going into interest income? Mr. Robertson replied that it is accounted for through the sewer use fund that the chairman was talking about earlier. It's separate, it's called Fund #5 it's a special revenue fund. It is not comingled with general tax revenue that goes to support the general fund, Fund #1. Ms. Shuckra stated you mentioned something about the

State is reducing our educational efforts by some \$473,000. Why are we sharing it with the other town budgets? Why aren't we just cutting out the education fund? Mr. Zacchio responded that Education Cost Sharing Grant is a general revenue line item which is applied across the whole budget. Ms. Shuckra asked if this is what the State tells you. It's not just for education? Mr. Zacchio responded it comes in through the town and it is a general revenue so unlike, as Mr. Mala pointed out Special Education Grants that come directly into the schools have to be used within the schools, Educational Cost Sharing as a general revenue item is not applicable 100% to the Board of Education because it is used to pay down the amount across the budget and the taxes take over for the differences. The way we worked on it at the Board of Finance meeting, the town often has a better revenue picture as we get closer to the Board of Finance meeting than we did when we developed these budgets. These budgets start to get developed in August, most of the work happens in November and December, so as we get closer to this period of time we have picture of what those revenues look like. Often times the Town Manager may have revenues to put back into the budget, to say we are a little more comfortable that this development is going to happen and we are going to have more fees from this or we're a little less comfortable that we'll hire people within a timeframe we think so there will be some extra dollars that aren't expended in salaries. We put that back in the budgets as a general revenue that benefits the whole town because these budgets are together for a reason, they are for the whole town and we don't separate ourselves that way. Then after that we were left with \$307,000, whatever the difference was, we broke that number up 25% from the town's operating budget and 75% from the Board of Education's operating budget. The reductions have been made based on those breakdowns. Ms. Shuckra stated with regards to the teacher's salaries, three or four years ago Mr. Mala I asked you if anybody sits down and looks at the job descriptions of each teacher in each grade and you said you were working on it. Well, evidently it's not working. I work for the IRS. I have a grade 13. It told me exactly how many accounting credits I needed to have, what kind of administrative work I had. A kindergarten teacher got a PhD and she immediately went to \$100,000. In what world is this? So why aren't we doing that, looking at the job description for each teacher or the teachers at a certain grade level? No answer? Mr. Mala asked if she would like him to respond. Ms. Shuckra said yes she would. Mr. Mala stated all the job descriptions in the entire school district have been revised, are current and compliant with current state law. What you're talking about is negotiations. The superintendent of a school district does not negotiate with the teachers union. The Board of Education has a subcommittee that negotiates with all the associations. We as the administration, serve as advisors to the Board and we work to get them the information as they go through the negotiation process. Ms. Shuckra asked who is this that is negotiating for a per teacher salary? Mr. Mala responded that there is a bargaining team from the Teacher's Association that sits with a subcommittee of the Board of Education. We as the central administration are advisors to the Board of Education subcommittee. This Board of Education has used legal counsel as the spokesperson for the Board and in turn the Teacher's Association has what is called a uniserve rep that represents districts in geographic areas that serves as the spokesperson for the association. Ms. Shuckra replied so that's how a teacher in a certain grade with certain requirements. Mr.

Mala interjected that contracts are not negotiated by individual assignments because the definition of a teacher applies to all the members of that association that are licensed as teachers. There are also members that are licensed but are not teachers like psychologists and others in specialty positions. They are all clumped into the definition of teacher. You don't negotiate the salary of a kindergarten teacher differently than a social studies teacher at the high school. Ms. Shuckra responded I think that has to be changed. In industry you are judged by your position and its description. You could have three PhD's but if position description says this is the requirement, this is what you are expected to do, no, just because you got a doctorate, it doesn't entitle you to more money. Finally, the tax relief for elderly and disabled homeowners; from my understanding, when people sell that home, they have to pay back all of this. Mr. Zacchio stated no, that's a different program. Circuit breaker program give relief a certain income level or \$55,000 based on an equation, there's a chart that shows what the benefit is, homeowner's never pay it back, and there is no provision for that at all. All of that is shifted, the whole \$192,000 in this fiscal budget, to the homeowners who are not in that program. Ms. Shuckra clarified that when she sells her house that money does not have to be repaid. Mr. Zacchio stated that was correct. He added that there is a program available that would freeze taxes at a certain level and a lien would be put on the house. The lien would be paid back by your estate. We don't think that is a good program. Ms. Shuckra said she was misinformed about that. She wanted to make a statement about the turf field. I watch the Superbowl. Those million dollar guys played on grass. They weren't injured, they weren't scratched. Why are we looking into these fields? Mr. Zacchio replied that that grass is not played on every day and that is why it is in good shape. Ms. Shuckra said we played at Old Farms, we rotated fields, why do we have to have this stuff; we are a public school. Ms. Hornaday stated there will be opportunity to speak to these issues when other committees meet later in the year. Committees have been set up to discuss the playing fields and turf field.

Dick Burkett, 40 School Street – I've been here for about 40 years now. For 40 years my taxes have been going up. It's not much, 2%, 2%, 3%, but it's compounded over 40 years I'm up pretty high in my taxes if you look at it that way. The other thing is [inaudible] I paid 100% of my social security when I put it in. The town says they add my social security into my \$55,000 limit, which I paid 100% of but I'm going to get the same amount as you guys working for somebody else that only paid 50%. So I'm handicapped right there. If I were getting the other 50% I wouldn't be here today, I would be able to pay my taxes easy. We didn't get any increase in social security COLA. I read the average person in Connecticut makes about \$68,000. A lot of our teachers are making over twice as much as that. Is there any cap on this salary for teachers or is it just going to keep going up till pretty soon the teachers are making \$300,000 per year. The way you got it going now all I ever hear is this arbitration stuff, arbitration stuff. You always talk about that arbitration when I worked for companies, I owned the company, and I go to the union and say if you don't like it, go to he--. So that's what they did. I drove trucks for 15 years. There was a company that went against the teamsters union. The teamsters union went on a strike. The company said if you don't like it, leave. They shut the trucking company down

