

**AVON TOWN COUNCIL
SPECIAL MEETING MINUTES
APRIL 25, 2005**

I. CALL TO ORDER

The Special Town Council meeting was called to order at 7:30 p.m. in the Selectmen’s Chamber by Chairman Hines. Members in attendance: Mrs. Hornaday, Messrs Carlson, Shea and Woodford.

II. PUBLIC HEARING

a. 04/05-65

The call of the public hearing reads as follows:

TOWN OF AVON
LEGAL NOTICE

Notice is hereby given that the Avon Town Council will hold a Public Hearing on Monday, April 25, 2005 at 7:30 p.m. at the Avon Town Hall, Selectmen’s Chamber, 60 West Main Street, for the following purpose:

1. To consider amendments to Ordinance #29 – FEES FOR THE ISSUANCE OF BUILDING CODE PERMITS, FEE SCHEDULE, SECTION III, B. & C., to read as follows:

SECTION III

- B.** If work is started without a required permit, the applicable fee shall be increased by the lesser of \$1,000 or 100% of the fee that otherwise would be due.
- C.** A re-inspection fee of \$25 shall be imposed for each second or subsequent re-inspection. A “re-inspection” is defined as any inspection of work that follows an initial inspection of the work and the issuance by the Building Official or designee of written required changes in the work.

A copy of the proposed amendments are on file in the Town Clerk’s Office, Avon Town Hall, and open to public inspection during normal business hours.

Dated at Avon, Connecticut this 11th day of April, 2005.

Philip K. Schenck, Jr.,
Town Manager”

The public hearing was closed at 7:32 p.m.

On a motion made by Mr. Woodford, seconded by Mr. Shea, it was voted:

RESOLVED: That the Town Council approve amendments to Ordinance 29, Section III, B. and C., said amendments to become effective 21 days after publication.

Mrs. Hornaday, Messrs Hines, Shea and Woodford voted in favor.

b. 04/05-82

The call of the public hearing reads as follows:

“TOWN OF AVON
LEGAL NOTICE
NOTICE OF PUBLIC HEARING

Notice is hereby given that the Town Council of the Town of Avon, Connecticut will hold a Public Hearing on Monday, April 25, 2005 at 7:30 p.m. at the Town Hall, Selectmen’s Chamber, 60 West Main St., to consider the following:

To consider and permit all interested persons to speak on the plan of the Town Council to accept on behalf of the Town of Avon a Temporary Emergency Connection Road Easement, as shown a map of Bridgewater Estates, Phases IV and VI.

Said map is available for public inspection in the Planning Office during regular office hours.

Dated at Avon, Connecticut this 15th day of April, 2005.

Philip K. Schenck, Jr.

Town Manager”

The public hearing was closed at 7:34 p.m.

On a motion made by Mr. Woodford, seconded by Mrs. Hornaday, it was voted:

RESOLVED: That the Town Council approve the Acceptance of a Temporary Emergency Connection Road Easement in Bridgewater Estates, Phase IV and VI.

Mrs. Hornaday, Messrs Hines, Shea and Woodford voted in favor.

III. MINUTES OF PRECEDING MEETING: April 7, 2005

On a motion made by Mrs. Hornaday, seconded by Mr. Shea, it was voted:

RESOLVED: That the Town Council table the minutes of the April 7, 2005 meeting.

Mrs. Hornaday, Messrs Hines, Shea and Woodford voted in favor.

IV. COMMUNICATION FROM AUDIENCE- None

V. COMMUNICATION FROM COUNCIL

Mrs. Hornaday reported residents have told her that they are hoping that we would find a few dollars to restore brush pick-up. It is really something that people have missed, and if in the future we could see if we could restore that. Chairman Hines reported something in the newsletter with the approximate costs of \$60,000 a year for that program is very important, and show how it was going up over the past couple of years. It was a hard decision for the Town Council but we just felt this was something that was getting out of hand.

The Town Clerk reported the high school brochure has been expanded, from a cost estimate of \$2,400 to \$5,000, because the Board of Education has put in four additional pages. Chairman Hines reported he is not upset, the more information we give to the residents the better we are going to be. The Town Clerk reported assuming that and the newsletter, it will be close to \$7,000, the exact costs are not yet known.

