

Board of Finance
Regular Meeting – November 18, 2008
MINUTES

Attending:

Board of Finance Members: Al Alper, Jim Meinhold, Andy Pforzheimer, Warren Serenbetz, Lynne Vanderslice (7:34 p.m. arrival); Notified Absence: Robert Kelso

Others: Joseph Dolan, William Brennan, Sarah Taffel, John Savarese, Liz Doty, Brian Shea (Bulletin), Lauren Mylo (Villager)

Call to Order:

Warren Serenbetz called the meeting to order at 7:31 p.m.

Approval of Minutes:

- Regular Meeting of October 21, 2008

Al Alper motioned that the Minutes be approved as written; Jim Meinhold seconded, and the motion passed 4-0. (Vanderslice not present for voting)

Report on Governor Teleconference:

Although not on the agenda, Mr. Serenbetz invited First Selectman and ex officio BOF member, William Brennan, to report on Governor Rell's Nov. 17 conference call to all Connecticut chief elected officials. Mr. Brennan advised that the Governor had briefed the towns and cities on the latest status of the Connecticut budget and had indicated that the major issue facing the State was a steep drop off in revenues due to the current economic climate. He further explained that the State was projecting a \$300 million deficit in FY 2009 and \$2.6 billion FY 2010. She also reported that unemployment had reached 6.6 percent.

Mr. Brennan also updated the Board on recent BOS budgetary activities with respect to capital items. He reported that the Comstock Community Center project had been put on hold until there was a better economic environment. He added that the BOE and BOS had met the previous evening and agreed to proceed with the design and bid of the High School HVAC as currently envisioned (i.e. with the Little Theater and science classrooms). The two boards would meet again in January to analyze the various components of the bids to see if it made economic and operational sense to defer non-critical components of the project. Mr. Brennan also advised that following the Oct. 29 three board meeting, the BOS had asked all Town departments to prepare three hypothetic FY 2010 budget scenarios of no growth, +2% and -2% accompanied by analyses of the operational and service impacts of each scenario.

Q&A and discussion followed the First Selectman's briefing.

Discussion of FY 2010 Budget Issues:

Mr. Serenbetz opened the floor to comment on the following FY 2010 issues:

- What should general fund balance be;
- Should BOF change its policy on funding pension and OPEB contributions in light of current economic situation ;
- Fees-for-services programs;
- Recommendation of guideline numbers to BOE and BOS;
- Approach to budget process, i.e. a more organized and systematic approach to budget calendar and meeting presentations.

Extensive discussion ensued.

Mr. Meinhold suggested that once the budget calendar had been set, the BOF should ensure there is at least one representative at each of the meetings. He also stated he still hoped the Board could somehow streamline the process by being able to ask questions in early meetings, especially where appropriate personnel was present to answer those questions. Discussion followed on appropriate levels of involvement and participation in early budget presentations and whether it would usurp the respective boards' authority and be too disruptive to the process. Joe Dolan stated that the way the BOF had historically handled the process is for the Board to collect questions that come up during the process and save those for the two meetings scheduled with the BOE and BOS after the budget requests are formally submitted. Andy Pforzheimer stated that if the BOF was not permitted to participate in the early meetings, he formally proposed that the two meetings allocated for questions be scheduled as early in the process as the Charter allowed.

Messrs. Pforzheimer and Alper both asked about the status of the budget format change request which had been discussed at previous meetings. Mr. Dolan reminded them that he had suggested at the time that someone from the BOF contact the First Selectman and the Superintendent of Schools, or Chairman of the BOE, to convey that request. Discussion followed on desired format and data specifics. Mr. Meinhold volunteered to draft the request and email it to members for their feedback so that it could be formally transmitted to the BOS and BOE as soon as possible.

With respect to the fund balance, Mr. Serenbetz suggested polling neighboring towns to see if there was a correlation of ending fund balance and credit rating. Mr. Dolan cautioned that ending fund balance was just one factor affecting credit rating and stated he would have someone from his office call several towns for the following information: total fund balance, unreserved, undesignated balance, and as a percentage of revenues. Lynne Vanderslice stated she believed the Board needed to look at the fund balance issue from the standpoint of the current economic situation, aside from what a rating agency might say. Mr. Pforzheimer suggested tying some loosening of strictures on fund balance to cost cutting performance by the BOS and BOE with the idea of demonstrating a certain amount of discipline to the credit agencies. He also said he wished to go on record with stating that to let the fund balance go below 10 percent would "require some evidence of extraordinary need after the hard work is done."