and there were plenty of other drivers around that wanted the work. So why can't we do that at the schools? We take these people and say you don't like working here, you go get a job working somewhere else. It's like you're never going to stop these benefits, just keep adding and adding and adding. That's all you say, oh its arbitration. You got an answer for that? You gonna have a cap? Mr. Zacchio said he'll yield to Mr. Mala or Mr. Lowry, we don't negotiate with the teachers. Mr. Lowry responded, why don't I send him to the lion's den. I have been living here since 1963 so it's nice to welcome a new guy to the neighborhood. The short answer is there is no actual cap. I remember when we bought our house and moved in it was \$22,000, it's now worth just a tiny bit more than that even though we haven't done anything to it. There is no absolute limit to what teachers get, what could end up on the schedule. Now what happen is, the State of Connecticut, bless their soul, came up with what they call a statutory scheme for teachers. Teachers are not allowed to strike. If they are unhappy with us, they still have to work. If they do strike, we can talk about something we can do to them, but that's not part of it. Now in exchange for losing the right to strike they have this arbitration scheme. Which works just like baseball arbitration, so it's the last best offer. The arbitrator's don't come in with a number they make up, they have to pick one side or the other. Now we figure when we do that, as a cost, it cost us roughly \$50,000 to do one of those arbitrations. We've done that before. The administrators in at least one previous year, foregoed, they said zero raise because they wanted to help the budget. People don't remember that, but I remember that. So the answer is that is not the way the statutory scheme works because the State of Connecticut made it different for us. I can't change that and I'm sorry. Mr. Burkett replied you see what problem the State is in now, right? Mr. Lowry said I do sir. Mr. Burkett added you see what problems Hartford and others have. [Inaudible] Mr. Lowry stated the problem we have is that people come here because of the schools, they keep saying the enrollment is going to drop but the enrollment, with all due respect, keeps going up. Mr. Burkett stated he read in the paper that said it was going down. Mr. Lowry said not in Avon. The superintendent will tell you, it's going up already, it's going up again this year. Mr. Burkett responded I saw up on the board here you haven't figured out yet how much the decline is.

Joe Lanzetta, 76 Lofgren – I had two questions. Before the state took back the \$473,000, what was the anticipated increase in mill rate for next year? Mr. Harrison responded that it is the same, it didn't change. What you're saying is we are losing approximately a half million dollars in revenue and we are not increasing the mill rate. Is that correct? Mr. Harrison stated that's correct. Mr. Zacchio stated we decreased the budget by that amount. Mr. Lanzetta stated we're losing, the State is actually pushing, instead of the State increasing taxes on us, they pushed it down to all of the towns. Mr. Zacchio interjected not all of the towns. Mr. Lanzetta continued they're not raising taxes, but in reality we are all paying. We are absorbing \$500,000 and we are not increasing the mill rate. Is that correct? Mr. Zacchio stated that is correct, we reduced the budget by that amount. Mr. Lanzetta stated you reduced the services, but we have not increased the mill rate. So I'm really trying to understand what everyone is screaming about. Mr. Burkett stated they did increase the mill rate by 2.5%. Mr. Harrison stated the

budget spending level before the State did anything was here. The revenues were here. To get that we had to go up by 2.50%. That is the mill rate increase. Then we had a reduction from the State. Spending went down, revenue went down, it still came out even at 2.50% for the mill rate. Mr. Lanzetta said so I want to make it clear again. We have not increased the mill rate because of the fact that we had to give up \$500,000. Mr. Harrison stated that is correct, it was absorbed by lowering the spending. Mr. Lanzetta replied wouldn't someone say that's a pretty good job? Mr. Harrison said someone might. Mr. Zacchio said to Joe's point, in all seriousness, we could have ignored what the State was doing and just raised it and say we're just going to take it from you guys. That is not what the board chose to do, they chose to reduce the budgets by that amount so that we stayed even to what we expected.

Cliff McKibbin, 44 Copplesone – I am asking this question to make sure I understand, the point is the open choice program. Is this costing us money or is this a grant that teachers get sent away to do something? It is on slide 14, it's a big number \$750,000. Mr. Putnam-Lowry replied the open choice program is a result of the Sheff v. O'Neill settlement which means we invite people from Hartford to come into our school system, we are currently running at 4%, spread over all grades. They are treated as Avon residents. We get a grant to offset some of their costs, but it does not offset all of their costs. Under the new budget, it's around \$15,000 per student and we get a substantial grant to help reduce that. Mr. Mala clarified that any additional services that the students might need if they are identified as needing such, are reimbursed to the school district by the Hartford Board of Education. Mr. McKibbin asked is it fair to say, I know it's a budget of \$3,000,000-4,000,000 to send our students to magnet schools, when these other students come in, do we get then approximately \$15,000 per student or is it a net loss to Avon? Mr. Mala responded our reimbursement is [inaudible] but I want to caution folks in making a direct correlation between the net per pupil and the actual cost that it takes to service a student. Some are less than the net per pupil and some are significantly higher depending on needs. The students that leave, and then we have to pay a tuition for do include magnet students but also students who have complicated learning needs and is in that percentage as well. Mr. McKibbin stated his next question relates to slides 17, 18 and 19. Someone made the comment that people like to see our per pupil high because that must mean we are good. I always prided myself in living in Avon and being able to tell people we had a low per pupil but we had good test scores. It kind of looks to me like we are regressing rapidly. We have lost ground, two towns worse from 14/15 and another two towns from 15/16. Is the school board looking into that as to why we are moving up relative to these other towns? Is it because of these teacher's salaries we are hearing or are there other issues related that could be corrected? Mr. Mala stated I think it is related to the biggest portion of the Board of Education's operating budget which is salaries and providing health benefits.