Chairman Hines reported one point he would like to bring up is as you go around town, going down on Country Club Road, and as you come to the rails-to-trails section, he tries to slow down and it is wonderful now, you can see the beautiful daffodils the Town has planted there, they are so attractive. Going past Fisher Meadows there are beautiful flowers down there, and this weekend he went over to Roaring Brook School and on the east side of the fields there are beautiful flowers there. There really are attractive areas around the town, and when the M H Rhodes property area is completed sometime in May, it will be another beautiful area. We must compliment the Town’s Public Works Department, for what they have done. Mrs. Hornaday reported the daffodils were the Town Clerks idea about four years ago. Chairman Hines reported yes, she made it the Town flower.

VI. OLD BUSINESS- None

VII. NEW BUSINESS

04/05-91 Request for Funding: 175th Anniversary Committee: Herb Pandiscio

Herb Pandiscio, 175th Anniversary Committee Chairman, reported before he begins he would like to have another Committee Member Jim Martino, go over the Committee’s financial statement. Mr. Martino reported the Finance Department under the direction of the Finance Director, has been very helpful in designing this financial report and the Recreation Department’s Sharon Van Deusen also has been very helpful. This statement gives a general idea of how much we have taken in so far and how much we have spent, we also listed the names of those who donated, showing the deposits, the poster sales, all the bills paid to date, and showing presently a balance of \$6,215.40.

Mr. Shea questioned whether the Committee will need more money. Mr. Pandiscio reported no, the way things are working now we had anticipated that we would make no requests of the Town for funding, that all of our activities would be self supporting, we have some balances from the gifts that we received to handle the present things we need to do. We are still of that mind, that we will end up the year and have some balance in this account, that we will still be able to gift to both the Historical Society and the Avon Free Public Library. That was our intent from the beginning for any surplus money, we are committed totally to the preservation of the archives and the maintenance and development of future archives of the Town.

Mr. Pandiscio reported the request tonight is a little bit beyond that, when the Committee met there were a lot of ideas, one of the things that the Town Council had asked us to do was to combine with the Avon Day folks to see if we could work together on that plan. When we looked at what they did, they primarily run a program from 10:00 a.m. to 4:00 p.m. in the afternoon. When we looked at what they were doing, we really did not see that there was anything that we could do of significance during those same hours. They really just covered all of the bases, they have kids activities, they have the booths, they have the food booths, they have all kinds of things going on, and we really did not feel as though we wanted to alter what they were doing. Now graciously, they agreed to allow us to team with them, and unlike Avon Day which is only a single day of September 17th, is the day they altered to meet our schedule, they cannot have a rain date because they have some financial commitments that do not allow them to go to a rain date. That is not true with our activity, our activity is scheduled for early evening and late evening, and the idea that the Committee came up with was to have an orchestra, have a concert of some kind and then to follow it by fireworks. We looked at that because it is September, the weather then and early October is still quite nice, the evenings tend to be pleasant. Because Avon Day is scheduled to be held between Pine Grove School and Thompson Brook School properties, we said here we have the property already committed by the School Department, so if we could add onto that day we probably could make a real finale, a concert followed by the fireworks. As indicated in our letter, we were very fortunate in that when we made the contact of the Farmington Valley Symphony Orchestra, through Bill Barnes who is an Avon resident, he connected us with Miss Porter's School, because the Director for the Symphony works there. We held a joint meeting with them, and they have agreed to provide the concert at no cost, not only were they willing to provide it at no cost but they are willing to give us a rain date at no cost. For us if Avon Day were to be cancelled because of inclement weather, that would not impact us, because we could go to the phone and go to the following Saturday evening. All of the orchestra have asked of us that we provide some kind of a shell because of the acoustics, and provide the sound system. The request we have before the Town Council tonight includes that of the orchestra as one cost, the second are the fireworks themselves. He would like to publicly acknowledge Pat Clark from our Committee who made the contact with both the Fire Marshall and with other towns that had fire works in the past, so that he could get a sense of how satisfied they were with the fireworks vendor, and worked with the Fire Marshall to see if the M. H. Rhodes property would be appropriate for the fireworks. One of the interesting things about this is all of the activities that day, are taking place on Town property, Avon Day between the two schools, and the fireworks, if funded, are taking place at M. H. Rhodes on Thompson Road. That is kind of a strong message to the Community, that all of this is community based.