With respect to the pension fund, Mr. Serenbetz stated that the current BOF policy of making excess contributions to the pension fund is something the Board needs to be cognizant of and cautioned that depending on where the actuarial recommendation comes in, it could be a significant number going forward.

With respect to fees for services programs, Mr. Alper reminded the group that he had brought up the idea at the tri-board meeting last month, i.e. asking the boards to take a look at how and to whom the Town delivers services with the idea that if only a small percentage of the population uses a service, that cost shouldn't be borne by the other majority of taxpayers; instead, those who use it should pay for that service in whole or part. He strongly recommended asking the BOE and BOS to come up with a list of services provided to less than 10 percent of the population and what the cost of those respective services were. Extensive discussion followed.

Mr. Dolan noted that some fees are regulated by state statute. Ms. Vanderslice suggested that a better approach to the idea may be starting a dialogue and introducing the concept to see if the respective boards were open to discussing the idea rather than asking for a list of costs. Mr. Serenbetz suggested asking the boards to provide the data as best they can in conjunction with the budget format request. Mr. Meinhold said that perhaps the issue could be tied into the process of generating and keeping a running list of questions to ask during the budget process and could be the first question asked of the boards.

With respect to recommending guideline numbers to the BOE and BOS, Ms. Vanderslice stated she would like to see the same exercise conducted by the BOE that the BOS is currently undertaking, i.e. no growth, 2 percent, and minus 2 percent, and asked whether there was some way to communicate that request to the BOE. Mr. Meinhold stated he would instead rather start with a mill rate and work backward, despite some variables, to recommend a specific target number. Mr. Serenbetz suggested asking the BOE in the normal budget process to present what it would take to get to operating budgets of minus 2, plus 2 and zero. Mr. Pforzheimer stated he would strongly prefer to communicate to the boards that the BOF expected to see the exercise executed by them, as well as identifying a target range to recommend to them. Mr. Alper stated he thought that asking to see zero, minus 2 and plus 2 already sent an implicit message to the boards. Lengthy debate continued on the topic, with no clear consensus forthcoming.

Other Business:

Update of FY '09 Financial Status:

Mr. Serenbetz asked Mr. Dolan to briefly update the Board on the status of the Town budget. Mr. Dolan reported that he had met that day with the Tax Collector, Assessor, and Town Clerk, and that there appeared to be no noticeable impact from the recent economic downturn, especially with respect to taxes. He cautioned that that could change in the next six months, and he also noted that there could be increased participation in the tax relief for the elderly and disabled program next year, as more people may qualify due to income level changes.

Parks and Rec Internal Audit:

Mr. Dolan advised that it had taken some time for Parks and Rec. to assemble some of the documentation requested by the auditors, but that the material was now in hand and that he expected to have a very preliminary draft of some of the audit findings to share with the Board at the December meeting.

Public Letters:

Mr. Meinhold advised that with respect to soliciting public feedback on the financial projections published in the local newspapers recently, the BOF had received an additional letter since the last meeting from Mr. Andrew Foote of Belden Hill Road and that he was formally submitting it for inclusion with those letters accepted at the October 23rd meeting. (Copy of referenced letter appended hereto. See attached).

Public Comment:

No public comment.

Adjournment:

There being no further business, Mr. Serenbetz asked for a motion to adjourn. Mr. Alper so motioned; Mr. Pforzheimer seconded, and the motion passed unanimously at 9:44 p.m.

Respectfully submitted,

Anna Corra
Recording Secretary

Jim Meinhold

From: Andrew Foote [footeak@yahoo.com]
Sent: Wednesday, October 22, 2008 6:34 AM
To: boardoffinance@wiltonct.org
Subject: Fw: Citizen feedback

Dear Members,

I read with interest a recent article in the *Wilton Villager*, "Boards to talk about tax hike". I am pleased that board of finance is soliciting taxpayer input and that a ready way to communicate with you (this e-mail address) was proffered.

Here is my comment, and it is unequivocal. Spending has to come down so that taxes can come down. Contemplating a tax rise of 6% or more when times are easy would be profligate. To do it now is utterly irresponsible.

I write this not as a retired old curmudgeon, uninterested in educating the next generation. I am the father of a three year-old who, reasonably soon, will attend Wilton's public schools. But school spending has got out of hand. Wilton's schools can do with less spending. The town can do with less spending.

Please be especially creative. Think about "cuts", not a "reduced rate of spending growth".

Andrew Foote
358 Belden Hill Road
761-8689

11/18/2008