Flo Stahl, 2 Sunset Trail – This time I have direct questions rather than a comment. I have a question for the Board of Finance and a question for the Board of Education. First to Mr. Harrison, at the beginning of your presentation you said "keep this number in mind, 1063", so would you kindly tell us what the magic is

about 1063. Mr. Harrison stated that number, if we had that many people vote on the referendum every single vote counts, yes or no, it gets us slightly over the 9%. If you take 9% of the 11,800 voters. Ms. Stahl stated it takes 1063 people voting on the budget to get us up over the automatic approval. Mr. Harrison stated yes. Mr. Tosti asked how is it constitutional, Ms. Stahl stated she would yield the floor to Mr. Tosti.

James Tosti, 68 Wellington Heights – How can it be constitutional to ignore a vote regardless of the number of people who vote? How can that be constitutional? Mr. Harrison stated it has been tested in the courts. I can't give you names of cases here in this room, but it has been tested and approved as a valid restriction that the voters approved. That's the answer, it may not be the answer you want, but it is the answer. It has been tested and approved and withstood the test of time and law. Ms. Stahl added the budget is front loaded to be approved, that is what municipalities do. Mr. Tosti said front loaded, I don't know what that means. Ms. Stahl clarified in other words, if you don't reach 9%, it's automatically approved. Mr. Tosti said it's the responsibility of citizens to vote. Mr. Harrison stated some towns have a higher percentage, Wilton has 15%. Part of the reason for that, the history on that, remember the vote was approved, the majority did, before we had referendum, this was a voting meeting back then. The town grew, there was an effort made, Ms. Stahl had a good deal to do with that, to get it to a referendum. Whether that's good or bad, it's been approved and in doing that, the Charter Revision Commission looked at that question because you look around the State of Connecticut over the years, there are towns that have eight or ten, some of them going into the fall, the brand new fiscal year, without ever getting a budget. So people on the Charter Revision Commission in the late 1990's looked around and said we don't want to be in that position, that we are voting forever and ever and ever, so they looked around this is the scientific way they did it, they looked around some had it at 15 some had it at 4, 5, 6 so they took a number roughly in the middle and said 9%. That is how it happened. It was submitted to the voters and the voters approved the new Charter setting up a referendum with that 9% number. So that's how it came about. I don't know if Flo is front row a good deal, but we picked a number and you're right. I agree with the gentlemen here, as citizens, we should vote and if we don't vote we shouldn't complain about the outcome. Ms. Stahl added it's hard to get pure democracy.

Flo Stahl, 2 Sunset Trail – I have one more question, this is for Mr. Mala. If you look at the town newsletter, you will see where it breaks down the increases from 14/15 to 15/16 to the proposed budget that we are going to vote on. If you look at the town side you'll see that there is sort of a rational progression, a sort of a gentle increase year over year which is what we have grown to expect. If you go over to the Board of Education budget, it gets a little wilder. I have a question for our good friend Mr. Mala and that is under Board of Education under fees and memberships, in 14/15 when we say fees and memberships we are talking about conferences, symposiums, professional memberships, trips to a conference somewhere, in 14/15 it was roughly \$81,000. In 15/16 it was \$67,000 and in this fiscal year, conferences, fees, memberships is \$88,000. Why \$20,000 more than

last year. Mr. Mala responded the fees that are responsible for the increase are fees for leagues and conferences and other associations that we have to belong to for our students to compete. It's not just travel to conferences and things like that. Fees and memberships have to do with being a part of a league and bear in mind that we have a full athletic program and the fees change and quite frankly those fees aren't regulated by anyone. If we want our students to participate in high school sports then we must belong to the CIAC and they set the rate. Ms. Stahl said thank you, strait response. So the take away is that it was sports fees that went up, that drove it. Mr. Mala added there are other fees such as belonging to the NEASC, that's the group that comes and accredits our high school every ten years, that has an increase to it. I can provide you complete detail of that line item from my five years here. Ms. Stahl said so it went up \$20,000 in one year. Equipment went down \$20,000. Equipment in 14/15 it was \$1,043,000. The next year it went down to less than half a million, \$379,000 and this year it went down to \$320,000. By equipment do you mean trucks and thing like that? Mr. Mala responded that it means technology and classroom based equipment. Trucks are Capital expenditures. Ms. Stahl stated so the cost of computers went down. Mr. Mala said that is because of the way we procured it. Ms. Stahl said congratulations, thank you. Mr. Zacchio said to answer Flo's question as well, one of the aspect's that helps the town budget stay on a more level trajectory is that we're much less elastic to the change that is happening in town. When I say that I mean, a new neighborhood goes in that has another mile of road, it doesn't affect the town in terms of plowing, maintenance, policing, but if there are 40 kids that have moved into that neighborhood, it has a much different effect on the school board who then depending on where those kids fall in the district, could change their budgets. Their budgets tends to be a little more elastic to what is happening in the town and the town is a little less elastic, I think that is why you see the differences sometimes. Ms. Stahl said thank you and I'm glad you brought that up because in our report which is fact based and fact checked, the green booklet, if you'll notice that over a period of 10 years, enrollment has gone down. It has gone down. When you talk about enrollment going up, I think we have to be very clear about what we are saying. Enrollment was projected to go down. It has gone up from the down projection, but the overall trajectory is down. I think we need to be very honest and clear about that.

