

Board of Finance  
Regular Meeting - December 21, 2010  
Minutes

**Attending:**

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

Others: Ken Post (BoE), TJ Buzzeo (The Daily Wilton.com), Joan Lownds (Wilton Bulletin), Peter Lucia (Finance Dept), Rich McArdle (Controller) and Wilton Citizens: Scott Matok, Amy Harris, Marcia Wilcox, Stacy Crameri and Joanna Lepore.

**Call to Order:**

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

**Approval of Minutes:**

A motion was made by Gail Lavielle to approve the November 16, 2010 regular meeting minutes. The motion was seconded by Lynne Vanderslice and approved unanimously.

A motion was made by Al Alper to approve the December 9, 2010 special meeting minutes of the public information session held at the Wilton Library. The motion was seconded by Jim Meinhold and approved unanimously.

A motion was made by Gail Lavielle to approve the December 15, 2010 special meeting minutes of the interview of auditors. The motion was seconded by Lynne Vanderslice and approved unanimously.

The minutes from the December 16, 2010 special meeting of the second public information session will be submitted for approval at the January 25, 2011 meeting.

**Audit Firm Selection:**

Mr. Serenbetz reviewed the results of the audit firm selection process. There were 3 firms who were interviewed on the 3- year contract for the audit job. There was a point system put in place for various factors including price, partners and staff assigned to the job, firm experience, etc. Discussion between the BoF members revealed the majority believes McGladrey, the current auditor is a top level firm but its much higher price and apparent lack of interest in working with the town on price didn't warrant it winning the bid. Sandy Dennies, CFO and Rich McArdle, Controller were in favor of McGladrey due to the firm's experience.

The other two firms, Markham and ODMD also had strong marks. Mr. Meinhold stated he believes the point system was created and used for a reason and it should be followed, which results in ODMD receiving the nod.

Mr. Meinhold made a motion to appoint the firm of ODMD as town auditors for the next three years. The motion was seconded by Al Alper and approved unanimously.

#### **BoE Update:**

Ken Post, CFO reviewed the BoE budget update for the four months ended October, 2010. There is a projected deficit of \$58,903 for this time period as expected savings from retirements only partially offset an overage in Special Ed outplacements. Health plan claims appear to be low as of now which is a favorable variance but not necessarily expected to continue. The current outplacement expense exceeds budget by \$158,903. The current State reimbursement funding is expected to be 64%, which would mean an \$860,000 grant to offset the current projected deficit.

#### **Town of Wilton Financial Update:**

Rich McArdle, Controller, presented the current financial standings on behalf of Sandy Dennies, CFO, who was unable to attend the meeting. On the revenue side tax collections are strong and license, fees and permits are on target to hit budgeted numbers. Conveyance taxes are also up. There is a \$249,000 reimbursement coming from the State for new manufacturing equipment, however this is a \$51,000 shortfall from what was budgeted.

On the expense side, the Charter Authority funds were used for the bus barn fuel tank replacement, Bald Hill Bridge and the Merwin Meadows clean-up.

Mr. McArdle believes the Grand List is due by January 31, 2011. Mr. Pforzheimer thanked Mr. McArdle for the updated numbers which are very helpful when so current.

### **Quality Data Services:**

Peter Lucia from the Finance Dept. presented information regarding the town's switch from the current tax financial system to Quality Data Services (QDS). This was for informational purposes as the BoS makes the decision to switch but the BoF needs to be made aware of the cost impact on the budget. Some of the advantages for making the switch include taxpayers can make payments online, partial payments and elderly tax credits could be handled (which the current system cannot manage) and information on the taxes collected could be uploaded directly to the finance department reporting system.

The new system would have minimal cost impact the first year but in each of the following years there would be a cost impact due to IT support required for the system.

QDS is currently used in 126 CT municipalities and highly recommended by the towns using the program.

The new system would take approx. 2 months to implement, ideally starting in February after the Grand List is finalized. Ms. Lavielle inquired about the impact on the current labor involved and how would it free up more time for the staff by using QDS. Mr. Lucia believes there would be more time dedicated to actually collecting the taxes, not dealing with the paperwork.

### **Purchasing Report:**

Ms. Vanderslice stated the report is completed but on hold to present until Ms. Dennies has a chance for final input. This report should be available in January.

## **2012 Budget and Process:**

The BoF members were in agreement the public information sessions were well received by those who attended and the goal of educating the public early in the process was achieved. Discussion of additional sessions ensued.

Mr. Pforzheimer said he believes the board is doing a good job with conveying “how the decision is made” but there needs to be improvement on the interaction with the town’s citizens on “what people think of the decision”. Discussion included a possible survey but the open invitation to the public to write letters might yield the same results.

Ms. Vanderslice inquired if the BoS and BoE budgets could be presented as a whole, at the same time and not at 2 different meetings as is currently the process. She believes it would be helpful for the public to attend one meeting in the beginning and see the combined budgets.

