

Board of Finance  
Regular Meeting-October 18, 2011  
Minutes

**Attending:**

Board of Finance Members: Jim Meinhold, Lynne Vanderslice , Warren Serenbetz, and Al Alper. Gail Lavielle arrived at 7:45pm and Andy Pforzheimer at 8:20pm..

Others: Sarah Taffel (HR - Town of Wilton), Sandy Dennies (CFO), Ken Post (BoE) and Joan Lownds, Wilton Bulletin.

**Call to Order:**

Chairman Warren Serenbetz called the meeting to order at 7: 32pm.

**Approval of Minutes:**

A Motion was made by Lynne Vanderslice to approve the September 20, 2011 regular meeting minutes, amended to read as follows: "After more discussion, the majority consensus was to provide preliminary guidance to the operating boards by including in the model a hypothetical 1.75% mill rate increase each year for three years. As was the case last year, this number is not written in stone and may be subject to change up or down as various elements are clarified throughout the budget season." A second change, on the top of page 3 is the "revaluation for 2012", not 2013. Motion seconded by Al Alper and approved unanimously.

**Final 2011 Budget:**

Ken Post presented the BoE 2011 year-end results. There was a \$1.5 million budget surplus due primarily to a large surplus in Health Benefits offset by increased expenditures for maintenance and technology equipment, and facilities projects. The maintenance expenditures included replacing 2 trucks. Additional savings came from heating oil being locked into a favorable rate. The surplus will be put back into the town's General Fund.

Contracted Services within the Special Ed budget exceeded budget by \$435,569 due to a higher number of students requiring outside services than budgeted. The total Special Ed Budget deficit was \$446,585. The Excess Cost reimbursement from the State was \$1,408,049 or 73%. Even though this percentage is lower than previous years it was enough to offset the Special Ed deficit.

From the surplus, \$348,000 was transferred into the medical reserve account, which now has a balance of \$4 million. The BoE will soon begin its' self-funding arrangement along

with the Town of Wilton employees hence the use of some of the health benefit surplus to additionally fund the reserve account.

Ms. Vanderslice asked why the health insurance favorability wasn't spent on school related needs. Mr. Post responded some spending did occur on the schools but this surplus was unexpected so expenses weren't planned. Mr. Alper commended the BoE on spending what was needed and putting the surplus back to the town. Mr. Post commented this was an exceptional year on lower health claims and not something expected to be a trend.

### **Bond Refunding Update:**

Ms. Dennies explained the firm of Morgan Keegan believed approximately \$11 million in bonds could be refunded resulting in over \$600,000 of savings. The decision was made to pursue the option and Wilton was placed on the fast track to get the required rating from Moodys by early November. Wilton's financial team met with Moody's who anticipated Wilton's rating could be impacted by the "negative outlook" placed on all towns in lower Fairfield County, which occurred when the U.S. rating was downgraded due to federal funding cutbacks.

The end result was Wilton has the AAA rating but the "negative outlook" qualifier remains in place. To get this qualifier removed a series of difficult and involved questions need to be answered and supported by data driven analysis. Sample questions are "what are the places of employment for Wilton residents, what industries employ our residents". The concern is what would trigger unemployment or higher medicaid/ health care costs. Ms. Dennies believes Wilton and the surrounding communities need to prove they are significantly different from Bridgeport and Stamford. Mr. Alper and Mr. Meinhold suggested maybe it's worth a study to get the required answers and get the qualifier removed.

The refunding was postponed due to a rise in interest rates which dropped the savings to an unacceptably low number. The Moody's rating is valid for 60 days so if rates turn favorable in that timeframe the refunding will proceed.

### **2012 Mil Rate Projections:**

Ms. Vanderslice presented her work on the mil rate projections. She developed the 3 year projections using the BoF agreed upon 1.75% average mil rate increase. Other assumptions included Grand List growth based on permit activity and debt service increase based on \$17 million in debt presented at the town meeting. She questioned if the projected 2011 savings should be placed on the front-end or back-end. She also commented she ran the projections leaving the Elderly Tax Relief credit at the current \$875,000 which may need to go higher.

Mr. Meinhold believes any savings should be on the front-end. Mr. Alper thinks it's necessary to be conservative at the beginning and reserve for road work and other unexpected expenses so they don't need to be bonded. If not needed the savings could be added back.

Mr. Serenbetz disagreed stating it would be a disservice to take the savings out and lower the operating expense increase when bonding can be done cheaply with interest rates so low.

Mr. Meinhold agreed with being conservative but stated given it's a 3 year budget specific projects could be tricky to predict. Ms. Vanderslice reminded everyone there was a continued rollover of the \$1.5 million in capital expenditures carry-over.

Mr. Serenbetz questioned who was comfortable with the \$875,000 for Tax Relief vs. \$1 million. Mr. Alper said to budget what was seen last time of \$1 million. Mr. Meinhold believes the number should be higher but achieved gradually, not an immediate \$1million. Ms. Vanderslice commented many people have different issues in town so going to the higher number will help only one group. Mr. Pforzheimer wants to stay with \$875,000 stating the BoF made the decision last time to let the BoS dip into the Charter Authority to increase the tax relief number and the BoS number was \$875,000. Ms. Lavielle suggested leaving the \$875,000 now then gradually going up to \$900,000-\$925,000. It was decided by the members to use this gradual increase for the projections.

Ms. Vanderslice confirmed the Wilton Library is booked for the public information/discussion sessions on November 9th at 12:30 and the 14th at 7:30. The suggestion was made to start each session 30 minutes earlier and hold a "mini seminar" on how the budget process works for members of the community who didn't attend these sessions last year. She then reviewed Discussion Topics and slides to be used in the presentations. She asked other members to please review and get back to her with suggestions / changes.

There were no Committee Reports, Other Business or Public Participation

**Adjournment:**

The meeting was adjourned at 8:45pm

Respectfully Submitted

Amy Roberts  
Recording Secretary