Eugene Reohr, 137 Deepwood – I just have one question about the financial information I see in this document. I see actual 14/15, budgeted 15/16 and then the proposed 16/17, is there some reason there is not a 9 month actual on here for this fiscal year so far? We are 75% through the year and you don't show the actual? Hello. Anybody want to answer? Mr. Harrison responded the actual figures, not by any state law or regulation, but by practices of preparing budgets, the actual figures for past years are full fiscal year budgets. We don't put in what we. Mr. Reohr interjected why not? I want to change custom and tradition. How can taxpayers make educated assumptions when you have 9/12 of the year gone, you're asking for more money, you're throwing out a budget for 15/16 which is meaningless because it has been replaced by nine months of actuals. Mr. Harrison stated the numbers exist, sir. They may not be put in this budget, we can look into that going forward, but the Board of Finance for all of those months of the year

when no one knows what we are doing, and we get a monthly update. Peggy Colligan, our Director of Finance working the slides tonight, provides a Board of Finance report every month and we also get it from the Board of Education, on actual expenditures through that month. Mr. Reohr asked if that could be in this format. Mr. Harrison replied he didn't see any reason why it couldn't, but stated remember, it changes. Mr. Reohr stated all he wants is 9 months actual. Mr. Harrison stated we can certainly consider that for next year, we can put in a year-to-date. Mr. Reohr stated that would make it a little more intelligent than trying to figure out where we are at. Mr. Harrison continued it is an excellent suggestion, I can't make a promise, there are three Boards involved, but the number is there and if you'd like to know for now what it is through March 31st, Mr. Reohr interjected what do I know I am just an ex-GE finance guy. Mr. Harrison continued we can get that number for you. If you get in touch with me or with Peggy Colligan we can get that number for you tomorrow sometime. Mr. Reohr said he would just like it in next year's report. Mr. Harrison said it is an excellent suggestion. We have been doing it one way just because of inertia, we can change that and we'll talk to the other two boards and we may very well be able to take care of it. Mr. Reohr said thank you very much. Mr. Harrison added if you're really curious, let me know and we'll get you the numbers.

Ms. Hornaday called for final comments.

Mr. Zacchio thanked everyone for coming out, for the candor and the feedback and the discussion. He stated he truly hopes that we turn out a lot more than 1062 votes because I think one of our highest referendums was on the dog leash laws at Fisher Meadows which unfortunately was contentious and brought people out to vote and with budgets that are not contentious, generally people stay home. We don't know what that means, but we sure hope that people come out. I sure hope that tonight was helpful for everybody. Tom and the Board of Finance, Houston and the Board of Education and we as a Council remain available to you at any time. We have monthly meetings, we can answer questions during meetings. We always have open sessions. We invite you to come in and ask as the year goes on. I appreciate your support and I hope you come out and vote on the 11th.

G. After discussion, advises audience that there being no further discussion, the Budget will be submitted to vote at Referendum on Wednesday, May 11, 2016 at the Avon Senior Center/Community Room, 635 West Avon Road, Avon, Ct, between the hours of 6:00 a.m. and 8:00 p.m.

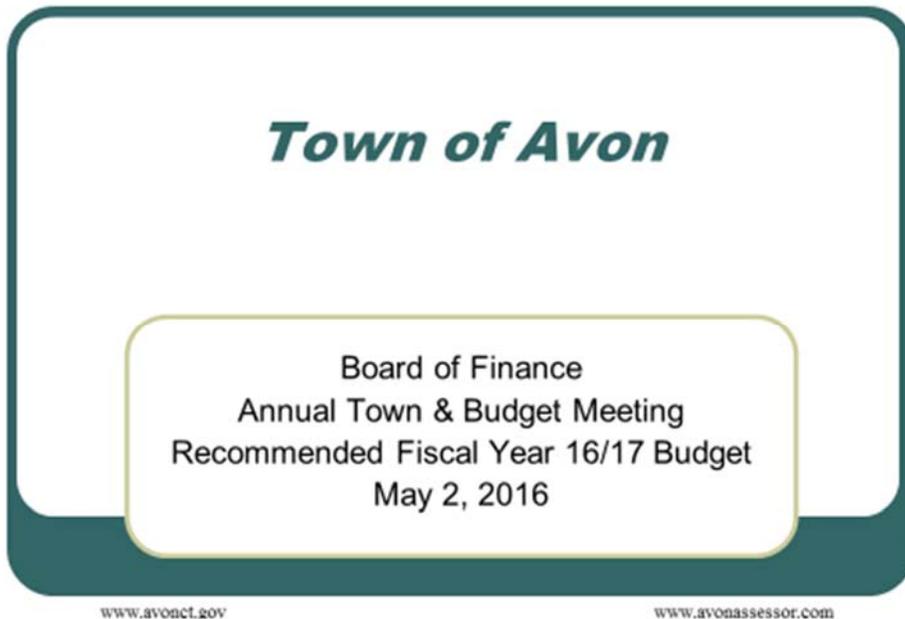
Ms. Hornaday stated that she feel what Mr. Zacchio brought up is important. We have heard more comments on the process than we have heard in a very long time. I think all of us tend to come to these meetings and the budget has already been settled and it has for many months and I think if we would take the opportunity to ask one of the presenters at one of their meeting to take some extra time to ask questions about their process, their procedure, exactly how some of these things work, the same with the Board of Finance and the Council. They would be more than happy to spend time answering the questions and hearing your input, because it's hearing your input that gives direction. I do think it has been a very productive meeting tonight. We will adjourn to the referendum as is

presented earlier. I want to endorse this. If you feel strongly you need to tell your neighbors to get out and vote, 9% is by our Charter. The number we need in order to speak. Otherwise the balance of power goes by Charter because there is the presumption that if people don't come to vote, they are ok with it. The referendum is going to be held here on Wednesday, May 11th from 6:00am to 8:00 pm. Absentee ballots are available in the Town's Office and they should be back in her office by the 10th.

On a motion made by Ms. Hornaday it was unanimously approved to adjourn the meeting at 9:13 p.m.