The number for the fireworks purchase is just preliminary. We want to give the message to the community that we would not in any way want to endanger any of the households nearby. It means with that area we would have to be that much higher, and that is what the company is recommending, the higher they go the bigger they are, and the more expensive they are. We put an outside number to be sure that we covered ourselves. Chairman Hines questioned whether there is greater accuracy when it goes higher. Mr. Pandiscio reported no, they are exploding at a higher elevation, so what comes down is minimal by that time. The other advantage of that by the way, is that the audience would be between the

two schools, the higher the aerial the easier it is going to be to see them, also in other neighborhoods around the Town people could sit in their backyard or on their decks, and actually see the aerals, because the location of the M. H. Rhodes property is almost central to the Town. Chairman Hines questioned if the road would be closed during the fireworks. Mr. Pandiscio reported the Fire Marshal has and we agreed that whatever they ask us to do we will do, it is the Fire Marshal's call and we will accommodate them. We are getting an early start but time flies, and before we know it is going to be September 17th. This is even bigger than any of the other activities we have held in terms of community involvement, first of all it is free and secondly people love fireworks and people love the outdoor concert. Chairman Hines questioned when they would have the concert start. Mr. Pandiscio reported we are thinking we would like the concert to start around 6:00 p.m, but we will have to be very careful. We will check the calendars to see when the sun sets on September 17th, because we would like to have the orchestra begin to wrap up about the same moment the fireworks begin, although the orchestra has offered to remain and play during the fireworks. Therefore we have put money in for the fireworks, and the sound system for the orchestra.

We have not had a chance to think about who we might approach in the community to help underwrite the fireworks. We are hoping there might be some benefactors in Town that would want to help us to offset at least part of the cost of the fireworks, we have some people in mind.

Mr. Pandiscio reported the Committee met this morning and decided that we would change the May 5th event back to the Senior Center, as the high school setting was just too formal for the event, and that the Senior Center was the venue we like. We are going to put signage in front of the High School, notify as many as possible ourselves, and have someone at the high school that night to tell people and take care of traffic to have people proceed to the Senior Center. We have all kinds of people who volunteer to do things for us.

Mrs. Hornaday reported on this fireworks, does the vendor provide the people that also set them off, does this fee include all of that? Mr. Pandiscio reported yes, it includes everything, we have nothing to do with it. Chairman Hines reported it is important to point out to the Town Council that this money that is being requested is not in this year's budget it will be in the 05/06 budget, it will be out of contingency which has been dropped to \$40,000. Mr. Shea reported the Committee has done an unbelievable job, with the significant number of events, the way they are being handled, the classy professional approach, it is a great example for young people in this community, be it young people with children or the young people in school, to see how leaders and volunteers can put a beautiful touch on a great celebration, everybody is saying what a great job, and well done. Mr. Pandiscio reported the Town Council appointed so many great people to this Committee, they just step forward and we have not had to ask anybody to do anything, everybody just does it, it is a real credit to the community that people step forward because it has been a lot of work. Chairman Hines reported this does not happen very often, so it is a great opportunity.

Mr. Carlson arrived.

On a motion made by Mr. Woodford, seconded by Mr. Shea, it was voted:

RESOLVED: That the Town Council approve and authorize the 175th Anniversary Committee to move ahead with their plans for a Concert and fireworks to be held the evening of September 17th with a rain date of September 24th, necessary funding from the 05/06 budget.

Mrs. Hornaday, Messrs Hines, Carlson, Shea and Woodford voted in favor.

04/04-92 Review and Discussion: Long Range Financing Plan Dennis Dix

Dennis Dix, Town's Financial Advisor, reported the report has been updated with the final grand list figure, all figures are within a difference of 1/100th of a mill. Financing consists of basically two instruments, BANs 'bond anticipation notes', and Bonds. We use both reasonably creatively, BANs are short term and mature in less than or up to a year, recent legislation has allowed us to go up to 8 years short term, it used to be 4 years. At the end of the third year you have to make a pay down just like a bond issue, so you have a free ride for a couple of years, but after that you have to start thinking about the repayment part of it, you pay interest every year. The advantage of a BAN notes are flexibility, six months, nine months, borrow \$5 million, pay it down, add another \$10 million to it. We really have all kinds of creativity with notes, whatever you need to do.

