

Board of Finance
Regular Meeting - September 21, 2010
Minutes

Attending:

Board of Finance Members: Lynne Vanderslice, Warren Serenbetz, Andy Pforzheimer, Al Alper, and Gail Lavielle. Jim Meinhold participated via phone.

Others: Sandy Dennies (CFO), Ken Post (BoE), Sarah Taffel, (Town of Wilton), Patricia Setso (Director of Environmental Affairs), and Joan Lownds (Wilton Bulletin).

Call to Order:

Chairman Warren Serenbetz called the meeting to order at 7:30pm.

Approval of Minutes:

A motion was made by Al Alper to approve the June 15, 2010 regular meeting minutes and the July 20, 2010 special meeting minutes. The motion was seconded by Lynne Vanderslice and approved unanimously. Mr. Alper abstained from the June minutes vote due to his absence from that meeting.

Mr. Alper pointed out the May 18, 2010 meeting minutes state the BoF website would be updated with a 10 year history of the town's voting results. Thus far this update hasn't been completed. Mr. Alper also requested any comments to the minutes made by email due to a meeting absence be reported and requested changes included.

Report on Wilton Public Schools:

Ken Post gave an update on the Wilton Schools budget. There is a \$620,468 projected deficit as of May. The Special Ed funding by the State dropped to 79% and Mr. Post sees this number potentially dropping to 60%-65% for next year. The Special Ed overage resulted from more students requiring a higher cost program than budgeted. Mr. Post is also forecasting that medical claims will be under budget. If a year-end surplus results the excess will go into the emergency fund as recommended by Ed Norgard.

The 2010-11 enrollment numbers will be official on October 1st. In addition, Ellen Essman will present projections for future enrollments at the 2nd BoE meeting in October.

Mr. Post reported that reductions due to the BoF mandated budget cuts were made primarily from classroom teachers. However, after the budget was passed there were more retirements than expected, which along with the salary freezes taken by several groups, enabled money to be available to add back four teacher positions. There is

expected to be \$88,000 in personnel savings from the combination of Miller and Driscoll schools along with other annual savings.

Mr. Serenbetz inquired about the custodial contract negotiations. Mr. Post responded there was a 2 year, 0% increase in salary. He wasn't sure about the increase in year 3. The existing custodians got into an enhanced pension plan (similar to Town employees) but new hires will be in a defined contribution plan.

The next contract up for negotiation will be the June 2011 expiration of the contract for the secretary / paraprofessionals group. Negotiations are expected to begin in March. The current Teachers Union contract expires 6/30/12 and negotiations will begin in late summer 2011. There are state laws governing timetables for Teachers negotiations. The administrators are under a four -year contract which expires 6/30/13. Mr. Post anticipates economic issues such as salary and benefits to remain key points for both sides.

Mr. Post introduced the BoE's multi-year strategic plan titled "Theory of Action" to help achieve goals. The goal setting process uses six strands of measurement and will be used as a basis for developing the BoE operating budget over the years.

Environmental Grant Awards:

Pat Setso, Director of Environmental Affairs, reported Wilton received a \$180,000 grant from the FHWA for the 5 town Norwalk River Trail. This reimbursement grant was applied for in September, 2009 and its' purpose is to fund a routing plan for the trail to go through the 5 towns of Danbury, Ridgefield, Redding, Wilton and Norwalk. Once the study is completed the towns will independently implement their plans.

The cost to each town depends upon where the trail is located, purpose, landscaping issues, etc. The potential cost for the trail on the high end is \$1.0-\$1.25 million / mile for a paved trail. Wilton would have approx. 8-10 miles of the trail. There is no obligation for Wilton or any town to commit once the study is completed. The expectation is private funding would be used if / when Wilton is ready to execute any plan which could up many years into the future.

A motion was made by Al Alper to approve the receipt of a \$180,000 grant award from the FHWA for the 5 town Norwalk River Valley Trail. The motion was seconded by Andy Pforzheimer and approved unanimously. Gail Lavielle recused herself.