Attest,

Ann Dearstyne, Town Clerk



Board of Finance *Balances*

**The
Requested
Amount of
Spending for
Services**



**The Level of
Revenues
Required to
Pay for these
Requests**

*The proposed \$89,054,435 budget for
Fiscal Year 2016/2017 would require
a 2.50% tax increase.*

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Board Of Finance *Considers:*

- The best interest of Avon, taken as a whole
- Input from Town Council and Board of Education
- Interaction with residents
- Public hearing comments
- Economic conditions
- Tax demands of other levels of government
- Estimates of revenue sources and projections
- Future borrowing requirements
- Voting history

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Board of Finance Spending Recommendations

- 1) **Increase** Town Operating Budget by 3.57% (\$803,357) to \$23,295,518.
- 2) **Increase** School Operating Budget by 2.72% (\$1,500,756) to \$56,621,408.
- 3) **Decrease** the Debt Service* Budget by 15.79% (-\$521,150) to \$2,779,790.
- 4) **Increase** the Capital Improvement Program** Budget by 24.89% (\$878,865) to \$4,410,037.
- 5) **Decrease** Sewer Budget by 0.73% (-\$14,389) to \$1,947,682.

* Debt Service FY 16/17 is \$3,029,790, but reduced to \$2,779,790, by applying \$250,000 of BAN/Bond premium.
 ** Capital Improvement amount of \$4,410,037 includes \$1,097,000 funded by Sewer Fund (Fund 5).

**These actions result in a net spending increase of 3.06% (\$2,647,439),
to a total of \$89,054,435, requiring a mill rate of 29.52 (+2.50%)**

How will that Level of Services be Funded?

- | | | |
|---|---|--|
| <p>1. <u>Non-Tax Revenues</u>
 <i>(Licenses, Fees, Permits, Interest, Grants,
 includes Board of Education gross revenues)</i></p> |  | <p>\$12,517,847
 <i>(14.1%)</i></p> |
| <p>2. <u>Property Tax Levy</u>
 <i>(About 77% of this will come from
 Single Family Homes & Condos)</i></p> |  | <p>\$76,536,588
 <i>(85.9%)</i></p> |

Recommended Budgets

	Adopted FY 15/16	Recommended FY 16/17	\$ Inc/(Dec)	% Inc/(Dec)
Town Operating	\$22,492,161	\$23,295,518	\$803,357	3.57%
Board of Education	\$55,120,652	\$56,621,408	\$1,500,756	2.72%
Debt Service*	\$3,300,940	\$2,779,790	(\$521,150)	(15.79%)
Capital Improvement **	\$3,531,172	\$4,410,037	\$878,865	24.89%
Sewers	\$1,962,071	\$1,947,682	(\$14,389)	(0.73%)
TOTAL:	\$86,406,996	\$89,054,435	\$2,647,439	3.06%

* Debt Service FY 16/17 is \$3,029,790, but reduced to \$2,779,790, by applying \$250,000 of BANBond premium.
 ** Capital Improvement amount of \$4,410,037 includes \$1,097,000 funded by Sewer Fund (Fund 5).

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Mill Rate Increase Needed 2.50% for Mill Rate of 29.52

Recent Mill Rate Increases:	
Proposed 2016	2.50%
2015	1.69%
2014	7.60% *
2013	2.60%
2012	2.44%
2011	2.45%

* Gross increase, due to decline in Grand List following revaluation; net increase was 2.55%.

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TOWN OF AVON



Proposed Operating Budget
Fiscal Year 2016/2017

1

Mission Statement

Provide quality Town services at a reasonable cost to all citizens and taxpayers.

2

Capital Improvement Projects for FY 2016/2017

Road Improvements	\$1,063,037
APD Building Improvements	\$250,000
AMS Science Labs-Phase II	\$228,000
PGS Air Handling/RTU Rpl.-Phase 1	\$227,000
Old Wheeler Lane Bridge Rehabilitation	\$200,000
RBS HVAC Units	\$165,000
Asphalt Mill and Overlay (BOE Parking Lots)	\$152,000
Fire Company Building Improvements	\$100,000
Municipal Parking Lots-Senior Center	\$100,000
Sewer Projects	\$1,097,000
Equipment	\$385,000
Additional Capital Projects	\$443,000
TOTAL	\$4,410,037

3

Tax Relief Programs

Who is Eligible?

- Property Owners - age 65 or older or who are disabled and whose income is \$55,000 or less

What is the Benefit?

- Benefits range from \$440 to \$2,165 (Avg. = \$725)
- Total cost (2014 Grand List Year) = \$191,945, or \$25.60 per Real Estate Account

When and where do I apply?

- Applications can be dropped off at the Assessor's Office, 60 West Main Street, Building 5, 1st Floor
- Deadline for applications is May 15, 2016.

For more information please contact the Assessor's office at 409-4335.

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Tax Relief Programs (cont.)

What are neighboring communities doing?

Town	Income Limits	Total Cost	# of Apps.
State	\$42,900	N/A	N/A
Avon	\$55,000	\$191,945	265
Canton	\$48,000	\$171,580	120
Farmington	\$48,900	\$237,000	300
Simsbury	\$52,900	\$282,500	325
Granby	\$58,900	\$284,000	191
W. Hartford	\$42,900	\$317,853	535

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Proposed Budget Summary FY 2016/2017

	FY 15/16	FY 16/17	\$Inc/(Dec)	% Inc/-Dec
Town Operation	\$22,492,161	\$23,295,518	\$803,357	3.57%
Sewers*	1,962,071	1,947,682	(14,389)	-0.73%
Debt Service	3,300,940	2,779,790	(521,150)	-15.79%
C.I.P.	3,531,172	4,410,037	878,865	24.89%
TOTAL	\$31,286,344	\$32,433,027	\$1,146,683	3.67%

* Paid for by sewer fees

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www.avonct.gov

- Click on "Subscribe to News" under Quick Links
- Enter Your Email Address:
- Confirm Email:
- Check the box under "Urgent Alert" to receive Town-wide urgent/important news
- Check the boxes under "Meeting Agenda" for which Town Board/Commission(s) you would like to receive agendas
- Check the boxes under "Meeting Minutes" for which Town Board/Commission(s) you would like to receive minutes
- Check the boxes under "News or Announcement" for the following:
 - Avon Free Public Library (Friends Programs, alerts for new items, events)
 - Board of Education
 - Town News and Announcements (Town-wide news, events, community-wide fundraisers)
 - Human Resources (employment opportunities within the Town of Avon)
 - Recreation and Parks Department (activity announcements, schedule changes, weather cancellations)
- Verify and enter security code.
- Click on

Once you submit your email address, you will receive a confirmation email and notices for the categories you selected.