Chairman Hines questioned the average for most towns and cities. Mr. Dix reported it all depends if you are of pretty solid credit, middle range upper A's and double A's, unless it is not a huge amount you are going to try and stay less than the Statutory limit, it just looks better. We have done that with Avon over the years, skip to a bond issue very short, the rating agencies love to see aggressive debt retirement, and that is what Avon has been doing. But at this point we have extended some of these a little bit, we have used a couple of different variations. Chairman Hines reported when you mentioned the Statutory limit is 20 years, can you go beyond that? Mr. Dix reported no, just for sewers, but you can go up to 20 years, not beyond, for instance Avon does a lot of 10 and 12 year bonds. Chairman Hines reported this may be the first time on the High School where we go more than 10 or 12. Mr. Dix reported yes this is a longer term bond issue, than typically we have done. The Town Manager reported part of the reason it is longer is to reduce the spike in the operating budget or the debt service, we could shorten it up then instead of a \$270,000 increase in the peak year, you could have \$450,000 or \$500,000, but that would put tremendous pressure on the operating budget, given the environment we have been living with the last few years.

Mr. Dix reported one of the other techniques we have used is stick in same principal the first couple of years, again this takes the debt out, but you do not want to do this too much because the rating agencies would say, you are not willing to pay, and the two fundamentals of credit is willingness to pay and ability to pay, and everything that we do, in his business, we are looking at those two factors. You cannot get around it, we can help you to budget by issuing bonds in the first half of the fiscal year, so you would have only a half interest payment, then you are going to pick it up again, that is about the only way you can play with the interest part of it. The advantage of bonds is locking in the interest costs, especially in a rising rate market we are in today, it gives you some long term budget predictability. From here on out the Town Manager and Finance Director can look and they know exactly what the cost is going to be for the ten to fifteen years, that becomes part of your overall budget strategies. You are matching the useful life of your projects to the finance.

We sell our debt two different ways, competitively and negotiated. We can put spectus out where investors and such get these over the internet, which saves in printing costs, used for bonds and has about the same information but a little more boiler plate and complex. Underwriters bid on them, we pick the lowest rate, and the net interest rates on the notes, to be sure that they are legitimate bidders, when we determine the low bidder, we then check the name in the book to determine exactly who they are. The second way of doing it is negotiated, usually cheaper, and many good reasons for doing it, slow issues and complicated issues, or for very infrequent issues – they will benefit from a negotiated deal where we use one underwriter and that is the only one we deal with representing the Town making sure that you get the best interest rate on that deal.

Mr. Shea questioned why potentially it is in the Town's best interest not to take principal, and if it is just to flatten out the payments over 20 years, and secondly touch upon the contract with an underwriter, and how many triple A communities have done that, a triple A should get the best rates out there. Mr. Dix

reported typically when you are skipping a principal, you are doing it either because of some other debt and that you might want to lighten up the load on the taxpayers, and we are suggesting it as a smoothing process, so that you are going to introduce interest in the first couple of years and then we will put principal in. We can even graduate to some limited degree those principal payments so that those are introduced gradual. Mr. Dix reported the benefit of dealing with just one negotiator, for instance, dealing with 1.5 million dollars, on any given day an underwriter may be negotiating a 40 million dollar State of Georgia bond, or State of Washington something else, he is going to look at that 1.5 million and say what do I do with that.

Chairman Hines questioned when you go for bond anticipation notes, you do not have the large cost of bonding, so you save some money there, which is another reason to do it, but would we do it more if the interest rates are down very low? Mr. Dix reported yes, but interest rate is really not literally the issue, if rates are really low, our philosophy and general thinking is you ought to grab those rates and lock them in, even though you might get an even lower rate by staying short, at some point you are going to cross that line, as the short term rates go up. Chairman Hines reported so BAN is good if you are in a down rate market. We might go with a negotiated underwriter when M. H. Rhodes gets below \$1 million, we may want to look at BAN because the issuance costs are going to start getting large as proportionate to what you are issuing. Mr. Woodford reported he is uncomfortable with it. Chairman Hines reported he would agree, if it were \$25 million. Mr. Dix reported he would too, there would be no reason for you to do that, he would never suggest it.