Ms. Setso reported Wilton also received \$5,000 in an America the Beautiful State of CT Grant for improvements to Allens Meadows. This grant is in conjunction with the Norwak River Watershed Association and will be executed by Parks and Rec. Wilton is not required to spend any money because of this grant. A motion was made by Andy Pforzheimer to approve the receipt of this \$5,000 grant award. The motion was seconded by Gail Lavielle and approved unanimously.

STEAP Grant Application:

Sandy Dennies, CFO, requested approval of a Small Town Economic Grant for \$500,000 for the purpose of completing the “street-scape” program on the western side of Town Center. This money would help complete sidewalks and paving but does not include any lighting funding. The eastern side of Town Center was completed for a \$900,000 cost but when the economy started to slide the project was put on hold. The idea is if the entry to the town is completed and looks more attractive it may initiate more business activity. The level of improvements to be completed will be equal to the grant money received. There is no type of requirement the improvements must be completed. Per the town charter both the BoS and the BoF need to approve the application.

A motion was made by Al Alper to approve the application for a \$500,000 STEAP Grant for funds to finish the sidewalk paving on the western side of Town Center. The motion was seconded by Lynne Vanderslice and approved unanimously.

Historic Document Grant:

Sarah Taffel from Town Hall reported Wilton has received \$3,000 in grant money from the CT State library. This Historic Document Preservation Grant will be used to restore historic documents such as birth and death certificates. The actual cost is \$3,486 so is closely covered by the grant.

A motion was made by Andy Pforzheimer to approve the receipt of this \$3,000 Historic Documents Preservation Grant. The motion was seconded by Gail Lavielle and approved unanimously.

Tri-Board:

Mr. Serenbetz introduced the topic of the Tri-Board and said he contacted Susan Bruschi from the BoS who indicated she was willing to pull everyone together but no longer able to chair the committee. To date the Tri-Board has only met twice. Mr. Alper stated if the Tri-Board was reconstituted in the same form he is no longer interested in serving.

There was much discussion about the purpose of the Tri-Board, concept vs. execution, members, meeting frequency, etc. Ms. Lavielle stated one of the primary reasons for initially getting the Tri-Board subcommittee together was to pursue cost reductions through combined purchasing and to date there has been no movement and no savings. Mr. Pforzheimer believes the concept is good but the execution was a problem as the charge was not narrowly defined. Both members agreed it’s important to explore what other towns do for shared services and if all three boards are involved they all “buy-in”.

Ms. Vanderslice suggested the sub-committee be re-engaged but with the specific mandate of focusing on procurement and given deadlines. There needs to be a chairperson who will oversee the project but ideally it will be volunteers from the community who do the work. In the event a consultant is needed the BoF has the power to execute such a directive but currently no funds are available so volunteers are critical.

Mr. Meinhold said he would chair the group but needed assistance in finding the volunteers.

Sarah Taffel suggested a good starting point would be a simple survey to send to other towns on how they make purchases. She said Wilton Town Hall employees would be able to assist with these survey questions.

Mr. Serenbetz concluded he will talk with Gil Bray (BoE) and Bill Brennan (BoS) and find time for a full Tri-Board meeting. Ideally this meeting would also serve as the budget kick-off. The procurement savings project would be one of the items reviewed at the Tri-Board meeting.

Town of Wilton Report:

Sandy Dennies reported the year-end financials are in but remain unaudited until 12/31/10. The town did not touch the \$1million Charter Authority emergency fund and ended the year with a positive variance from the budget. Strong tax collections at 99.6% compared to 98.7% budgeted helped the positive outcome along with a savings on expenditures from the BoS operating budget. The BoS operating budget was \$27.5 million yet actual spending was only \$26.0 million due to specific requests from the BoS to curb expenses as much as possible.