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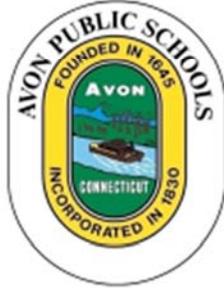
TOWN OF AVON



Proposed Operating Budget Fiscal Year 2016/2017

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**Avon Public Schools
Board of Education
Proposed Budget
2016-2017**



Town Meeting Presentation - May 2, 2016

Mission Statement

Our mission is to inspire in each student a joy and passion for learning and a commitment to excellence, personal integrity, and social responsibility.

Statement of Beliefs

We educate students intellectually, socially, emotionally, and physically to acquire knowledge and skills, to develop creativity and character, and to pursue their interests, realize their potential, and meet the challenges in a constantly changing world.

We believe that

- A high quality education is fundamental to create a life with purpose, meaning, and happiness.
- Educated people of good character are essential to democracy.
- Public education is a responsibility shared by students, parents, school personnel, and community members.
- Trust and respect are prerequisites for sustaining and improving safe and successful schools.
- Critical thinking, intellectual curiosity, and innovation are essential.
- All people have value and should be treated with dignity and respect.

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Goals of Budget Request

1. Continue our mission as stated in District Strategic Plan.
2. Meet contractual obligations without adversely impacting programs. Negotiated settlements with four bargaining units.
3. Create or strengthen programs to maintain our in-district students.
4. Create additional learning opportunities for all students.

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Goals of Budget Request

5. Provide meaningful Professional Development opportunities for all staff.
6. Continue to organize the technology support structure to support all levels of the organization.
7. Adjust staffing to address rising K-4 class sizes due to student enrollment that did not decline to the projected levels.
8. Continue with nationally recognized, curriculum revision process.

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Goals of Budget Request

9. Eliminate dependence on rental revenue received from district Food Services department.
10. Pursue and secure alternative revenue sources to offset operating expenses.
11. Advance discussions regarding shared services with Avon Town offices.
12. Continue to operate in a fiscally responsible manner while advocating for the educational needs of all students.

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Budget Development Approach

Three-Pronged

1. **Reductions** made from proposed requests = **\$874,823.84**
2. **Re-appropriation** of existing funding to achieve Strategic Actions of District Strategic Plan = **\$34,245.00**
3. **Requests** to continue to advance Strategic Actions of District Strategic Plan = **\$348,756.53**

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Board of Education Reductions

State of CT Appropriations Committee Reduction to ECS	473,211.00	<i>(Education Cost Share)</i>
Town Revenue Source	(125,000.00)	
Reduction to 2016/2017 Proposed Budget	348,211.00	
 Reduction Apportioned as Follows:		
Board of Education Reduction of 75%	261,158.00	
Town of Avon Reduction of 25%	87,000.00	
 Total Board of Education Reduction FY 2016/2017:		
Board of Education Estimated 2016/2017 Reduction	(261,158.00)	<i>75% Proposed Reduction</i>
New Family Engagement Specialist Position	(323,000.00)	<i>1.0 FTE Certified Staff</i>
Total Board of Education Reduction	304,158.00	

Reduction Descriptions	Reduction Amount	Notes
Salary Lines	(28,000.00)	Unanticipated Retirement
Salary Lines	(21,695.00)	Unanticipated 1 Year Leave
Substitute Custodian	(50,000.00)	Less 1.0 FTE - Newly Proposed for 2016/2017
Contracted Landscaping Service	(41,670.00)	Newly Proposed for 2016/2017
Overtime	(5,000.00)	Reduce increase from 15/16 to 16/17
ALP Tutor	(25,000.00)	Less 1.0 FTE - Not AV vacancy
2 Teaching Assistants @ Grade 3	(50,000.00)	Less 2.0 FTE - Newly Proposed for 2016/2017
Co-Curricular Stipends (AMS/AHS)	(23,000.00)	Per Principal Recommendations
Capturing Kids Hearts Consulting	(19,000.00)	Reduce Consultant to One Visit
Elementary Library Media Specialist (Not AV retirement)	(91,895.00)	Less 1.0 FTE - Shared Library Media Specialist
Employer Social Security / Medicare Contribution	(9,945.00)	Reduction based on above reduced positions
Supplies	(10,353.00)	Various supplies District Wide
Total Variance	0.00	

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2016-2017 Superintendent's Proposed Budget Summary

2015-2016 Adopted Gross Budget	\$ 52,797,999
Non-tax Revenues	<u>-2,966,052</u>
Proposed Budget	\$ 49,831,947
2016-2017 Gross Budget Request	\$ 54,466,706
Difference in Dollars 2015-16 to 2016-2017	\$ 1,668,707
Difference in Percent 2016-2017	3.16%
Projected Non-tax Revenues	\$ 2,895,336

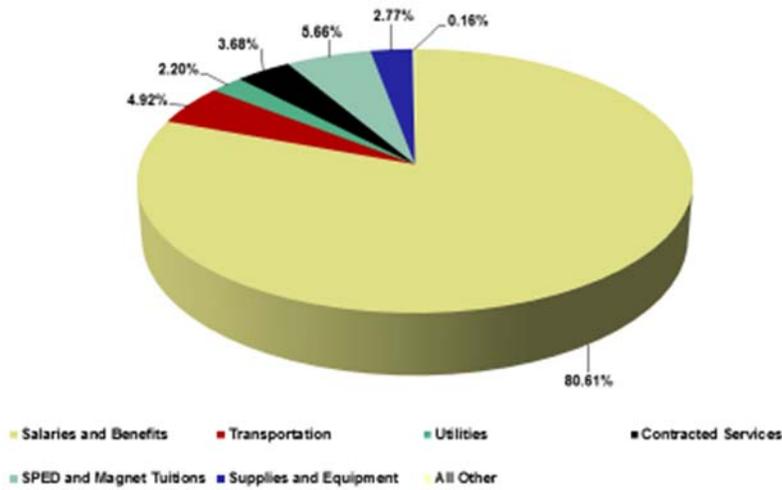
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Drivers of Total Proposed Budget