Mr. Shea questioned whose role from a strategic standpoint is it the Town Council or the Board of Finance who establishes how we layer the debt? The Town Manager reported it has always been done pretty much on a cooperative basis with the Staff and the Town Council taking the lead on what we are doing here and what we did earlier in the year when Mr. Dix came in. The Board of Finance has started to take a more active role in looking at these things, which is why he wanted our Finance Advisor, Mr. Dix, to come in to go over this, because this is exactly the same presentation, but with updated figures, with a lot of the questions similar to what the Board of Finance asked a month ago. He thought the Town Council should be on the same wave length, perhaps we could have done it at a joint meeting, it would have been easier, but there were so many things complicating it, we could not fit it in. Mr. Shea reported the purpose of his question is that any strategy we take on at whatever point we take it on, should include in the back of our minds with some vision the purchase of additional open space. Who knows what responsibilities future Council's will have, what future parcels will come up or what the financing will be. He is not suggesting he knows the best way to do that, but there should be some involvement of 'a cushion that says we cannot max out because' we may have to make a quick decision in the best interest of the Town. A parcel may come up for sale, and the citizens may say, 'you figure it out, do not raise our taxes.' The Town Manager reported it is not an issue of capacity, we have plenty of capacity to borrow, what is driving the decision making process, and it shows up in the length of the bond issue on the High School, is the willingness issue of the taxpayer to absorb more debt, and what that does to the operating budgets. The reason he kept pushing Mr. Dix to mitigate the size of the debt service increases in the budget was, because what is going to end up happening here, is increases in the debt service are going to require a modified rate of increase in the operating budgets. And what is going to happen in 2007/2008 is that new school is going to come on line, and the Board of Education is going to have a significant increase in their operating budget. It is in the same period of time that we have the debt service going up, so if we are going to have only a 3.% tax increase, and assuming we use average growth in the grand list, the current year here is above average, where is that going to come out? That is going to come out of the Town Operating Budget, and the Capital Improvement Program. We will be going from a \$1.5 million down to \$900,000 again to absorb \$700,000 worth of increases in the Board of Education operating budget and in the debt service, to absorb the High School renovations. Obviously, if the Old Farms School or the Thompson's come up and say that they are willing to go, the

Town is going to probably, assuming the pricing and negotiations and everything are fruitful, the Town is definitely going to want to move ahead with something, and then we are going to be back here visiting this – how are we going to adjust this? It may be at that point in time, that we say it is not realistic to do all of these things, and still retain a 3% tax increase. Chairman Hines questioned whether we could pay off the bonds and refinance our whole program, go for larger bonding. The Town Manager reported existing bonds, unless you have a ‘call feature’ which allows you to redeem them early, and then restructure everything, but then you have to look at rates, and that is when Mr. Dix, our Financial Advisor, would have to be pulled in to calculate it for us. Mr. Dix reported none have call provisions, because you never have a call until ten years, and almost everything Avon has done have been ten year bonds.

Mr. Carlson reported if tomorrow we bought a piece of property, \$10 million for example, we could run bond anticipation notes for three or four years on that, looking at your decreasing debt service recognizing that in 2009 it peaks out, so you could buy yourself 3 or 4 years at a smaller bite. The Town Manager reported another way, as we did with the Thompson Brook School property, we bought it with cash, we can negotiate with the owners, and not even bond it. Mr. Woodford reported if we were to consider that expensive a property, we would make it very clear to the Town, that if they say they want to do this, this is how much you will pay on top of normal operations, if they do not want to do that, then forget about it.