Discussion also involved educating people on the voting option of “no-too low”, which is believed to be widely misunderstood and confusing.

## **Committee Reports:**

Mr Serenbetz reported that Bill Brennan had asked the Investment Committee to make a recommendation on alternatives to investing cash other than the local bank savings account. The town’s CFO has the ability to invest cash in agency and mortgage backed securities supported by the government but needs approval of the budget making authorities.

Mr. Serenbetz made a motion to go with the Investment Committee’s recommendation of targeting 50-70% of the undesignated fund balance to be invested in government agency and mortgage backed securities with an average life of up to 4 years paying principle and interest monthly. The remaining funds would stay in place where they are. The Investment Committee believes this is the only alternative to cash with a decent return. Mr. Alper seconded the motion.

There was much discussion, including the fact Easton does this type of investing with its operating cash. However, most BoF members preferred to ease into the 50-70% level and / or wait until January due to a level of discomfort with the mortgage backed securities markets.

The initial motion was withdrawn. Ms. Lavielle made a new motion to allow investing of up to 50% of the undesignated fund balance in government agency mortgage backed securities. Mr. Alper seconded the motion, which passed 4 votes - 2 votes. Ms. Vanderslice and Mr. Alper indicated they would vote against the motion as neither was comfortable investing in mortgage backed securities, including short-term Fannie Mae and Freddie Mac securities.

### **Other Business:**

Mr. Meinhold indicated he has 80 documents including letters from Wilton citizens that will be entered into the public record as of tonight's meeting.

### **Public Participation:**

1.) Scott Matok of Linden Tree Rd. and a Wilton parent of 2 school-aged children quoted a recent article from USA Today indicating the US education is going backwards compared to other countries. His concern is a .8% increase in BoE operating expenses is an example of how this situation happens. He questioned what non-traditional avenues have been proposed to raise revenues vs. cutting costs to the schools.

Ms. Vanderslice and Mr. Serenbetz clarified the workings of the mil rate model and the .8% was never a set number only a resulting number from running various scenarios. They encouraged Mr. Matok to view the public presentation information which is on the town website for specific information. In fact, the most recent indication from the BoE is their budget increase number might be around a 5.95% increase.

The BoF members commented regarding other revenue sources that it was suggested to the BoE last year to consider generating fee income. Other long term revenue generation would come from P&Z making zoning changes, possibly along the Rt.7 corridor.

2.) Amy Harris of Wilton Crest asked for clarification on the "10 Myths" article from the local papers. She believes the BoE budget cut from \$1.8 to \$1.2 million was a specific cut to BoE items. Mr. Serenbetz clarified the BoF asked the BoE to raise revenues, possibly through participation fees, teacher union concessions, etc. not necessarily to make cuts.

Ms. Harris stated the letters written by parents in support of the BoE budget is a strong reflection of how people are feeling and there is no need for a formal survey. She questioned if someone writes more than one letter does each letter count separately. The answer given was one person equals one voice no matter how frequently someone sends in letters. Ms. Vanderslice clarified there is a difference between letters going to the BoF as a whole, which are considered public letters, compared to letters sent to an individual BoF member in confidence. Ms. Harris asked to please have that difference made clear on the website.

Ms. Harris inquired why the BoE budget couldn't be put to the town for a vote as requested and allow the people to vote on it as is. Ms. Vanderslice responded the BoF has a responsibility to do what's financially best for the town as a whole.

3.) Maria Wilcox of Brandon Circle asked for an interpretation of BoE rules on how private money could be given specifically to the schools, in particular money used for hiring more teachers. She believes cuts to this year's budgets will be teachers, not items. Mr. Pforzheimer commented if more money is given to the Town of Wilton more is available for the schools even if it can't specifically go to teachers.

Ms. Wilcox said it was important not to levy a school tax solely on parents with children in schools.

Ms. Vanderslice stated her view was if the extra money was raised it would prove people were indeed willing to pay higher taxes.

4.) Stacey Crameri of Belden Hill spoke as a concerned parent and homeowner. She believes the proposed 3% mil rate increase over the next 3 years has people upset and it's not high enough to maintain the quality level of schools. If schools aren't supported then her home value will drop so a sacrifice needs to be made now to keep the schools strong.

Ms. Vanderslice and Mr. Pforzheimer clarified an earlier conversation they had with Ms. Crameri regarding public schools vs. private schools. The issue is affordability in that the role of public education is the best possible education for what the town can afford.

5.) Joanna Lapore of Saddle Ridge Rd indicated it's critical to maintain the positive reputation of Wilton's schools. She believes 29 students in a WHS classroom is too high. Her hope is there can be a common ground between the BoF and the BoE budget increase. She also thinks clarifying the voting options would be very helpful, especially regarding the "no- too high" and "no-too low".

**Executive Session:**

At this point the regular meeting was concluded and the BoF members entered into Executive Session.

The meeting was adjourned at 9:45 pm.

Respectfully Submitted,  
Amy Roberts  
Recording Secretary