<u>Category</u>	<u>Budget</u>	<u>Percent</u>
Salaries and Benefits	\$ 43,906,657	80.6%
Transportation (Includes Sp.Ed.)	\$2,678,700	4.92%
Utilities	\$1,200,345	2.20%
Contracted Services	\$2,003,860	3.68%
SPED and Magnet Tuitions	\$3,080,342	5.66%
Supplies and Equipment	\$1,508,267	2.77%
All Other	\$88,535	.16%
Total Gross Budget Request	\$54,466,706	3.16%
Projected Non-tax Revenue	\$2,895,336	

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Drivers of Total Proposed Budget



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Non-Local Property Tax Revenue

<u>General Fund Revenues</u>	<u>2016/2016 Expected</u>	<u>2016/2017 Projected</u>	<u>Variance</u>
AHS Parking Fees	\$35,250.00	\$35,250.00	\$0.00
Athletic Gate Receipts	\$17,218.36	\$20,000.00	\$2,781.64
Athletic Pay to Play Receipts-AHS	\$160,757.31	\$162,000.00	\$1,242.69
Athletic Pay to Play Receipts-AMS	\$21,840.00	\$21,840.00	\$0.00
Early Beginnings Grant	\$45,000.00	\$45,000.00	\$0.00
Employee Dental Contributions	\$109,344.74	\$109,344.74	\$0.00
Employee Life Ins Contributions	\$20,747.06	\$14,030.97	(\$6,716.09)
Nutrition Services Indirect Costs	\$57,405.19	\$30,000.00	(\$27,405.19)
Open Choice Attendance	\$750,000.00	\$750,000.00	\$0.00
Pre-K Program Tuition	\$30,000.00	\$38,620.00	\$8,620.00
Special Education Excess Cost	\$1,181,621.00	\$1,190,000.00	\$8,379.00
Special Education Tuition Reim.	\$497,831.00	\$475,000.00	(\$22,831.00)
TEAM Program	\$4,250.00	\$4,250.00	\$0.00
Total General Fund Revenues	\$2,931,264.66	\$2,895,335.71	(\$35,928.95)

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Grant Revenue

<u>Grant Description</u>	<u>2015/2016 Expected</u>	<u>2016/2017 Projected</u>	<u>Variance</u>
Adult Education Cooperative	\$1,987	\$2,010	\$23.00
Assessment Reduction Grant	\$0	\$0	\$0.00
Carl Perkins	\$24,114	\$24,114	\$0.00
IDEA 611-Part B	\$503,494	\$523,000	(\$40,494.00)
IDEA 619 - Preschool	\$17,211	\$15,537	(\$1,674.00)
Open Choice Support	\$0	\$0	\$0.00
Open Choice Capital Grant	\$0	\$0	\$0.00
SHEFF Settlement	\$217,125	\$201,550	(\$15,675.00)
Title I Improving Basic Programs	\$218,000	\$120,000	(\$98,000.00)
Title I Part A Teachers	\$33,466	\$32,000	(\$1,466.00)
Title II	\$8,000	\$7,175	(\$825.00)
Total Grants	\$1,083,397	\$925,386	(\$158,011.00)

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Open Choice Attendance Revenue Allocations

Open Choice Attendance Projected Revenue **\$750,000.00**

- (01.3.1100.111) RBS Kindergarten Teachers (\$115,000.00)
- (01.3.1111.111) RBS World Language Teachers (\$115,000.00)
- (01.6.1100.111) PGS Kindergarten Teachers (\$115,000.00)
- (01.6.1111.111) PGS World Language Teachers (\$115,000.00)
- (01.8.1220.111) Pre-K Teachers (\$60,000.00)
- (01.8.1196.560) Tuition/Magnet Schools (\$230,000.00)

Early Beginnings Grant Projected Revenue **\$45,000.00**

- (01.8.1220.111) Pre-K Teachers (\$45,000.00)

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Budget Details

- **97.1%** (\$52,869,903) of proposed budget going to non-discretionary expenses (salaries, benefits, transportation, tuitions, utilities and contracted services)
- **80.6%** (\$43,906,657) of the total proposed budget is associated with meeting salary and benefit obligations to staff
- **Factors** impacting proposed budget include:
 1. contract settlements with four labor Associations
 2. move to HSA (increase in year one, savings in future years offset cost)
 3. transportation contract (year 3 increase – year 1 & 2 were same)
 4. less enrollment decrease than projected

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Budget Details

- Significant efforts to reduce out of district tuitions and transportation costs associated with meeting the needs of disabled learners
- Continue to respond to state mandates
 1. evaluation system for all certified staff
 2. next generation of technology based, state-wide standardized assessment for students
 3. professional development and education reform legislation
 4. curriculum revision necessary to align with new state & national standards
- Current expenditures are a direct result of implementing significant cost avoidance strategies

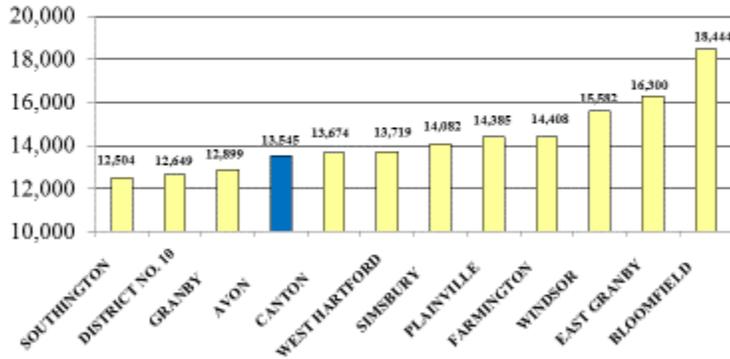
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Net Current Expenditures Per Pupil