Mr. Dix reported a comparison of Avon and other communities with Moodys triple A’s, shows Avon with a very solid position, high points in percentages of growth and population, and we are at the top of the lowest poverty level according to the 2000 census, on the other hand we have the smallest grand list. Not only does this equally rated comparison serve as an idea for the Town in management of it, but to see how the Town is doing as we update this each year, a map for the future as some of these factors are controlled, such as tax levies, to a certain extent grand list growth, fund balance. This shows where we might improve and where we might be at risk. Mr. Shea questioned grand list control. Mr. Dix reported it is only controlled by that we have economic development, in that the Town is making a genuine effort to go out and recruit business and it may go up as you do that. This serves two purposes, those of you as managers can really benefit from it - by saying what do we want to do with this – and surprisingly for everything you hear about Avon housing values, we are only three up from the bottom from our peers in the triple A group. Chairman Hines reported yes, but look at the towns we are competing against. Mr. Dix reported exactly, only West Hartford is with us in the County, the rest are Fairfield County. The next comparison with other triple A communities, show the comparison of Avon to National triple A’s with less than 50,000 population. As a Financial Advisor he always preaches fund balance, one of the key elements in getting a triple A rating for credit purposes, you can see that is at 9% the other triple A’s in the Country have 23%, on reserve undesignated Avon at 5.6%, nationally 11%. The debt figures, Avon is right on target going right through here, and the numbers might look big when we discuss them for Avon, but this puts it into perspective, the debt to full value in Avon looks pretty good. So even looking at adding \$30,000,000 of new debt, you have not hurt yourselves, you have the capacity and the ability to pay, the question is the willingness to pay. Mr. Shea questioned the factors that are used to establish the fund balance for Avon, are Moodys the same discipline in the way they establish versus the other criteria across the nation? Mr. Dix reported yes, they are the same accounting standards that every auditor has to follow, to his knowledge they are the same. The Town Manager reported Moodys has equalized the methodology, done the research, and when they get ready to do a credit rating their analysts bring the financial data available from each municipality regardless of the format and they equalize it so that the comparables are apples to apples.

04/05-93 Renewal of Agreement: Contracted Social Services, Town of Canton

On a motion made by Mr. Woodford, seconded by Mr. Shea, it was voted:

RESOLVED: That the Town Council approve the renewal and authorize the Town Manager to sign on behalf of the Town of Avon, the Agreement to provide contractual Social Services to the Town of Canton for July 1, 2005 through June 30, 2006, with a 3.5% increase for services rendered.

Mrs. Hornaday, Messrs Hines, Carlson, Shea and Woodford voted in favor.

04/05-94 Renewal of Agreement: MDC and Town: Household Hazardous Waste Day

On a motion made by Mr. Carlson, seconded by Mrs. Hornaday, it was voted:

RESOLVED: That the Town Council approve and authorize the Town Manager to sign on behalf of the Town of Avon, the renewal Agreement with the Metropolitan District, for participation in the 2005 Household Hazardous Waste Day program, with a \$4,500 charge for operating the collection and a per household fee of \$48, as recommended by the Director of Public Works.

Mrs. Hornaday, Messrs Hines, Carlson, Shea and Woodford voted in favor.

04/05-95 Resignation: Planning & Zoning Commission

On a motion made by Mr. Woodford, seconded by Mrs. Hornaday, it was voted:

RESOLVED: That the Town Council accept with regret the resignation of Robert Meyers from the Planning & Zoning Commission.

Mrs. Hornaday, Messrs Hines, Carlson, Shea and Woodford voted in favor.

04/05-96 Appointment: Planning & Zoning Commission

On a motion made by Mr. Woodford, seconded by Mrs. Hornaday, it was voted:

RESOLVED: That the Town Council appoint Henry R. Frey, Jr. to serve on the Planning & Zoning Commission for a term to expire December 31, 2005.

Mrs. Hornaday, Messrs Hines, Carlson, Shea and Woodford.

VIII. TOWN MANAGER’S REPORT/MISCELLANEOUS

The Town Manager reported our next meeting will be on May 11th the night of the referendum, the Board of Finance will also be meeting that night because, assuming that the referendum passes, they have to sign the rate bill. If the referendum does not pass, that is a another whole scenario. We will also that evening have the resolutions ready for your approval and the Board of Finance’s approval for the Avon High School Referendum, including the dates, the schedules, all the procedures. We will be scheduling another meeting of the Town Council on the night of May 11th. If there are any other items of business that come up that are crucial he will add them to the agenda, with your approval. If not, our next meeting will not be until June 2nd.

IX. EXECUTIVE SESSION- None

X. ADJOURNMENT

The special meeting was adjourned at 8:40 p.m.

ATTEST:

**Caroline B. LaMonica
Town Clerk**