The BoE was approx. \$500,000 over budget. There is also a \$1.5 million in BoS capital projects which will carry over to next year with the related project. With the exception of interest income our revenue projections were conservative which turned out to be correct.

Ms. Vanderslice inquired if any of the savings could be considered permanent or whether it was creating pent-up demand. Ms. Dennies responded some items such as maintenance, facilities and technology can't be put off indefinitely and over the last two years the staff has been doing more with less but there comes a breaking point and peak efficiency will be impacted.

We received \$5,000 less in grant money from the State compared to last year and it's anticipated there will be further reductions in both Grant money and in Special Ed reimbursement. It's important to stay conservative with estimates in these areas. For 2012 there is already an expected decline of \$680,000 in grant money from the State. However, Wilton's budget does not rely heavily on State grant money.

Contract Status:

Sarah Taffel gave an update on the town's union contracts. There are 4 unions: Fire, Police, Teamsters and AFSCME. The Police union will begin negotiations in March as their contract expires 6/30/11. The other union contracts expire in June 2012. Ms Taffel indicated both sides understand the pressure on wages and benefits. Mr. Pforzheimer

inquired if other towns in Fairfield County had defined contribution plans and the response was only Greenwich.

Budget Discussion:

Ms. Vanderslice introduced a model for a 3 year budget plan. The first step would have the BoF develop basic economic assumptions for the plan. She questioned whether or not the BoS and BoE would be consulted on these assumptions at this time.

Then the BoF would address other components in the mill rate (Grand List growth, collection rate, debt service, etc.) before passing over to the other Boards. The BoF would continue to gather input and study other towns' mill rate components and long term planning. The BoF would then tweak the financial information and after receiving the input from the other boards decide the direction to go for a proposed mill rate.

There was discussion among the members on the sequence of gathering the components information vs. setting a mill rate number up front.

Mr. Serenbetz asked about the timing to get things in place to kick off a Tri-Board meeting. Alternatively give the 2012 projected budget at the Tri-Board meeting in October and request the other boards to submit a 3 year plan. The consensus was ideally distributing a BoF 3 year plan would be better if timing permits.

Discussion then followed on the 2012 mill rate appetite.

Mr. Pforzheimer started with a 2 ½ -3 ½ % range for the mill rate increase. He believes anything higher can't be sustained and lower will hurt services. He believes the wage freezes taken by many employees last year will make it necessary to begin at this point.

Mr. Alper stated he wants a 0% increase until there is a willingness shown by the Boards to do things differently to save money. He believes any mill rate increase demands complacency and no urgency to improve efficiencies.

Ms. Lavielle believes there has been talk about cutting expenses structurally, not just by wage freezes and trying to expand the tax base but nothing has happened and it's time to formally make this request.

Mr. Serenbetz said structural changes will have to happen because even a small increase will not cover the wage and benefit requirements. He suggested a 3% increase to the mill rate.

Mr. Meinhold would like to see a number tied to either inflation or cost of living increase so the same principle would apply year after year (ex. a rate of inflation plus 0-1%.)

Ms. Vanderslice believes nothing less than 4% will work for 2012 as she doesn't want to drive the decision to increase class sizes. She thinks 3% will be difficult.

The initial mill rate increase will be 3% as Mr. Pforzheimer and Mr. Meinhold agreed with Mr. Serenbetz which balanced Ms. Vanderslice at 4% and Mr. Alper and Ms. Lavielle who wanted lower.

Other Business:

Ms. Dennies stated Wilton recently received \$2,280 in a Grant award from the CT. Dept. of Public Health for a comprehensive program for the elderly to study medication interactions and the potential for falls. The program would be executed through the Visiting Nurse Association.

Mr. Alper made a motion to accept the Grant award. The motion was seconded by Lynne Vanderslice and unanimously approved.

The meeting was adjourned at 10:12pm.

Respectfully Submitted,

Amy Roberts
Recording Secretary