2014-2015

Excludes Transportation and Debt Service

2012-2013 Data



Data Source: Connecticut State Department of Education

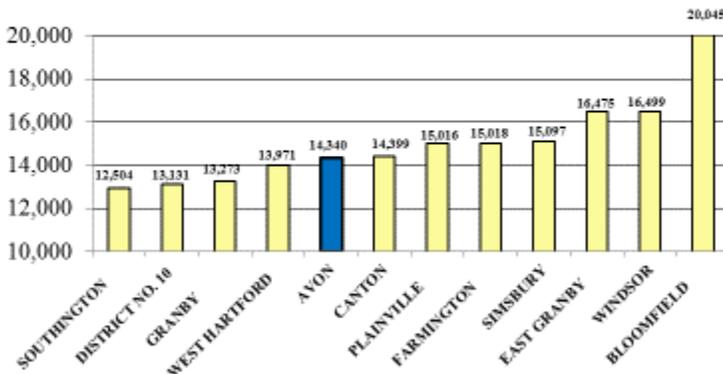
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Net Current Expenditures Per Pupil

2015-2016

Excludes Transportation and Debt Service

2013-2014 Data



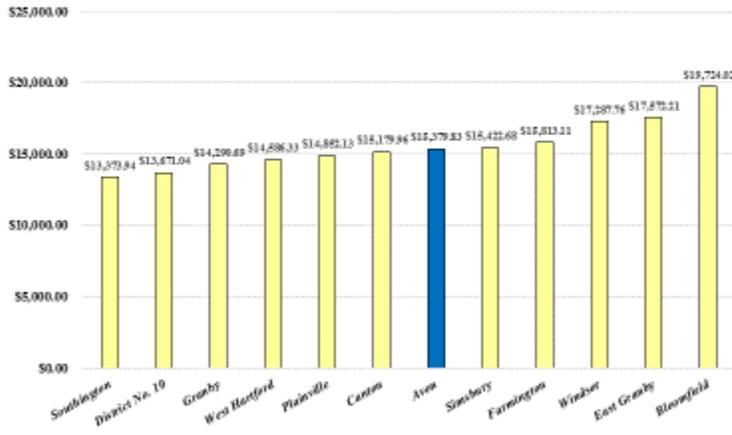
Data Source: Connecticut State Department of Education

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Net Current Expenditures Per Pupil

2016-2017

Excludes Transportation and Debt Service
2014-2015 Data



Data Source: Connecticut State Department of Education

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Projected Enrollment / Class Size 04-11-2016

School	Grade	2014-2015	Actual 2015-2016	# Sect	Average Class Size	Projected 2016-2017	# Sect	Average Class Size
APS Pre-K	Pre-K	46	47			46		
FGS	K	109	108	3	21.60	92	6	13.67
FGS	1	100	138	6	23.00	111	6	18.50
FGS	2	112	119	3	23.80	147	7	21.00
FGS	3	109	126	6	21.00	117	6	19.50
FGS	4	146	110	3	22.00	127	6	21.17
Total in sch		576	601			594		
RBS	K	92	87	4	21.75	80	3	16.00
RBS	1	110	94	3	18.80	97	5	17.40
RBS	2	107	106	3	21.20	96	3	19.20
RBS	3	106	106	3	21.20	106	3	21.20
RBS	4	131	104	3	20.80	107	3	21.40
Total in sch		546	497			476		
TBS	5	276	273	12	22.75	219	10	21.90
TBS	6	276	278	12	23.17	276	12	23.00
Total in sch		552	551			495		
AMS	7	273	268			278		
AMS	8	273	277			270		
Total in sch		546	545			548		
AMS	9	291	255			276		
AMS	10	289	288			256		
AMS	11	280	232			284		
AMS	12	280	244			231		
Total in sch		1620	1639		14/13 - 13/14	1069		13/14 - 14/17
GRAND TOTAL		3320	3290		-40	3220		-60

* Class numbers are indicated in enrollment, projection and average class size figures.

Apr 2016

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What Does This Budget Achieve?

<u>Description</u>	<u>Location</u>
Continues acquisition of additional technology equipment	All Schools
Continues school culture / climate professional development	All Schools
Secures textbooks for revised curricula	All Schools
Provides 1.0 FTE additional support for Internship Program	AHS
Increases non-certified district technology staff to 12 months	All Schools
Maintains support for curriculum revision process	All Schools
Continues enrichment model for grades 1 through 6	RBS, PGS, TBS
Provides professional development opportunities for all staff	All Schools
Recalls licensed social worker as Family Engagement Specialist	All Schools
Reduces athletic, non-athletic, co-curricular program offerings	AMS, AHS
Maintains additional teaching assistants in grades K-2	RBS, PGS
Provides additional support for increased number of ELL students	All Schools
Maintains all existing programs and services for students	All Schools

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We are also committed to

- Maintaining clear communication and transparent processes
- Providing rigorous, comprehensive, and innovative programming
- Meeting the needs of all students within local, state, and national requirements
- Continuously improving through systematically assessing actions and outcomes via use of third party reviews
- Using all resources efficiently and effectively to the greatest advantage of all students. Continue incremental approach to achieving efficiencies and additions
- Working collaboratively and cooperatively with all local boards and Town officials

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*Questions regarding the 2016-2017
Board of Education Proposed Budget
may be sent to*

20162017budget@avon.k12.ct.us

*All budget materials are available on the
school district website at*

www.avon.k12.ct.us